



ANNUAL REPORT 2011



Ngātiwai Trust Board

Ngātiwai Fishing Limited

Ngātiwai Holdings Limited

Ngātiwai Tourism
Holdings Limited

Oceans Resort
Tutukākā Limited

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the

Ngātiwai Trust Board

will be held in the Te Puna o Te Matauranga, Northtec,
Raumanga Valley Road, Whāngārei on Saturday 3 September 2011
commencing at 9.30am

AGENDA

Karakia and Mihi

1. Apologies
2. Confirmation of Minutes and Matters Arising
3. Annual Report for Year ended 31 March 2011
4. Chairman's Report
5. Adoption of revised Trust Deed
6. Strategic Plan Review
7. Confirmation of new Trustees
8. Report on Treaty Claims Process
9. General Business

Closing Karakia

Morning Tea will be available at the commencement of the meeting.
A light lunch will be served at 12.30pm.

Chairman's Report

E noho ana koutou i runga i te manaakitanga a te runga rawa.

Ngā tini aituā kua hinga ki tēnā marae, ki tēnā marae, haere, haere, haere, moe mai rā.

Tātou ngā waihotanga o rātou ma, tēnā koutou, tēnā koutou, tēnā tātou katoa.



Introduction

The following report provides some background to the activities of the Trust Board for the year under review, and comments briefly on the consolidated financial results of the group for the 2011 financial year.

Financial

The consolidated net loss for the year ended 31 March 2011 was \$114,383 which compares to a loss in the previous year of \$546,066, an improvement of \$431,683. The main reasons for the difference were the reduction in write off of the Oceans Seafood carrying value of \$170,000, the reduction in the Trust Board loss of \$50,000 together with improvements in the performances of the other entities of approximately \$200,000. Overall the Trustees were happy with the result and look forward to a further improvement in the 2012 year when the overall Group result is expected to come into profit.

Reviewing the results of the commercial entities firstly...

It is with considerable pleasure that I report on the activities of the commercial enterprises of Ngātiwai Fishing Limited and Ngātiwai Holdings Limited for the year ending 31 March 2011.

Despite recessionary times, the year has shown very promising results, albeit in a volatile environment, with such environment likely to continue for some time in the future.

Ngātiwai Fishing Limited

The principal basis on which Ngātiwai Fishing Limited has conducted its business is to lease the Annual Catch Entitlement ("ACE") that it secures from Te Ohu Kai Moana on an annual basis or that is attributable to the quota shares that it owns. Ngātiwai Fishing Limited has a relationship with Aotearoa Fisheries Limited who is the principal recipient of its ACE. The relationship with Aotearoa Fisheries Limited continues on the basis that it pays a very competitive rate for the ACE. In addition to Aotearoa Fisheries Limited, a portion of the Ngātiwai Fishing Limited ACE is sold to Oceanz Seafood Markets Limited, a company in which Ngātiwai Fishing Limited holds a 25% share.

The overall fisheries return for the year ending 31 March 2011 was \$978,969 which is a particularly satisfying result having regard to the vagaries of the fishing industry in recessionary times, particularly in the context of the volatility of the exchange rates as they affect the industry.

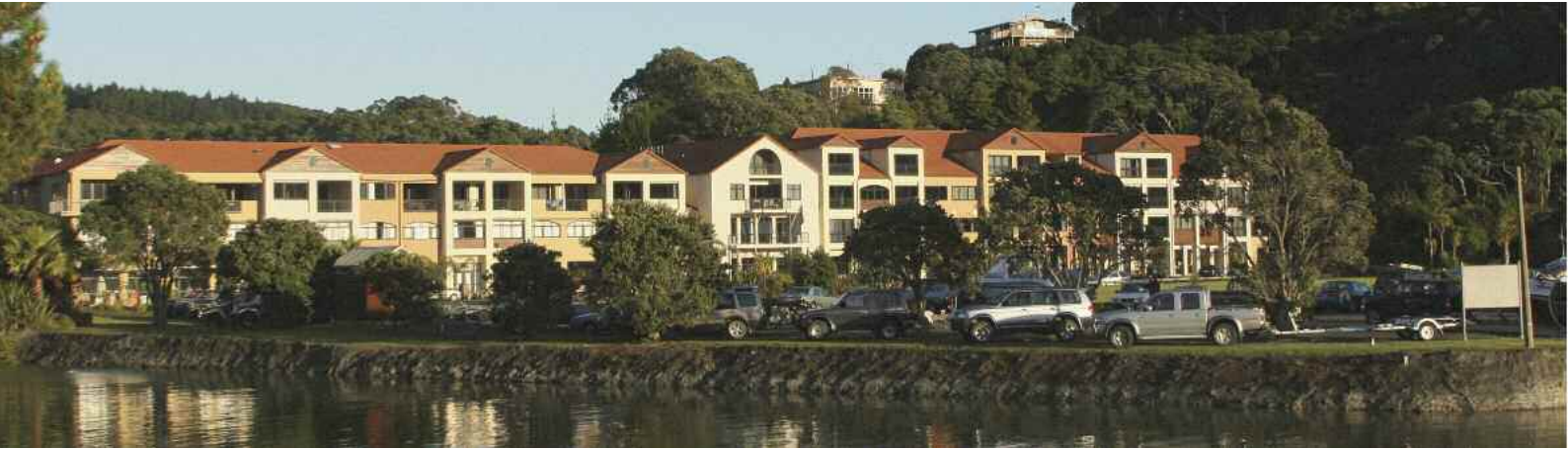
Interim Strategy

In the interim Ngātiwai Fishing Limited will continue with the current method of trading. Once settlement is achieved with respect to inshore assets currently held by Te Ohu Kai Moana it is intended that the Ngātiwai Fishing Limited will be restructured to reflect the value and nature of the assets available. Any restructure will be in the interests of obtaining a financial return and noting that while to date Ngātiwai Holdings Limited ACE is managed by Ngātiwai Fishing Limited that relationship will change.

Ngātiwai Holdings Limited

To date Ngātiwai Fishing Limited has managed Ngātiwai Holdings ACE but that is likely to change once Ngātiwai inshore fisheries settlement assets are received.

Chairman's Report continued



Sarah and Steve Shields with their Highly Commended Customer Choice Award at the 2010 Westpac Business Excellence Awards.

Oceans Resort Hotel

The hotel was purchased from the Receivers during the 2009 financial year and reopened for business on 18 December 2009 with new managers, Steve and Sarah Shields.

One initial focus was to mend the bridges to the local community, and to get them back on side with "Oceans". From various forms of guest feed back it is pleasing to know that this is being achieved with the hotel providing a great experience, with friendly staff and at a reasonable price. This business and the building are becoming an important part of the wider community.

Financially it has been a tough first year, but the anticipation is for a dramatically different outcome for the year ahead. The "Feast & Famine" revenue cycle (Tutukākā summer verse winter) is challenging but this will be countered as the hotel establishes itself as a premier, yet affordable alternative for conference groups out of Auckland through the winter months.

Among many positives is the financial benefits of the new Event Room layout completed mid 2010. This one room has become the driving factor in the success of the business, as highlighted by trading figures over the summer. Most of the Weddings and Events held have had added flow on such as stayovers - seeing full occupancy in the hotel rooms. On-going success will be in the Conference, Event and Wedding Markets. Many of the functions held during the year have rebooked which is a good measure of success.

Now for a review of the activities of the various departments of the Board...

Housing Unit

The Housing Portfolio core business was to provide an avenue for Ngātiwai people living in rural environments within the Ngātiwai rohe to access Housing New Zealand Rural Housing Repairs Programme.

The programme assisted whānau living in sub-standard dwellings to have essential repairs and health and safety issues in their homes addressed by way of a suspensory loan provided by Housing New Zealand.

With a change in government policy the programme ended on the 30 June 2010 with a close off contract date 31 December 2010.

Ngātiwai Trust Board successfully completed its final contract with Housing New Zealand on 31 December 2010 and had 13 essential repairs business cases completed on households throughout the Ngātiwai rohe.

The Board also continued its Trades Training Scheme in partnership with Tikipunga High School during the year and completed the project in late 2010. The project saw the construction of two houses by students on the

school grounds, one of which has subsequently been sold and the other which is yet to be completed. Discussions continue with the school to agree on a continuation of this project which was seen as a worthwhile venture in providing trades skills to Ngātiwai youth.

Election Process / Registration database

The Trustee Election Process was completed on 25 February 2011 with the voting process carried out for eight Marae. Administratively this proved quite a challenge, however it has highlighted some required improvements which have now been implemented. An election is currently being carried out for the Mōkau Marae as a result of the death of Eta Haika recently.

The new registration database is currently being established to ensure that the Board has a robust and appropriate system to hold all the required beneficiary information and whakapapa. On line registration is now available and is proving popular with beneficiaries. Trustees are also considering different methods of encouraging beneficiaries to register, and this will be the subject of discussion at the forthcoming AGM.

Scholarships

The Education Scholarships for the 2011 year were completed in April, a total of 20 scholarships being awarded to students registered with Ngātiwai Trust Board. The scholarship fund has recently been increased from \$6,000 to \$10,000 per annum and applications will be called for in November each year.

Communications Unit

Ngātiwai Net

Ngātiwai Net supplies wireless internet access to people living within the Rohe of Ngātiwai; The network now has the ability and potential to grow its customer base because of the completion of the Huruiki link, as well as the connecting link between Parakiore and Call Plus. This link has stabilised the Matapōuri and Whananāki areas, as it has meant that are no longer reliant on the ADSL (Asymmetrical Data Subscriber Line) from telecom at Matapōuri.

It has also strengthened the link with Callplus, which enables the network in the Whāngārei, One Tree Point and Takahīwai areas to grow.

Background to the Learning Centres

2010-2011 has seen a shift in courses being offered at Marae Learning Centre's, which has been due to people's needs changing and becoming more focused on their individual goals.

Initially when the Learning Centres first opened, the majority of courses on offer did not have recognised qualifications, and were termed 'Home grown Courses', in saying that those courses were developed in accordance with the needs of those communities at that point in time.

Over the past year, most courses that have run from the Learning Centres have had NZQA qualifications which in itself has been a huge stepping stone not only for the learning centres but also the people who attend.

Ngaiotonga Marae Learning Centre

Ngaiotonga Learning Centre have had a range of courses and programmes running over the past year such as Business Courses, Horticulture, Online Level Two computing, Social networking, First Aid, Basic computing skills and Arboriculture.

The culmination of these courses and the highlight for the Ngaiotonga Learning Centre was the learning centre hosting its first 'Certificate Ceremony' at the marae, with three tertiary providers in attendance, Te Wananga O Aotearoa, Northtec and Telford Polytechnic all presenting certificates to students. Twenty-two students received certificates that day.



Chairman's Report continued



Motairehe Marae Learning Centre

The Motairehe Marae learning centre on Aotea, is significantly different to the learning centres on the mainland not only because of its demographics, whānau moving to and from the mainland, but also challenges such as having power; being reliant on a generator, solar panels and batteries, with the ripple on effect of the cost to run and maintain those power sources.

In saying over the past year there have been a number of programmes and projects that have focused on the tamariki, such as literacy and numeracy programmes, extension of school projects, environmental projects, health and wellbeing projects all of which have been supported by Okiwi School. On that level the facilitator has developed a solid relationship with the school.

A number of programmes have been developed for kuia and kaumātua, which have included basic computing, social networking, one on one tutoring, to projects aimed at maintaining their health and wellbeing.

Whananāki Marae Learning Centre

Whananāki Learning Centre has run a number of courses, from basic computing, social networking, to courses provided by other organisations such as; Cooking on a shoestring budget, preserving, developing and growing herb and vegetable gardens all run by Te Pa O Te Ora, from Hikurangi. Other programmes included learning about chainsaws, welding and the arboriculture, course run by Telford Polytech.

The Learning Centre was also the pilot to launching "He Poutama Oranga" a SPARC led initiative provided by Sports Northland. This programme is aimed at supporting Māori well-being through sport and recreation.

The establishment of the relationship between the Whananāki School and the Whananāki Marae Learning Centre, saw the school opt into the "Schools in Homes" Ministry of Education initiative, a project that supported tamariki and parents through technology. The learning centre provided the tools for parents to learn through the facilitation of basic computing training and the laptops to train on.

In September 2010, a graduation ceremony for the parents and grandparents who participated in the programme was held at the Whananāki School. All participants received Certificates and the entire Whananāki and surrounding communities turned out in support.

Outcomes

To date there have been a number of participants of the Learning Centres who have gained employment, gone on to further training in various fields such as forestry, farming and environmental areas as well as a number who have chosen to pursue higher educational qualifications.

For a of the number of kuia and kaumatua who have participated at the learning centres or who received one on one training, the results and benefits have been in their levels of competency, whereby they are now confident in furthering their own social networking skills. Some have even gone on to purchase their own computers.



Resource Management Unit

Another active year for the Unit under the direction of manager, Clive Stone. Emphasis has been placed on building relationships with the various entities who work with the Board. Some highlights from the year are set out below.

Landcare Research Biological Systems

The Ngātiwai Trust Board continues to build on its long-standing relationship with Manaaki Whenua (Landcare Research) through its collaboration and support for research. The resulting alignment of knowledge will be instrumental in the decision-making about plans and strategies for coastal forest ecosystem restoration at key sites around the Ngātiwai rohe.

Landcare Research will collate the input they receive from the RMU into a non-attributed set of key findings which will be used strictly for the purposes of:

1. Testing and adjusting the current alignment of research to more directly reflect priorities of importance to Māori; and
2. Designing a process for more formal and ongoing input by Ngātiwai, to biodiversity research planning.

Northland Emergency Response to Oil Spill

During the year Whiria Fletcher attended a simulated oil spill exercise with the Northland Regional Council. The exercise consists of Ngātiwai trust members, and hapū, Northland Regional Council representatives, MoF and other regional councils. The aim of the exercise was to safely and efficiently respond to an oil spill event, to minimise the impact and to prevent the oil spill from reaching any beaches or estuaries in the area.

Maitaha and Te Araara Kiore Reserve Sign-off

May 2010 saw the signing of an Agreement between the Department of Conservation and Ngātiwai Trust Board, to manage and control Maitaha and Araara Island and the signing of the second generation whale protocol.

Department of Conservation

Discussions took place during the year with the Department of Conservation regarding how their new economic arm is going to work and their objectives in the following areas:

- Tourism;
- Mining;
- Concession and permits;
- Joint ventures - ID mutual outcomes projects;
- Treaty partner relationship;
- Environmental restoration: Motu Kauri, Mimiwhangata, Taranga, Whāngārei Heads.

A close working relationship continues to exist between the two organisations.

Whāngārei Waste Water Strategy Plan

During the year a site visit was made to the Waste Water Plant in Kioreroa Road to better understand the process of cleansing the effluent, and the systems in place to deal with emergency overflows.

Helena Bay Holdings Limited (HBHL)

A close relationship has been developed with the project manager for the Helena Bay building development, Chris Seel. The developers have agreed to a "first right of refusal" for local people to work on the project and to date this has resulted in the creation of 12 full time and one part time placements.



Chairman's Report continued



DoC Campground Monitoring

Earthworks monitoring was undertaken by Ngātiwai staff at Otamure, Whananāki, Te Puriri, Whangaruru and Waikahou, Mimiwhangata. Such monitoring is vital to ensuring that the environment is protected.

Tangaroa Ki Uta, Tangaroa Ki Tai: Water, Our Future

In October 2010 RMU staff attended a symposium held to allow Ngā Pae o te Māramatanga to share its research on kaitiakitanga; the management, sustainability and need for water as a resource; and importantly to workshop with communities regarding the tools (e.g. Mauri model, Cultural Health indicators) regarding water management, use and environmental sustainability topics which were discussed included:

Water as a human right:

- Sustainability;
- Ownership;
- Management and governance;
- Tikanga Māori and water;
- Economic development and business;
- Science and knowledge;
- Resource and environment; and
- Communities: past, present and future.

Earthworks damage to Pa site at Urquhart's Bay

In January 2011 staff met with representatives of the Historical Places Trust (HPT) regarding damage to a Pa site at Urquhart's Bay. As a result the Crown Solicitor has advised that he will be taking action against the developer.

Strategic Plan

A copy of the Board's five year Strategic Plan setting out the Strategic Goals and timeframes is available for download from the web site www.ngatiwai.iwi.nz. The Plan is currently being reviewed and an update will be provided at the AGM.

Obituary

One of my fellow Trustees, Eta Haika passed away during the year. On your behalf I extend condolences to his family and record my appreciation of his efforts during his time as a trustee.

Appreciation

To my Deputy Haydn Edmonds and my fellow Trustees, thanks for your continued support and counsel during the year. To Acting Chief Executive, Jim Smillie and the Ngātiwai staff throughout the Group, thanks for your continued efforts and dedication.

Mā te Atua koutou, hei manaaki, hei tiaki, i ngā wā katoa.

A handwritten signature in blue ink, appearing to read 'Laly Haddon'.

Laly Haddon QSM
Chairman



Consolidated Financial Statements For the Year ended 31 March 2011

Audit Report	8
Trust Directory	9
Trust Deed Synopsis	9
Statement of Financial Performance - Group	10
Statement of Financial Performance - Parent	10
Statement of Movements in Equity - Group	11
Statement of Movements in Equity - Parent	11
Statement of Financial Position - Group	12
Statement of Financial Position - Parent	13
Notes to the Financial Statements	14

Audit Report

PETHERICK KENNEDY ALLBON TANE

CHARTERED ACCOUNTANTS

AUDITORS

INDEPENDENT AUDITOR'S REPORT

To the Readers of the Financial Statements of NGĀTIWAI TRUST BOARD AND GROUP

Report on the Financial Statements

We have audited the financial statements of Ngātiwai Trust Board and Group on pages 10 to 21, which comprise the consolidated and separate statements of financial position of Ngātiwai Trust Board as at 31 March 2011, the consolidated and separate statements of financial performance and statements of movements in equity for the year then ended, and a statement of accounting policies and notes to the financial statements.

Board of Trustee's Responsibility for the Financial Statements

The trustees are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 entity's preparation of financial statements that give a true and fair view of the matters to which they relate 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 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, Ngātiwai Trust Board or any of its subsidiaries.

Opinion

In our opinion, the financial statements on pages 10 to 21:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of Ngātiwai Trust Board and group as at 31 March 2011 and the financial performance for the year then ended.

Report on other Legal and Regulatory Requirements

We have obtained all the information and explanations that we have required.


4 August 2011
Whangarei

49 JOHN STREET
PO BOX 448
WHANGAREI 0140
NEW ZEALAND

TEL: +64 09 430 0471
FAX: +64 09 430 0671
EMAIL: office@pkat.co.nz
WEB: www.pkat.co.nz

PRINCIPALS ■ SCOTT KENNEDY ■ ADELLE ALLBON ■ NOELINE TANE

Trust Directory

As at 31 March 2011

Nature of Business:	Community Development, Lease of Quota Owned; Sale and Purchase of Quota Lease; General Monitoring of Fishing Issues; Hotel Rental and Hospitality.
Business Location:	171 Lower Dent Street, Whāngārei.
IRD Number:	42-033-006
Bankers:	ASB Bank Whāngārei Westpac Whāngārei
Accountants:	Spire Chartered Accountants Limited <i>Bryce G Moffat</i>
Solicitors:	Wayne W Peters & Associates <i>Wayne Peters</i>
Auditors:	Petherick Kennedy Allbon Tane <i>Adelle Allbon</i>

Synopsis

As at 31 March 2011

Date of Trust Deed:	22 November 1966
Marae	Trustee (alternative)
Kawa	George Ngāwaka
Pākiri	Laly Haddon QSM Chairperson
Otetao	Gary Reti (Elvis Reti)
Pātaua	Himiona Munroe (George Māhanga)
Punaruku	Haydn Edmonds
Takahīwai	Ngāwaka Pirihi JP (Dave Milner)
Tūparehuia	Rihi Pita (Dick Pene)
Whananāki	Alan Moore (Isha Waetford)
Mōkau	Vacant
Matapōuri	Kris McDonald (Marion Kerepeti-Edwards)
Motairehe	Marilyn Stephens
Ngaiotonga	Merepeka Henley (Jury Greenland)
Ngunguru	Erica Wellington (Mike Rundlett)
Oākura	Henry Murphy
Beneficiaries:	Persons of the Ngātiwai Iwi; Charitable Purposes benefitting persons of Māori descent.
Investment:	The trustees shall have the absolute management and entire control of the Trust Fund.

Statement of Financial Performance - Group

For the Year ended 31 March 2011

	Note	2011 \$	2010 \$
Operating Revenue	15	2,935,249	2,293,623
Operating Expenses	14	3,049,632	2,670,568
Operating Loss		(114,383)	(376,945)
Less Share of Loss of Equity Method Investees	10	–	(169,121)
Net Loss for the Year		(114,383)	(546,066)

Statement of Financial Performance - Parent

For the Year ended 31 March 2011

	Note	2011 \$	2010 \$
Operating Revenue	15	1,074,580	1,391,238
Operating Expenses	14	1,219,470	1,588,150
Operating Loss		(144,890)	(196,912)
Net Loss for the Year		(144,890)	(196,912)

The notes to the Financial Statements on pages 14 to 21 are to be read in conjunction with these Financial Statements.

Statement of Movements in Equity - Group

For the Year ended 31 March 2011

	2011 \$	2010 \$
Equity at Start of Year	10,000,822	10,607,768
Profits and Revaluations		
Net Loss for the Year	(114,383)	(546,066)
Distributions	(60,190)	(60,880)
Total Recognised Revenues and Expenses	<u>(174,573)</u>	<u>(606,946)</u>
Other Movements		
Revaluation Reserve	<u>118,231</u>	<u>-</u>
Equity at End of Year	<u>9,944,480</u>	<u>10,000,822</u>

Statement of Movements in Equity - Parent

For the Year ended 31 March 2011

	2011 \$	2010 \$
Equity at Start of Year	759,397	1,017,189
Profits and Revaluations		
Net Loss for the Year	(144,890)	(196,912)
Distributions	(60,190)	(60,880)
Total Recognised Revenues and Expenses	<u>(205,080)</u>	<u>(257,792)</u>
Other Movements		
Revaluation Reserve	<u>118,231</u>	<u>-</u>
	<u>118,231</u>	<u>-</u>
Equity at End of Year	<u>672,550</u>	<u>759,397</u>

The notes to the Financial Statements on pages 14 to 21 are to be read in conjunction with these Financial Statements.

Statement of Financial Position - Group

As at 31 March 2011

	Note	2011 \$	2010 \$
Equity			
Issued Share Capital	11	–	–
Accumulated Funds	2	7,161,687	7,336,259
Revaluation Reserve	8	237,689	119,458
Capital Reserve	8	2,545,103	2,545,103
Total Equity		9,944,480	10,000,822
<i>Equity is represented by:</i>			
Current Assets			
Bank	4	515,136	612,132
Solicitors Trust Accounts		151,185	2,044
Petty Cash and Floats		5,603	–
Vouchers		–	25
Work in Progress		–	17,075
Stock on Hand		17,591	15,087
Accounts Receivables and Prepayments		191,990	173,111
GST Receivable		20,682	–
Income Tax		795	577
Total Current Assets		902,982	820,051
Non-Current Assets			
Fixed Assets	3	3,571,873	3,679,968
Quota	12	4,724,970	4,724,970
Investments	9	1,536,864	1,536,864
Emission Trading Scheme – NZU		6,820	–
Total Non-Current Assets		9,840,527	9,941,802
Total Assets		10,743,509	10,761,853
Current Liabilities			
Accounts Payable and Accruals		284,008	222,927
Accounts Payable – Marae and Scholarships		14,250	–
Funding Received in Advance	17	313,717	303,025
Guest Deposits		53,563	1,563
Credit Facility – Westpac	5	133,490	231,861
GST Payable		–	1,657
Total Current Liabilities		799,028	761,033
Total Liabilities		799,028	761,033
Net Assets		9,944,480	10,000,822

For and on behalf of the Board of Trustees, who authorised for issue this Financial Report on 3 August 2011.

Trustee



Trustee



The notes to the Financial Statements on pages 14 to 21 are to be read in conjunction with these Financial Statements.

Statement of Financial Position - Parent

As at 31 March 2011

	Note	2011 \$	2010 \$
Equity			
Accumulated Funds	2	434,861	639,941
Revaluation Reserve	8	237,689	119,458
Total Equity		672,550	759,399
<i>Equity is represented by:</i>			
Current Assets			
Bank	4	437,322	379,679
Petty Cash		24	32
Vouchers		–	25
Work in Progress		–	17,075
Accounts Receivables and Prepayments		23,609	56,500
GST Receivable		44,543	17,926
Income Tax		209	–
Total Current Assets		505,705	471,237
Non-Current Assets			
Fixed Assets	3	624,996	690,180
Investments	9	1,199	1,199
Total Non-Current Assets		626,195	691,379
Total Assets		1,131,900	1,162,616
Current Liabilities			
ASB Bank – Credit Card		98	–
Solicitors Trust Accounts		786	–
Accounts Payable and Accruals		130,428	100,121
Accounts Payable – Marae and Scholarships		14,250	–
Ngātiwai Housing Limited		71	71
Funding Received in Advance	17	313,717	303,025
Total Current Liabilities		459,350	403,217
Total Liabilities		459,350	403,217
Net Assets		672,550	759,399

For and on behalf of the Board of Trustees, who authorised for issue this Financial Report on 3 August 2011.

Trustee 

Trustee 

The notes to the Financial Statements on pages 14 to 21 are to be read in conjunction with these Financial Statements.

Notes to the Financial Statements

For the Year ended 31 March 2011

1. Statement of Accounting Policies

Reporting Entity

The general purpose financial statements presented here are those of the Ngātiwai Trust Board (Parent and Group) (formerly the Whangaruru Ngātiwai Trust Board) which was incorporated on the 22 November 1966, and is registered under the Charitable Trusts Act 1957. These Consolidated Financial Statements include Ngātiwai Trust Board, and its subsidiaries, Ngātiwai Fishing Limited, Ngātiwai Holdings Limited, Ngātiwai Tourism Holdings Limited, Oceans Resort Tutukākā Limited, Ngātiwai Training Limited and Ngātiwai Housing Limited.

Measurement Base

The financial statements have been prepared on the historical cost basis as modified by the revaluation of certain assets as identified in specific accounting policies below.

Specific Accounting Policies

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

Accounts Receivable

Accounts Receivable are stated at their estimated realisable value. Debts considered uncollectable are written off. There is no other provision for doubtful debts.

Accounts Payable

Accounts Payable are stated at the estimated amounts payable and include all obligations that can be reliably estimated. Current liabilities include the amounts payable within twelve months of these financial statements.

Fixed Assets

Fixed Assets excluding the parent buildings are stated at cost less accumulated depreciation. Buildings for the parent are stated at market value less accumulated depreciation. Depreciation has been calculated using rates which approximate the estimated useful life of the fixed assets as follows:

Buildings	2.0% Cost Price and 2.5% Diminishing Value
Building Improvements	2.5% - 10.0% Diminishing Value
Plant and Equipment	12% - 60% Diminishing Value
Office Equipment	40% - 60% Diminishing Value

Buildings are revalued by independent registered valuers on a systematic basis, with sufficient regularity to ensure that the building is included at a valuation which is not materially different from its existing use value.

Taxation Expense

The Ngātiwai Trust Board, Ngātiwai Holdings Limited, Ngātiwai Tourism Holdings Limited and Ngātiwai Fishing Limited are registered Charities under the Charities Act 2005 and are exempt from Income Tax under Section CW41 and 42 of the Income Tax Act 2007.

Ngātiwai Training Limited, Ngātiwai Housing Limited and Oceans Resort Tutukākā Limited follows the taxes payable method for accounting for Income Tax.

Investments are stated at cost. Where in the opinion of the Directors, there has been a permanent diminution in the value of the investments, this has been recognised in the current period.

Quota owned is recorded at the lower of historical cost and net realisable value.

Emission Rights

Ngātiwai Fishing Limited and Ngātiwai Holdings Limited were granted tradable emission rights from the New Zealand Government. In the absence of any cost price, they have been valued based upon the New Zealand Unit Spot rate as at balance date. This rate will be assessed annually with any increase or decrease in value recognised as a non cash adjustment in the statement of financial performance.

Goods and Services Tax

The Financial Statements have been prepared on an exclusive basis with the exception that Accounts Receivable and Accounts Payable are stated GST inclusive.

Basis of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements using the purchase method from the date that control commences until the date that control ceases.

Ngātiwai Training Limited has a different balance date from the rest of the group. The Ngātiwai Training Limited financial statements for the periods ended 31 December 2010 and 2009 have been consolidated in the group accounts for the periods ending 31 March 2011 and 2010 respectively.

Notes to the Financial Statements

For the Year ended 31 March 2011

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.

Investments in Associates

Investments in Associates are accounted for using the equity method of accounting.

Grants

Grant Income is separately disclosed in the financial statements. It is recognised as revenue when any conditions attached to the grants have been met.

Dividends

Dividends are recognised as revenue in the financial statements when they are received.

Distributions

Payments made by way of distributions to Marae, Kuia Kaumatua, sports and culture grants and scholarships are recorded within the statement of movements of equity on the basis that they are classified as distributions to owners.

Differential Reporting

The Group qualifies for differential reporting as it is not publicly accountable and is not large. The entity has therefore taken advantage of all applicable differential reporting exemptions, except that the financial statements have been prepared exclusive of Goods and Services Tax.

Changes in Accounting Policies

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

2. Revenue Reserves

The following movements in Revenue Reserves have occurred:

	Group 2011 \$	Parent 2011 \$	Group 2010 \$	Parent 2010 \$
Retained Earnings				
Opening Balance	7,336,259	639,939	7,943,205	897,731
Net Profit for the Year	(114,383)	(144,890)	(546,066)	(196,912)
Distribution	(60,190)	(60,190)	(60,880)	(60,880)
Transfer to Capital Reserve	–	–	–	–
Closing Balance	7,161,686	434,859	7,336,259	639,939

3. Fixed Assets

	Group 2011 \$	Parent 2011 \$	Group 2010 \$	Parent 2010 \$
Land at Cost				
At Cost	663,091	–	663,091	–
	<u>663,091</u>	<u>–</u>	<u>663,091</u>	<u>–</u>
Buildings				
At Cost	2,359,325	–	2,342,569	–
At Valuation	500,000	500,000	381,769	381,769
Less Accumulated Depreciation	198,894	103,695	143,168	96,314
	<u>2,660,431</u>	<u>396,305</u>	<u>2,581,170</u>	<u>285,455</u>
Depreciation for the Year	55,727	7,382	54,173	7,319

continued overleaf

Notes to the Financial Statements

For the Year ended 31 March 2011

3. Fixed Assets continued

	Group 2011 \$	Parent 2011 \$	Group 2010 \$	Parent 2010 \$
Plant and Equipment				
At Cost	1,142,388	1,112,360	1,181,864	1,153,015
Less Accumulated Depreciation	900,132	883,669	752,563	748,293
	242,256	228,691	429,301	404,722
Depreciation for the Year	206,940	194,747	368,396	364,126
Office Equipment				
At Cost	13,308	–	8,008	–
Less Accumulated Depreciation	7,213	–	1,602	–
	6,095	–	6,406	–
Depreciation for the Year	5,611	–	1,602	–
Total Fixed Assets	3,571,873	624,996	3,679,968	690,180
Total Depreciation for the Year	268,278	202,129	424,171	371,445

The buildings of the parent were revalued to net current value as at 31 March 2011. The values were determined by independent registered valuers, Telfer Young. As the parent owned building is the only building within this class stated at valuation, this value is expected to be adopted as deemed cost as at 1 April 2011.

4. Bank

The bank balance in the statement of financial position is made up of current, savings and short term deposits. The Group banks with both the ASB and Westpac.

As at balance date the group had overdrawn balances of \$6,907 (2010; 22741) and the parent Nil (2010; 15,834). The Ngātiwai Trust Board account has an overdraft limit of \$50,000 (2010: \$50,000) with security of a registered first mortgage over commercial property held in Whāngārei and an unlimited guarantee from Ngātiwai Fishing Limited.

Term deposits are held with the ASB and total \$241,886 (2010; 158293) – Parent and Group. Term deposits are classified as current assets on the basis that they all have a maturity date that falls within the next twelve months.

5. Loans and Credit Facility

	Group 2011 \$	Parent 2011 \$	Group 2010 \$	Parent 2010 \$
Credit Facility				
Westpac	133,490	–	231,861	–

The credit facility is secured by a first fixed charge over all the interest, rights and title in quota owned by Ngātiwai Fishing Limited. Ngātiwai Fishing Limited has also provided an unsupported, unlimited guarantee. The interest rate applicable as at 31 March 2011 was 9.40% per annum (2010: 9.65%). The facility was established 13 February 2009 with Westpac New Zealand Limited and was initially drawn down 27 July 2009. It is a revolving credit facility with a limit of \$1,000,000 and is repayable on demand.

Ngātiwai Fishing Limited had breached one of the facility undertakings with regard to a cap on distributions of \$450,000 per annum. Dividends of \$645,498 have been paid to the Ngātiwai Trust Board for the year ended 31 March 2011 (2010: \$813,383). Westpac is aware of this breach and has agreed to re-document and increase the amount of the annual cap on distributions. For this reason the directors do not consider the breach to be either material or significant. Refer also to Note 13.

Group – Oceans Resort Tutukākā Limited has entered into security arrangements with various suppliers. The security is over goods as described within the terms of trade of the secured party.

6. Capital Commitments

There are no capital commitments at balance date (2010: \$Nil).

7. Contingent Liabilities

There are no contingent liabilities at balance date (2010: \$Nil).

Notes to the Financial Statements

For the Year ended 31 March 2011

8. Reserves

The following movements in Reserves have occurred:

Capital Reserves

Opening Balance

Movements during the Year

Closing Balance

All Capital Reserves relate to Ngātiwai Fishing Limited and Ngātiwai Holdings Limited.

Asset Revaluation Reserve

Opening Balance

Movements during the Year

Closing Balance

	Group 2011 \$	Parent 2011 \$	Group 2010 \$	Parent 2010 \$
Opening Balance	2,545,103	–	2,545,103	–
Movements during the Year	–	–	–	–
Closing Balance	2,545,103	–	2,545,103	–
Opening Balance	119,458	119,458	119,458	119,458
Movements during the Year	118,231	118,231	–	–
Closing Balance	237,689	237,689	119,458	119,458

9. Investments

Shares in Unlisted Companies

Oceanz Seafood Markets Limited – 25% Shareholding

Aotearoa Fisheries Limited – 606 Income Shares

Ngātiwai Fishing Limited

Ngātiwai Training Limited

Ngātiwai Housing Limited

Total Shares in Unlisted Companies

	Group 2011 \$	Parent 2011 \$	Group 2010 \$	Parent 2010 \$
Oceanz Seafood Markets Limited – 25% Shareholding	–	–	–	–
Aotearoa Fisheries Limited – 606 Income Shares	1,536,864	–	1,536,864	–
Ngātiwai Fishing Limited	–	100	–	100
Ngātiwai Training Limited	–	999	–	999
Ngātiwai Housing Limited	–	100	–	100
Total Shares in Unlisted Companies	1,536,864	1,199	1,536,864	1,199

10. Investments in Associates

Name of Entity	Principal Activity	Interest Held by Group 2011	Group Carrying Amount 2011
Oceanz Seafood Markets Limited	Seafood Retail	25%	–

Oceanz Seafood Markets Limited is incorporated in New Zealand, and has a balance date of 31 March. The directors are not aware of any significant events or transactions since Oceanz Seafood Markets Limited's balance date.

There were no contingent liabilities as at balance date.

There were no material commitments for capital expenditure at balance date.

	Group 2011 \$	Parent 2011 \$	Group 2010 \$	Parent 2010 \$
Carrying Value				
At Beginning of Year	–	–	169,121	169,121
Share of Total Recognised Revenues and Expenses – this Year	–	–	(169,121)	(169,121)
Balance at End of Year	–	–	–	–

Whilst the carrying value of the investment in Oceanz Seafood Markets Limited is stated in accordance with the relevant financial reporting standards, the directors do not consider this to be reflective of future capital returns. The original investment of \$500,000 is expected to be recovered in full.

No adjustment has been made to the carrying value in 2011 on the basis that further losses have been incurred by Oceanz Seafood Markets Limited.

Notes to the Financial Statements

For the Year ended 31 March 2011

11. Investments in Subsidiaries

Name of Entity	Principal Activity	Interest Held	Balance Date
Ngātiwai Tourism Holdings Limited	Commercial Rental	100%	31 March
Oceans Resort Tutukākā Limited	Hospitality	100%	31 March
Ngātiwai Fishing Limited	Lease of Quota Owned, Sale and Purchase of Quota Lease, General Monitoring of Fishing Issues	100%	31 March
Ngātiwai Holdings Limited	Lease of Quota Owned	100%	31 March
Ngātiwai Training Limited	Non-Active	99.9%	31 December
Ngātiwai Housing Limited	Non-Active	100%	31 March

12. Quota Owned

Quota owned by the Group is recorded in the Financial Statements at historical cost. Quota owned as at 31 March 2011 and its historical cost is as follows:

	Group 2011 \$	Parent 2011 \$	Group 2010 \$	Parent 2010 \$
Ngātiwai Fishing Limited				
Red Cray (CRA1) - 4.498 tonne	672,415	–	672,415	–
Packhorse Cray (PHC1) - 3.002 tonne	90,064	–	90,064	–
Red Cray (CRA2) - 4.498 tonne	1,113,026	–	1,113,026	–
Snapper (SNA1) - 32.460 tonne	1,843,120	–	1,843,120	–
Snapper (SNA8) - 1.733 tonne	95,000	–	95,000	–
Trevally (TRE1) - 0.850 tonne	5,200	–	5,200	–
Shark (SCH1) - 10.000 tonne	180,000	–	180,000	–
Closing Balance	3,998,825	–	3,998,825	–
Ngātiwai Holdings Limited				
Various	726,145	–	726,145	–
	4,724,970	–	4,724,970	–

The above Quota is an intangible asset. Due to the infinite lifetime of this Quota it has not been amortised, however the need for any impairment is considered annually.

13. Events Subsequent to Balance Date

The debt by Paihia Laundry of \$2,156 remained uncollected after balance date due to a conflict arising at the cessation of their laundry contract with Oceans Resort Tutukākā Limited.

Westpac Revolving Credit Facility – as per letter dated 15 April 2011 the following conditions have changed:

- Quota CRA1, CRA2, PHC1, SCH1 and TRE1 have been removed as security leaving only SNA1 and SNA 8 as security over the credit facility.
- The limit has been reduced down from \$1,000,000 to \$500,000.
- Covenant capping Trust distributions to \$450,000 per year has been removed.

There is a Trustee extraordinary vacancy following the passing away of a Trustee in June 2011. Elections will be held in respect of this vacancy and the new Trustee will be confirmed at the Annual General Meeting scheduled for 2 September 2011.

The first tranche of dividends for the 2012 Financial Year of \$250,000 was paid from Ngātiwai Fishing Limited to Ngātiwai Trust Board on 2 June 2011.

The J R McKenzie advance of \$71,403 was repaid to the J R McKenzie Trust in June 2011 as the Trust Board no longer intended to use the funds for the original purpose agreed upon.

Notes to the Financial Statements

For the Year ended 31 March 2011

14. Operating Expenses

Included in Operating Expenses are the following:

	Group 2011 \$	Parent 2011 \$	Group 2010 \$	Parent 2010 \$
Accountancy and Administration	79,096	11,420	78,901	7,835
Consultancy - Spire	–	–	18,850	–
Audit	27,824	9,020	29,948	6,518
Depreciation	268,278	202,129	424,171	371,445
Directors Honorarium	7,222	–	8,731	–
Interest - Advances	–	–	2,056	–
Interest - General	27,717	446	26,433	–
Legal and Quota Management	252,917	179,360	283,759	196,380
Loss on Disposal of Fixed Assets	1,874	1,874	438	158
Sponsorship	12,000	2,000	–	–
Koha	7,889	7,889	4,030	4,030

15. Operating Revenue

Operating Revenue consists of the following:

	Group 2011 \$	Parent 2011 \$	Group 2010 \$	Parent 2010 \$
Interest	17,449	13,055	13,806	10,446
Interest - Advances	3,123	–	–	–
Dividends Received	36,591	645,498	–	813,383
Quota Lease Income	1,185,400	–	1,303,817	–
Emission Trading Scheme - NZU	6,820	–	–	–
Sale of Assets	6,222	–	–	–
Grant Revenue	257,077	257,077	439,876	439,876
Rent Received	15,714	15,714	18,308	18,308
Other Income	143,237	143,236	125,114	109,225
Hotel Operation	1,263,616	–	392,702	–
Total Operating Revenue	2,935,249	1,074,580	2,293,623	1,391,238

16. Related Parties

Ngātiwai Fishing Limited Group, Ngātiwai Holdings Limited, Ngātiwai Housing Limited and Ngātiwai Training Limited are related parties as they are 100% owned by the Ngātiwai Trust Board. Transactions which occurred during the year resulted in part from accounts processed through the Trust Board and in part from funds distributed to the Trust Board (2010: Same).

Mr WW Peters, a deemed Director of Ngātiwai Fishing Limited, carried out legal and administrative tasks for the Company during the year through his legal practice. All transactions were at arms length and in the ordinary course of business.

Mr WW Peters was appointed as a Director of Aotearoa Fisheries Limited effective from 1 December 2007. Ngātiwai Fishing Limited leases quota to Aotearoa Fisheries Limited at market value. Ngātiwai Holdings Limited holds 606 shares in Aotearoa Fisheries Limited.

Mr WW Peters is also a director of WWP Trustees 2008 Limited. This company is a corporate trustee of Assassin Bay Trust. Ngātiwai Tourism Holdings Limited leases the first floor conference room known as "The Marina Room" to this Trust. The duration of this lease is 35 years less 1 day at a total rent of \$1 plus GST. Expiry date of this lease is 11 February 2044.

Oceans Resort Tutukākā Limited paid Assassin Bay Trust \$2,316 (2010 Nil) in respect of apartment Rental.

Mr B G Moffat, a director of Ngātiwai Fishing Limited, is a director and shareholder of Spire Chartered Accountants Limited. Spire provides accounting services to the Group. All transaction were at arms length and in the ordinary course of business.

From 29 September 2006, Mr WW Peters was appointed as a Director of Oceanz Seafood Markets Limited. As stated in Note 10, Ngātiwai Fishing Limited holds an investment in this Company. Ngātiwai Fishing Limited also leases quota to Oceanz Seafood Markets Limited at market value. Mr WW Peters receives no directors fees from Oceanz Seafood Markets Limited. \$16,875 was advanced as an interest free loan to Oceanz Seafood Markets Limited in October 2010. This was repaid in March 2011.

Mr WW Peters is a board member of New Zealand Rugby Union. During the year Ngātiwai Fishing Limited loaned money to Oceanz Seafood Markets Limited (refer above paragraph) and Oceans Resort Tutukākā Limited \$25,000 in sponsorship to New Zealand Rugby Union for Māori Rugby.

Notes to the Financial Statements

For the Year ended 31 March 2011

16. Related Parties continued

Oceans Resort Tutukākā Limited paid New Zealand Rugby Union \$10,000 (2010: Nil) for sponsorship, being the main sponsor for the New Zealand Māori versus New Zealand Barbarians rugby match played in Whāngārei 2010.

Mr BG Moffat and Mr WW Peters are also directors of Ruakaka Lands Limited. Oceans Resort Tutukākā Limited has rented an apartment from Ruakaka Lands Limited.

Mr WW Peters is a corporate trustee of Marina Trust. Oceans Resort Tutukākā Limited paid Marina Trust \$1,833 (2010: Nil) in respect of apartment rental.

A Smith, previous CEO of Ngātiwai Trust Board, has an amount owed to her of \$955 at balance date. (2010 A Smith owed \$16,532).

H Murphy, a trustee, rents space from at Ngātiwai Trust Board and as at balance date, the rent owing to the Trust Board was \$3,396 (2010: \$3,176). Rent had ceased to be charged from 30 September 2010.

M Henley, a trustee was employed by the Trust under normal terms and conditions

Ngātiwai Unlimited Limited provided consultancy services to the Trust totalling \$14,045. Erica Wellington is a director of this company.

The Group has not undertaken any other material transactions with related parties apart from those disclosed in the interests register. No related party debts have been written off or forgiven during the year.

17. Funding Received in Advance

Ngātiwai Trust Board held the following Funding Received in Advance as at balance date:

	Group 2011 \$	Parent 2011 \$	Group 2010 \$	Parent 2010 \$
Housing New Zealand	2,881	2,881	43,443	43,443
HNZ Trade Training	–	–	24,373	24,373
Turi Te Hira	–	–	24,525	24,525
Te Puni Kokiri	894	894	–	–
J R McKenzie Trust	71,403	71,403	–	–
Ministry of Education	9,680	9,680	–	–
Ministry for the Environment	17,624	17,624	18,525	18,525
Kaipara Sands	211,236	211,236	170,220	170,220
Department of Internal Affairs	–	–	21,940	21,940
Closing Balance	313,717	313,717	303,026	303,026

Notes to the Financial Statements

For the Year ended 31 March 2011

18. Grant Income

Ngātiwai Trust Board received the following Grant Income during the year:

	Group 2011 \$	Parent 2011 \$	Group 2010 \$	Parent 2010 \$
Resource Management Unit				
Ngā Whenua Rahui	900	900	–	–
	<hr/> 900	<hr/> 900	<hr/> –	<hr/> –
Special Projects				
Housing New Zealand	86,550	86,550	41,013	41,013
Trade Training	24,298	24,298	66,488	66,488
Trade Training Supervision	81,400	81,400	48,750	48,750
	<hr/> 192,248	<hr/> 192,248	<hr/> 156,251	<hr/> 156,251
Communications				
ASB Grant	–	–	67,221	67,221
Te Puni Kokiri	25,209	25,209	–	–
Department of Internal Affairs	21,940	21,940	191,074	191,074
	<hr/> 47,149	<hr/> 47,149	<hr/> 258,295	<hr/> 258,295
Trust Board				
CEO Funding	5,200	5,200	10,330	10,330
Kaipara Sands Royalty	1,260	1,260	15,000	15,000
Ministry of Education	10,320	10,320	–	–
	<hr/> 16,780	<hr/> 16,780	<hr/> 25,330	<hr/> 25,330
Closing Balance	<hr/> 257,077	<hr/> 257,077	<hr/> 439,876	<hr/> 439,876



Telephone +64 9 430 0939 Fax +64 9 438 0182
171 Lower Dent Street, PO Box 1332,
Whāngārei 0140, New Zealand.
www.ngatiwai.iwi.nz