



Ngāti Kahungunu Iwi

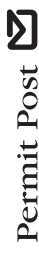
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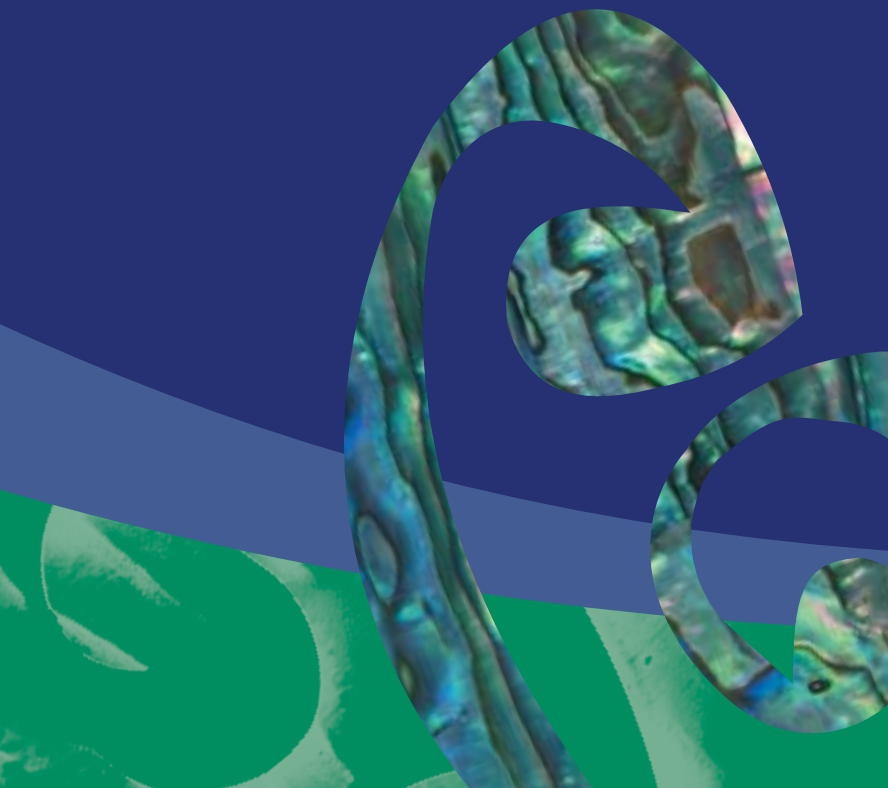
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Hoea ra

Ngāti Kahungunu Iwi
INCORPORATED

Annual Report 2001 - 2002

Published 2002



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Chairmans Report



Nga Tukematanui O Kahungunu
Nga Tuhonohono
Nga Hononga Mareikura o Takitimu
Tenei te reo powhiri kia koutou katoa
Tena Koutou Katoa
Nga Tini Aitua
Nga Tini Mate
Haere koutou ki te tini
Me te mano kua wheturangitia
Tangihia Tangihia Tangihia
Anei te Purongo-A-Tau
Hei panui koutou
Hei whiriwhiri
Kia whangai mai nga korero
Kia whakakaha kia tatou
No reira
Haria Te Harikoa
Kia Tatou Katoa
Haumi e Hui e Taiki e.

A new Board was convened on the 18th of May 2001 with the first meeting in June 2001 at Waipatu Marae setting the scene for the Board to meet in the Taiwhenua over the next year and culminating in our final meeting of the year being held in Wellington with our Taura Here. The value gained from doing that was the kanohi ki kanohi emphasis appreciated by all of our hosts. It also gave new Board members a scan of the breadth and variety of our rohe and the issues of concern to our people.

The most important outcome of the year was the creation of our 25-year vision borne on the hopes and dreams of our tipuna and previous Iwi leaders such as John Tangiora, Wi Te Tau Huata, Tohara Mohi, Aunty Lulu, John Scott, Peter Sharples and others. The Board recognised the need to consolidate our whakapapa sovereignty rights and our developmental aspirations and take a controlling hand in our future and our goals rather than be puppets to the goals and outcomes of others.

It was a tough year, the toughest in my experience. In reaching out to loftier ideals we had to be more ruthless in our core organisation. Marae are our board rooms, Taiwhenua, Taura here and other organisations are our service providers, the Ngāti Kahungunu Iwi Inc. office and staff will remain small, sharp, mobile and multi skilled to fulfil the Board's core role and responsibilities of enhancing cultural integrity, political advocacy, communication, asset management and leadership. The hard decision to terminate Government contracts and let go staff was taken by the Board at the end of this period to set the path for the next phase in Iwi development.

But, this has not been without its highs and fun moments and we should never cease to appreciate our pool of strengths, talents and uniqueness that makes us Ngāti Kahungunu. I am pleased to present this Annual Report for 2002.

Ngahiwi Tomoana

General Manager's Statement



Ruia Taitea, kia tu ko taitaka anake

Concentrate on the essential

This whakatauaki provided the guide for operations of the tari this year. In order to move forward it was essential to deal with historical matters, to settle the dust from past obligations then set the foundation for Iwi to build upon in our pursuit of continuous excellence. Contracts with CYFS, the Ministry of Fisheries and the HB Regional Council were discontinued and staffing reduced. The Exhibition Kahungunu, Ka moe-Ka puta-Te Hononga Mareikura in partnership with the National Library provided a platform of celebration for Ngāti Kahungunu. The display of the beauty and strength of our tipuna and the acknowledgement of their achievements, the performance of our finest musicians and lectures from our respected scholars contributed to the success of the exhibition. 2001/2002 was a year of challenge, of growth, of celebration but primarily a year of planning and setting right.

Ngāti Kahungunu Iwi Incorporated Staff



Top (Left to Right): Stella August (Research), Ruth Wong (Communications), Danielle Keil-Lambert (Secretarial), Lisa O'Conner (Finance)

Bottom (Left to Right): Helen Barlow (Reception), Aramanu Ropitini (General Manager), Carol Waikari (Administration).

Planning and Communication

Objective

Through thorough planning and active communication and consultation with Taiwhenua and Kahungunu Taura Here, lead the development of Ngati Kahungunu.

Achievements

A vision for Iwi development, 'Kahungunu 2026' was produced and presented to the Hui a Iwi 2001. A consultation phase over one year was approved by the Hui a Iwi with a report to be presented at the Hui a Iwi 2002. Consultation included use of the Ngāti Kahungunu website; interviews on Te Reo Irirangi o Ngāti Kahungunu; publication of the vision in the Iwi newsletter; presentation at hui a rohe in each Taiwhenua and Taura Here. A hikoi to the 86 marae within the Ngāti Kahungunu rohe was scheduled for July to September 2002 and completed at the time of reporting.

Work has commenced on strategic plans for Health, Education, Housing and will be completed early in 2003. An Iwi Management Plan, Customary Fishing Plan and Eel Management Plan are in the development/consultation phase.

Communication with Iwi members has been a challenge. To meet this challenge a communications strategy was developed and introduced which included:

- A move by the Board from monthly Board meetings held at the NKII office to bi-monthly hui held in Taiwhenua. This change was undertaken to introduce the new Board to the Iwi, allow for greater participation of Iwi members in the affairs of the Iwi, provide a forum for issues to be presented by Iwi to the board and by the Board to the Iwi. Hui were held at Te Rakato Marae, Mahia; Waiohiki Marae, Whanganui a Orotu; Rakautatahi Marae, Tamatea; Te Ahu o Turanga Marae, Tamaki Nui a Rua; Papawai Marae, Wairarapa.
- The inclusion of Taura Here representation on the Ngati Kahungunu Iwi Inc. Board in 2001 has widened the perspective of the Board with the contribution of our urban based whanaunga adding value to the debates and discussions at the Board table. Two Board hui have been hosted by Whanganui a Tara, to co-incide with the opening and closing ceremonies of Kahungunu, Ka Moe, Ka Puta, Te Hononga Mareikura exhibition at the National Library. NKII Management attended the Kirikiriroa AGM and other Kahungunu wananga.
- A Ngati Kahungunu website. The basic structure was designed and general information posted. Development is staged over three phases and will be reviewed continually.
- Publication of a bi-monthly newsletter with a target of distribution to 2000 registered member households has exceed expectations with publication now doubled. The format of the newsletter and method of distribution to be reviewed in the next annual period.
- Weekly interview slot on Te Reo Irirangi o Ngati Kahungunu informing the Iwi of topical events and issues of concern.
- Freephone 0800 Kahungunu to provide for inquiries from Iwi members outside the toll free area. An early review of the number resulted in a change to a wordnumber, with a marked increase in usage from around the country.

Cultural Development

Objective

To strengthen the heart and foundation of the iwi by promoting and supporting cultural development.

Achievements

24 tonne of totara logs procured to support the work of Ngāti Kahungunu carvers. Allocation criteria to be determined by the Runanga Arts and Culture.

Instruction in mau rakau by Pouwaru provided for at least 150 taura in the eight kura kaupapa in the Ngāti Kahungunu rohe.

Kahungunu Ka moe, Ka Puta Te Hononga Mareikura exhibition staged through a joint venture partnership with the National Library and the Hawkes Bay Cultural Trust. This exhibition, staged over three months in Wellington, was the most trafficated exhibition ever to be held at the National Library with over 19,100 people visiting. The Partners are grateful to Ngatai Huata, Te Koha Tareha, Celia Joe, Henare Kani and Taape O'Reilly who staffed the exhibition. Sponsors of the exhibition were the Wellington City Council, National Services, and Community Employment Group whose contributions are gratefully acknowledged.

Sponsorship

Cultural and sporting pursuits are an important aspect of personal, whanau, hapu and iwi development. Ngāti Kahungunu Iwi Incorporated allocate a finite amount of funding to sponsorship each year to encourage, and to recognize the pursuit of cultural and sporting excellence by Ngāti Kahungunu.

Sponsorship of events totalled \$29,200 and included the 1st Kura Kaupapa Ahurei, HB Secondary Schools Kapa Haka Festival, Kahungunu Waitangi Day celebrations at Farndon Park, Matariki celebrations held in three Taiwhenua, Heretaunga, Tamatea and Wairarapa, Kahungunu Sports Awards and the Ngāti Kahungunu Economic Summits in Heretaunga and Wairoa.

Sponsorship of sporting or cultural groups totalled \$5000 and included group travel to the National Manu Korero, HB Rugby League, HB Junior Rugby, Te Matau a Maui Touch, Waka Ama. Individuals who received sponsorship are:

- John Nepe Apatu
- John Mathews
- Sherly Samuals
- Liani Samuals
- Donna Whitiwhiti
- Justin Brown
- Vicki Murray
- George Tawhai
- Mike Nuku
- Paul Winitana
- Tane Edwards
- Michael Tongaroa
- Russel Thompson
- Werimu Wairama.

Academic Scholarships

Education is the key to personal, whanau, hapu and iwi development. In the 2001/02 year \$18,000 was allocated in academic scholarships to encourage, and to recognize the pursuit of academic knowledge and qualifications by Ngāti Kahungunu taura. Scholarship recipients for 2001/2002 were notified in the August edition of Hoesa Ra.

Economic Development

Objective

To meet the criteria for receiving the ACE allocation from Te Ohu Kaimoana and any other ACE obtained to maximise returns to the iwi while acknowledging the need for employment for Ngāti Kahungunu fishermen.

Achievements

Commercial fisheries

The wetfish season is October to September and includes both Inshore and deepwater species.

Deepwater ACE is managed through a Joint Venture called East Coast Iwi Consortium. Four species: Squid, Hoki, Oreo Dory and Orange Roughy are fished, processed and marketed in a profit share arrangement and the remaining species are on leased.

The inshore ACE is offered through tender and the Boards policy is to accept the best market price with a provision for employing or subcontracting Ngāti Kahungunu fishermen. Inshore ACE was leased to Cook Strait Seafoods.

The Rock Lobster season runs from April to March. Annual Catch Entitlement (ACE) is made available to Iwi through the Maori Fisheries Commission. Rock Lobster ACE is offered through tender and the Boards policy is to accept the best market price with a provision for employing or subcontracting Ngāti Kahungunu fishermen. Rock lobster ACE was leased to Port Nicholson Fisheries. Proceeds from the Rock Lobster lease round are distributed to Taiwhenua.

Disputes

The Ngāti Kahungunu fishery is affected by two disputes. The Maori Fisheries Commission holds funds in Trust awaiting resolution of the dispute with Rangitane. Ngāti Kahungunu Iwi Inc. holds funds in trust awaiting resolution of the dispute with Rongomaiwahine.

Mussel Farm Development

Ngāti Kahungunu Iwi Inc. is a 40% shareholder in Napier Mussels Ltd. which is developing a mussel farm off the Hawkes Bay coast. We were successful in our application for resource consent to establish the mussel farm and have made application to the Ministry of Fisheries for a marine farming permit.

Eel research

Stella August has been conducting research on Glass Eel recruitment and culture in Hawke's Bay. The research will be done over 2 years and contribute valuable knowledge of glass eel recruitment to the Ngati Kahungunu Eel Management Plan and to New Zealand Science. It will also contribute to research for development of eel aquaculture along with another research project Ngati Kahungunu Iwi Inc. has been involved with at WIPTEC, regarding the fattening of eels.

Social Development

Objective

Strengthen the delivery framework of social services on behalf of the Iwi by developing policy and advocacy methods for Iwi social services, health and justice issues and by facilitating training opportunities and qualifications to Maori social service providers/students within the sector.

Achievements

65 Iwi Social Service providers and caregivers attended four wananga from July to November 200.

Training in Ngāti Kahungunu tikanga provided for 67 students of the National Certificate and National Diploma in Social Services.

Care services provided to 26 CYFS caseload clients.

Ngāti Kahungunu has supported Social Service programs being run in the Wairarapa Taiwhenua.

Article 2 Treaty Rights

Objective

To maintain and enhance Kaitiakitanga in the Ngāti Kahungunu rohe to protect natural, physical and cultural resources for the benefit of future generations.

Achievements

Contemporary claims that Ngāti Kahungunu Iwi Inc. is involved with are:

- The Marine Farming Regime Claim, resulting from the Governments introduction of a moratorium on marine farming;
- Local Government Claim resulting from the local government strategy which was followed by the local government review and the introduction of the Local Government Bill;
- Flora and Fauna WAI 262. The Ngāti Kahungunu hearing was held at Waipatu in March 2001. It is envisaged that hearings will be complete and a report issued in 2003;
- Petroleum Resources Claim WAI 852, where Ngāti Kahungunu joined the Nga Ruahine Claim. The Tribunal report was expected in 2000 but has yet to be released.

Land Claims are the province of Hapu with support to claimants offered by Ngāti Kahungunu Iwi Inc. through a single legal desk. Grant Powell of Walters Williams and Co. is our legal representative for Treaty Claims.

Ngāti Kahungunu has been a member of Treaty Tribes since 1994. Treaty Tribes exists for the sole purpose of ensuring allocation of the assets to Iwi granted to by the fisheries settlement. This has meant defending the Iwi position in the High Court, the Court of Appeal and at the Privy Council, in which the Iwi has been successful. This year Treaty Tribes has monitored all of the Te Ohu Kai Moana (TOKM) consultation hui around the country and supported other Iwi in their responses to the proposed new models for allocation.

The Ministry of Fisheries contract for Customary Fisheries Liaison was wound up and a decision by the Board after consultation at hui a rohe not to pursue any further contracts was effected.

The Resource Management unit was wound up due to a review of the boards activities and decision to consolidate our essential roles over the next annual period. This function is being continued in Taiwhenua.

Subsidiaries

Tu Kahu emerged as Ngāti Kahungunu's response to the Sealord's Settlement Act requirement that we address the needs of our people wherever they live in the country. The Board identified housing as a project that was transportable to Ngāti Kahungunu wherever they lived. This eventuated in a huge drain on iwi resources and we decided to curtail the activities of Tu Kahu Ltd and transfer them to independent companies.

Positive outcomes in training, employment, whanau housing, a whole marae, commercial capability and project development have been achieved from this initiative. However the Board has realised that building is not one of our core activities although assisting whanau into home ownership is.

Key outcomes from this initiative include:

- 20 full time unsubsidised workers
- 5 apprentices
- 35 residential houses
- 4 commercial buildings including a school hall
- a marae
- technology transfer to Te Whanau o Waipereira Trust and Ngāti Tahu developments.

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2002

	Notes	Consolidated		Parent	
		2002	2001	2002	2001
		\$	\$	\$	\$
INCOME					
Contract Services	1	986,633	1,018,372	411,855	539,446
Fishing Income	2	1,815,612	1,593,323	1,815,612	1,593,323
Investment Income	3	70,691	38,274	64,631	38,274
Levies and Administration Fees	4	2,383	7,034	2,383	7,534
Sundry Income	5	36,255	36,198	42,755	35,155
Total Income		2,911,574	2,693,201	2,337,236	2,213,732
LESS EXPENSES					
Operating and Administration Expenses	6	2,143,760	2,163,724	1,184,670	1,048,615
Governance Expenses	7	263,504	275,920	263,504	275,920
Distribution of Benefits to Iwi	8	565,464	392,581	565,153	392,581
Write down of Investment in Subsidiary	9	40,000	-	435,029	620,000
Total Expenses		3,012,728	2,832,225	2,448,356	2,337,116
Net Surplus (Deficit) Before Tax		(101,154)	(139,024)	(111,120)	(123,386)
Tax		-	(38,100)	-	(38,100)
Net Surplus (Deficit)		(101,154)	(100,924)	(111,120)	(85,286)

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR END 30 JUNE 2002

	Notes	Consolidated		Parent	
		2002	2001	2002	2001
		\$	\$	\$	\$
EQUITY AT THE START OF THE YEAR		1,301,222	1,402,146	1,507,405	1,592,691
RECOGNISED REVENUES AND EXPENSES					
Net Surplus (Deficit) for the year		(101,154)	(100,924)	(111,120)	(85,286)
Total Recognised Revenues and Expenses for the Year		(101,154)	(100,924)	(111,120)	(85,286)
EQUITY AT THE END OF THE YEAR		1,200,068	1,301,222	1,396,285	1,507,405

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30 2002

	Notes	Consolidated		Parent	
		2002	2001	2002	2001
		\$	\$	\$	\$
CURRENT ASSETS					
Bank and Deposits	10	1,424,220	1,507,583	1,423,633	1,319,985
Accounts Receivable		151,982	148,205	69,111	130,422
Accrued Income		67,864	32,476	67,864	32,336
Prepayments		4,333	4,598	4,333	2,956
Advances Receivable within one year	11	-	134,720	-	-
Inventory and Work in Progress		2,571	45,775	2,121	-
Total Current Assets		1,650,970	1,873,357	1,567,062	1,485,699
NON-CURRENT ASSETS					
Advances	11	278,364	191,660	257,191	150,487
Amounts Due From Subsidiaries	12	-	-	55,952	285,611
Investment in Subsidiaries	13	-	-	100,100	100,100
Other Investments	14	140,140	180,140	80,000	80,000
Fixed Assets	15	432,820	446,281	317,805	360,014
Total Non-Current Assets		851,324	818,081	811,048	976,212
Total Assets		2,502,294	2,691,438	2,378,110	2,461,911
CURRENT LIABILITIES					
Sundry Creditors and Accruals		283,906	389,931	184,000	244,512
Funds Held in Trust		649,024	467,674	649,024	467,674
Provision for House Repairs	20	22,000	-	22,000	-
Income in Advance		26,793	129,735	26,793	112,170
Current Portion of Finance Leases	16	19,569	17,217	-	-
Payable to Taiwhenua	17	100,000	130,150	100,000	130,150
Loans Payable within one year	18	-	74,370	-	-
Total Current Liabilities		1,101,292	1,209,077	981,825	954,506
NON-CURRENT LIABILITIES					
Finance Leases	16	26,417	43,987	-	-
Loans	18	174,517	137,152	-	-
Total Non-Current Liabilities		200,934	181,139	0	0
Total Liabilities		1,302,226	1,390,216	981,825	954,506
Net Assets		1,200,068	1,301,222	1,396,285	1,507,405
EQUITY					
Accumulated Funds		1,200,068	1,301,222	1,396,285	1,507,405

These financial statements were authorised for issue by the Board of Trustees on 20 November 2002.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 JUNE 2002

	Consolidated		Parent	
	2002	2001	2002	2001
	\$	\$	\$	\$
1 Contract Services				
Iwi Social Services	168,651	255,709	168,651	255,709
CEG	14,640	123,054	14,640	22,804
CBO	-	41,323	-	41,323
District Health Board	4,164	-	4,164	-
NZES Subsidy	74,515	37,978	-	10,304
Housing Contracts	482,068	351,002	-	-
MOF Education	-	26,667	-	26,667
MOF Customary Fisheries	82,000	41,000	82,000	41,000
CEG Kaitaki a Moremore	-	1,778	-	1,778
TPK Tahua Kaihoatu	-	16,852	-	16,852
TPK Capacity Building	42,195	75,556	24,000	75,556
Resource Management Unit	-	19,953	-	19,953
Kahungunu Exhibition	118,400	27,500	118,400	27,500
	986,633	1,018,372	411,855	539,446
2 Fishing Income				
Quota Lease - Wetfish	620,974	541,873	620,974	541,873
Wetfish Joint Venture Profit Share	573,511	637,758	573,511	637,758
Quota Lease - Rock Lobster	508,286	413,692	508,286	413,692
Profit Share - Rock Lobster	112,841	-	112,841	-
	1,815,612	1,593,323	1,815,612	1,593,323
3 Investment Income				
Interest Received - Mana	6,469	2,138	409	2,138
Interest Received - Bank	64,222	36,136	64,222	36,136
	70,691	38,274	64,631	38,274
4 Levies and Administration Fees				
Administration Fees	2,383	7,034	2,383	7,534
	2,383	7,034	2,383	7,534

Notes To The Financial Statements

FOR THE YEAR ENDED 30 JUNE 2002

	Consolidated		Parent	
	2002	2001	2002	2001
	\$	\$	\$	\$
5 Sundry Income				
Koha	-	560	-	560
Rent received	3,100	497	9,600	4,397
Bad Debts recovered	-	500	-	500
Gain on Sale of Assets	-	4,167	-	4,167
Other	33,155	30,474	33,155	25,531
	36,255	36,198	42,755	35,155
6 Operating and Administration Expenses				
Accountancy	8,916	8,329	3,468	2,950
ACC	9,375	4,019	-	2,094
Aquaculture Setup costs	23	8,759	23	8,759
Advertising	7,143	3,472	6,204	3,062
Assets less than \$500	1,778	4,368	1,778	4,368
Audit Fees	24,558	23,369	15,200	13,869
Bad and Doubtful Debts	-	548,539	-	8,407
Bank Fees	3,329	2,800	1,138	954
Building Materials	264,383	105,980	-	-
Building Repairs & Maintenance	8,238	7,130	7,742	7,130
Project Costs	1,960	10,428	1,960	10,428
Cleaning	4,280	4,383	4,280	4,383
Consultancy	32,441	19,906	32,441	17,439
Depreciation	74,775	78,238	54,318	56,715
Education - ISS	31,239	-	31,239	-
Entertainment	655	3,710	-	-
Equipment Consumables	1,808	2,464	1,808	2,464
Equipment Lease	8,888	11,785	8,888	8,888
Equipment Repairs & Maintenance	3,469	6,918	3,469	6,918
General Office Expenses	3,764	9,525	1,291	1,741
Hui Costs	6,589	11,300	6,589	11,300
Insurance	8,397	7,896	2,848	2,665
Interest	11,043	7,253	-	-
IRD Penalties	14,197	3,927	-	-
ISS Special Costs Expenses	45,444	122,082	45,444	122,082
Expenses (Carried Forward)	576,692	1,016,580	230,128	296,616

Notes To The Financial Statements

FOR THE YEAR ENDED 30 JUNE 2002

	Consolidated		Parent	
	2002	2001	2002	2001
	\$	\$	\$	\$
Expenses (Brought Forward)	576692	1016580	230128	296616
IT Services	11,372	-	11,080	-
Kaitiaki a Moremore	-	1,773	-	1,773
Kahungunu Exhibition	123,063	19,501	123,063	19,501
Legal Expenses	67,936	106,434	67,130	82,848
Loan Fees	-	24,046	-	-
MOF Education Contract	-	22,222	-	22,222
Plant Hire	11,182	-	-	-
Postage/Courier	4,093	2,214	4,093	2,214
Power	2,605	2,687	2,605	2,687
Quota Costs	149,779	102,274	149,779	102,274
Rates	1,627	1,393	1,627	1,393
Rent	2,991	12,812	2,991	12,812
Reparation Costs	22,000	-	22,000	-
Research/Eel Costs	24,591	-	24,591	-
Salaries	736,845	487,300	358,971	323,043
Security	1,025	-	1,025	-
Stationery	11,746	8,214	8,348	6,025
Sub-contractors	148,782	157,641	-	1,118
Subscriptions	1,198	1,262	1,198	1,262
Tahua Kaihoatu	-	4,489	-	4,489
Telecommunications	26,596	19,184	15,408	13,211
Travel/Accommodation	49,858	42,903	41,415	42,725
Training/Conferences	9,704	7,743	9,704	7,743
Treaty Tribes	87,390	87,566	87,390	87,566
Vehicle Expenses	46,364	31,946	14,991	13,553
Vehicle Lease	7,133	3,540	7,133	3,540
Write down of Assets	19,188	-	-	-
	2,143,760	2,163,724	1,184,670	1,048,615

Notes To The Financial Statements

FOR THE YEAR ENDED 30 JUNE 2002

	Consolidated		Parent	
	2002	2001	2002	2001
	\$	\$	\$	\$
7 Governance Expenditure				
Advertising	3,696	11,208	3,696	11,208
Catering	1,665	5,351	1,665	5,351
Chairman Expenses	9,174	9,126	9,174	9,126
Chairman Salary	60,518	49,887	60,518	49,887
Chairman Grant	-	2,217	-	2,217
Committee Fee	31,997	18,337	31,997	18,337
Consultancy	3,741	12,092	3,741	12,092
Deputy Expenses	16,440	-	16,440	-
Hui Costs	28,287	9,885	28,287	9,885
Koha	5,646	5,796	5,646	5,796
Legal Fees	-	52,141	-	52,141
NKII Election	-	3,172	-	3,172
Registration	4,300	38,908	4,300	38,908
Travel Allowances	33,998	25,783	33,998	25,783
Treaty Claims	41,564	8,741	41,564	8,741
Training	8,322	9,678	8,322	9,678
Vehicle Expenses	14,156	13,598	14,156	13,598
	263,504	275,920	263,504	275,920

	Consolidated		Parent	
	2,002	2,001	2,002	2,001
	\$	\$	\$	\$
8 Distribution of Benefits to Iwi				
Taiwhenua Distributions	425,565	312,680	425,565	312,680
Education Grants	18,000	12,000	18,000	12,000
Communications	33,336	12,582	33,336	12,582
Iwi Wananga	2,000	1,000	2,000	1,000
Kaumataua, Rangatahi & Wahine	13,334	8,706	13,334	8,706
Sponsorship and Support	73,229	45,613	72,918	45,613
	565,464	392,581	565,153	392,581

9 Write down in Subsidiaries

The Board have written off the Current Account in Tu Kahu Limited totalling \$435,029 as it is estimated that the amount is not recoverable.

The Te Runanganui O Ngati Kahungunu Limited investment in Te Kupenga Ltd has been written down to estimated recoverable value.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 JUNE 2002

	Consolidated		Parent	
	2002	2001	2002	2001
	\$	\$	\$	\$
10 Bank and Deposits				
Current Accounts	383,378	283,656	382,791	96,058
On Call	67,062	302,866	67,062	302,866
Term Deposits	973,680	920,961	973,680	920,961
Petty Cash	100	100	100	100
	1,424,220	1,507,583	1,423,633	1,319,985

Term deposits totalling \$821,010 arise from fishing receipts and are being held subject to resolution of disputes regarding allocation.

11 Advances				
Taiwhenua Loans	105,943	124,605	105,943	124,605
Mana Loans	3,014	7,055	21,841	25,882
Other Advances	169,407	194,860	129,407	-
Less: Current Portion	-	-134,860	-	-
	278,364	191,660	257,191	150,487

Included in Mana Loans is \$18,827 due from the subsidiary company Te Runanganui O Ngati Kahungunu Limited.

Other advances include an amount funded to Napier Mussels Limited during the current financial year for ongoing development of the mussel farming venture.

12 Amounts Due From Subsidiaries	Parent	
	2002	2001
	\$	\$
Te Runanganui O Ngati Kahungunu Ltd	55,952	176,134
Tu Kahu Ltd	-	109,477
	55,952	285,611

The balance receivable from Te Runanganui O Ngati Kahungunu Ltd is repayable on demand and is secured by a registered debenture over the company's assets. The loan agreement requires interest to be paid at a margin of 3% over the commercial lending rate of Ngati Kahungunu Iwi Incorporated's bank. The Ngati Kahungunu Iwi Incorporated board have waived the interest charge until the financial position of Te Runanganui O Ngati Kahungunu Ltd improves. No demand has been made for repayment. the advance to Tu kahu Ltd is considered non collectable.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 JUNE 2002

	Parent	
	2002	2001
	\$	\$
13 Investments in Subsidiaries		
The Society hold shares in the following:		
Te Runanganui O Ngati Kahungunu Ltd (100%)	100,000	100,000
Tu Kahu Ltd (100%)	100	100
	100,100	100,100

The Society has also incorporated several additional subsidiary companies. These have not traded.

14 Other Investments	Consolidated		Parent	
	2002	2001	2002	2001
	\$	\$	\$	\$
The society holds shares in the foll				
Te Kupenga Ltd (1%)	60,000	100,000	-	-
The Flyaway Bird Company Ltd	140	140	-	-
Napier Mussels Ltd (40%)	80,000	80,000	80,000	80,000
	140,140	180,140	80,000	80,000

15 Fixed Assets	Acc		Parent	
	Cost	Deprec	NBV 2002	NBV 2001
Land and Buildings	258,461	32,418	226,043	229,295
Vehicles	118,679	65,180	53,499	77,756
Plant & Equipment	99,752	61,488	38,263	52,963
	476,892	159,086	317,805	360,014

	Acc		Consolidated	
	Cost	Deprec	NBV 2002	NBV 2001
Land and Buildings	323,857	21,418	291,439	229,295
Vehicles	124,056	68,788	55,267	80,327
Plant & Equipment	191,861	105,747	86,114	136,660
	639,774	195,953	432,820	446,282

The consolidated fixed assets include plant and equipment with a cost of \$74,000 and accumulated depreciation and write-down of \$61,014 which is subject to a finance lease.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 JUNE 2002

	Consolidated		Parent	
	2002	2001	2002	2001
	\$	\$	\$	\$
16 Finance Leases				
Total Balance Outstanding	53,523	75,605	-	-
Less Future Interest Payments	7,537	-14,401	-	-
	45,986	61,204	-	-
Within 1 Year	19,569	17,217	-	-
1-2 years	26,417	19,733	-	-
2-5 years		24,254	-	-
	45,986	61,204	-	-

At balance date interest rates ranged from 13.5% to 15.75%

17 Taiwhenua Grants Payable

The 2002 Payable represents distributions not paid at balance date to provide the society with short term funding.

	Consolidated		Parent	
	2002	2001	2002	2001
	\$	\$	\$	\$
Within 1 year	100,000	130,150	100,000	130,150
1-2 Years	-	-	-	-
2-5 Years	-	-	-	-
	100,000	130,150	100,000	130,150

18 Loans

	Consolidated		Parent	
	2002	2001	2002	2001
	\$	\$	\$	\$
Housing Corporation of New Zealand	137,142	160,000	-	-
D Smith	37,375	51,522	-	-
	174,517	211,522	-	-
Less Payable within one year	-	(74,370)	-	-
	174,517	137,152	-	-

The Housing Corporation of New Zealand loan is to assist with the Tu Kahu housing projects. The loan is interest free (unless in default) and repayable by monthly instalments over seven years. The loan to Tu Kahu Ltd of \$160,000 is incorporated with a loan agreement between the Society and housing Corporation of New Zealand. The Society is responsible as guarantor for the loan in the event that Tu Kahu Ltd cannot meet its obligations.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 JUNE 2002

19 Contingencies

Contingent Assets

At balance date there was an unsettled dispute regarding crayfish quota allocation to tribes. Te O

Contingent Liabilities

The Iwi is guarantor of subsidiary company finance leases totalling \$45986 and a Housing Corporatio

A portion of the wetfish income from the past two years is subject to dispute. The society has won

20 Provisions

The Ngati Kahungunu Iwi Board have resolved to meet \$22,000 of Tu Kahu Limited house repair costs.

21 Subsequent Events

There have been no events subsequent to balance date that require disclosure in the financial state

22 Related Party Transactions

Ngati Kahungunu Iwi Incorporated enters into transactions with and on behalf of it's subsidiaries Te Runanganui O Ngati Kahungunu Ltd and Tu Kahu Ltd. Advances to both these parties also exist. (note 12).

Salary and expenses are paid to the Chairman (Note 7).

Statement Of Accounting Policies

FOR THE YEAR ENDED 30 JUNE 2002

Reporting Entity

Ngāti Kahungunu Iwi Incorporated (the society) is an incorporated society established in 1988 under the Incorporated Societies Act 1908.

Ngāti Kahungunu Iwi Incorporated has several subsidiary companies.

The reporting entity comprises the society and consolidated group of the society and its subsidiaries.

Measurement Base

Unless otherwise stated, the historical cost basis measurement has been adopted.

Specific Accounting Policies

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

(a) Operating Revenue

Operating revenue represents revenue earned from the sale of the society's products and services, net of any credits allowed. Revenue from the tangaroa joint venture is proportionately accrued on the basis of estimated profits for the season to 30 September.

(b) Depreciation

Depreciation has been calculated using the rates provided for taxation purposes in the Income Tax Act. The particular rates and method of depreciation applied are as follows:

Buildings	2% SL
Vehicles	20-32% DV
Computer Equipment	40-48% DV
Office Furniture	15-40% DV

(c) Income Tax

The society is not subject to taxation as it has attained charitable status for income tax purposes.

(d) Accounts Receivable

Accounts receivable are stated at their anticipated realisable value. Bad debts are written off during the year as they are identified, with appropriate provision being made at balance date for any doubtful debts.

Statement Of Accounting Policies

FOR THE YEAR ENDED 30 JUNE 2002

(e) Inventory and Work in Progress

Construction work in progress and assorted inventories are valued at the lower of cost and net realisable value.

(f) Advances and Provisions

Loan advances are recorded net of any specific provision for doubtful amounts. There are no general provisions for doubtful debts. Loans considered non recoverable are written off.

(g) Investments

Investments and advances are stated at cost or estimated realisable value if there have been a permanent diminution in value.

(h) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation.

(I) Finance Leases

Leases under which the society assumes substantially all the risks and rewards of ownership are classified as finance leases and are capitalised.

The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the outstanding balance of the liability for each period.

(j) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis.

(k) Consolidation

The purchase method of consolidation has been applied in preparing the consolidated financial statements. All inter entity transactions and balances have been eliminated on consolidation.

(I) Differential Reporting

The society qualifies for differential reporting within the Institute of Chartered Accountants of New Zealand's Differential Reporting Framework as it is not large and is not publicly accountable. The society has taken advantage of all differential reporting concessions available to it.

Changes in Accounting Policies

There have been no changes in the accounting policies during the year.

Audit Report

To the Members of Ngati Kahungunu Iwi Inc

We have audited the financial report on pages 2 to 15. The financial report provides information about the past financial performance and financial position of Ngati Kahungunu Iwi Inc (the society) and group as at 30 June 2002. This information is stated in accordance with the accounting policies set out on pages 5 and 6.

Board's Responsibilities

The Board is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of a financial report which fairly reflects the financial position of the society and group as at 30 June 2002 and of the results of operations for the year ended 30 June 2002.

Auditors' Responsibilities

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

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 Board in the preparation of the financial report, and
- whether the accounting policies are appropriate to the society and group circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary except that our work was limited as explained below. We obtained sufficient evidence to give 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 other relationship with or interests in the society or its subsidiary companies.

Qualified Opinion

The group financial report includes recorded sales of \$567,690 and recorded work in progress of \$450 for the subsidiary company Tu Kahu Limited. Within this subsidiary company there was no effective system of control over charging expenditure to particular projects and billing those costs to customers, upon which we could rely for the purpose of our audit. There were no satisfactory audit procedures that we could adopt to confirm independently that all sales were properly recorded and all work in progress was fully accounted for.

In this respects alone we have not obtained all the information and explanations that we have required.

In our opinion except for adjustments that might have been found necessary had we been able to obtain sufficient evidence concerning sales and work in progress of the Tu Kahu Limited subsidiary company, the financial report on pages 2 to 15 fairly reflects the financial position of the society and group as at 30 June 2002 and the results of operations for the year ended on that date.

Our audit was completed on 18 November 2002 and our qualified opinion is expressed as at that date.

Chartered Accountants
Hastings, New Zealand

