

Hoea rā



Ngāti Kahungunu Iwi
INCORPORATED

Annual Report 2007 - 2008

Published November 2008

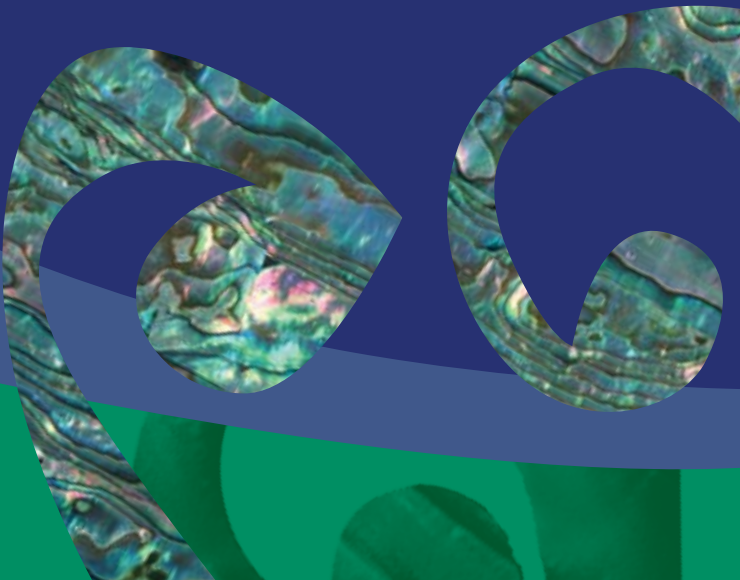


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Chairperson's Report



He moemoea pō e
He moemoea pō e
He aha tērā e
Whiti ana te rā e

The twin illuminators for Ngāti Kahungunu Iwi Incorporated's wellbeing are possessing a cultural bank of knowledge that is replete and building an economic reservoir that will never run dry. This has required a fine balancing act over the year. The Kahungunu Asset Holding Company has worked diligently in the investment arena while the Kahungunu Arts and Culture team has ensured that the annual cultural targets have been met.

We have received great insight and direction from Te Taumata and for the first time, Te Kaiwhakawā Rūnanga has been engaged. The development work and research into Te Reo, Whakamoe Patu, Kahungunu Ki Uta Ki Tai, Te Taiao, Te Tūhonohono and other strategies has continued relentlessly, inch by inch, step by hard won step.

This has been in a political and economic climate of great portent, political because of the mood for change local, national and international, and economic because of New Zealand finance companies collapsing house of cards caused by global chaos.

We have held tight over the 12 months and have reported a positive financial outcome although this has been redistributed to Taiwhenua and Taurahere. We have a myriad of challenges ahead as the Takitimu Festival looms and the international financial tsunami heads our way.

A timely reminder then to return to the whenua, to our māra kai, our rongoā, our maungārongo, for despite te ao hurihuri, te ao patupatu me te āwhiowhio, the sun will still rise over Kahurānaki ia rā, ia rā.

I pay my respects to those who have passed on, and acknowledge the efforts of all ringa raupā currently engaged. I am proud to present this annual report.

Whiti ana te rā e
Runga Kahurānaki whiti ana te rā e
Runga Kahurānaki auē he tēnei
Aue auē he tēnei
Auē hi!

A handwritten signature in black ink, appearing to read 'Ngahiwi Tomoana'.

Tihei Kahungunu!
Ngahiwi Tomoana
CHAIRMAN

General Manager's Statement



Ko Kahungunu he tangata ahuwheua, mōhio ki te whakahaere i ngā mahi o uta, me o te tai.

E ngā mana, e ngā reo, e ngā rau rangatira mā.

Mihi mai, mihi mai, mihi mai.

Ko tēnei te pūrongo-ā-tau mō te tau rua mano mā whitu ki te tau rua mano māwaru. He nui ngā mahi a ngā kaimahi o te tari o Ngāti Kahungunu Iwi Incorporated. Koinei ētahi o ngā mahi ka puta i tēnei ripiota, he mahi Whakamoe Patu, he mai Taiao, he mahi Rangahau, he mahi Rautaki i te Reo Rangatira me te mahi Whakatākoto kaupapa. Kia mahara koutou, koinei noa iho ētahi o ngā mahi huhua a te tari nei.

This year has seen some staffing changes but none more significant than the movement of our longtime General Manager, Aramanu Ropiha, to take up the management of the Kahungunu Asset Holding Company Ltd. Many of the skilled staff of Ngāti Kahungunu Iwi Incorporated, past and present, have been mentored, trained and developed under her astute leadership. Ngāti Kahungunu Iwi Incorporated has enjoyed many achievements with Aramanu at the helm including the fisheries settlement, the establishment of our reserves fund and the initiation of our education, reo, housing and health strategies and she will be missed.

Ngāti Kahungunu Iwi Incorporated has fulfilled many of the strategic, as well as the annual priorities laid down for the development of our members and our organisation. These achievements have included continuing cultural preservation and development through the implementation of our reo strategy with whānau language planning, promotions and rangatahi workshops. Whānau have also been the focus in the implementation of the Kahungunu Violence free strategy – Whakamoe Patu with rangatahi workshops and wānanga.

Increasingly environmental matters are being discussed as key priorities for whānau, hapū and iwi. 'Tribal warming', waimāori and sustaining our traditions in respect of Papatūānuku and our mokopuna has provided the impetus to continue to engage in the variety of environmental matters regionally and nationally.

Recognizing the value of Kahungunu and of being Ngāti Kahungunu has been part of our coming of age in taking charge of our events and reviewing our communications and relationships with ourselves, other organisations, and the communities at large.

Ko ā mātou tino wawata, ko te whai haere i ō tātou whāinga mō tēnei tau kia whakamā mā i ā mātou mahi, kia aro atu hoki ki ngā mea nunui.

Tūtira mai te wairua, tukuna kia rere, Tihei Kahungunu, kia rere!

A stylized, handwritten signature in black ink, appearing to read 'Kym Hamilton'.

Kym Hamilton

(Mana Whakahaere – Whakakapi)

Board 2007-2008



Ngahiwi Tomoana
Chairman



Haami Hilton
Kaumātua



Christine Teariki
*Heretaunga
Taiwhenua*



Bevan Taylor
*Te Whanganui
ā Orotu Taiwhenua*



Aotearoa Karauria
Te Wairoa Taiwhenua



Robert Ropiha
*Tamatea
Taiwhenua*



Linette Rautahi
*Kahungunu ki Tāmaki
Nui ā Rua Taiwhenua*



Paora Ammunson
Wairarapa Whānui



Te Huia Bill Hamilton
Taurahere



Doreen Christie
Taurahere

Staff Members



Aramanu Ropiha
General Manager



Kym Hamilton
Acting General Manager



Naumai Ropitini
Finance Officer



Danielle Keil-Lambert
Office Manager



Kerrin Fair
*Database
Administrator*



Keri Ropiha
*Chairman's
Executive Assistant*



Roy Pewhairangi
Office Administrator



Marina Sciascia
*Public Relations
Manager*



Eru Tahuri
Kairangahau



Ihaia Hutana
Te Reo Project Manager



Ngaire Aben
*Kahungunu Cultural Standards
Project Coordinator*



Te Rangi Huata
*Events and Promotions
Manager*



Nikki Harrison
*Housing Project Coordinator
CBLI Research Coordinator*



Mereana Pitman
*Violence Free
Coordinator*



Sally Rye-Dunn
*Violence Free
Coordinator*



Kim Smith
*Special Projects
Manager*



Tuakana August
Receptionist



Ruth Wong
*Communication
Manager*

Tino Rangatiratanga

Objectives:

- Multiplying the value of tribal assets
- Political advocacy, including:
 - Influencing legislation
 - Lobbying
 - Litigation
- Safeguarding the mana of Kahungunutanga
- Building and maintaining (inter-iwi) relationships

Ngāti Kahungunu Iwi Incorporated has been communicating to present the iwi view on current and topical issues including Te Reo, whānau violence, environmental and resource management issues, including the retention of Māori land. This work has largely been achieved through a review of our structure and changes to bring in-house staffed positions of public relations and events management, along with the continuous work of our communications and support services teams and board spokespeople.

The value of Ngāti Kahungunu Iwi Incorporated and the excitement and passion of being Ngāti Kahungunu was highlighted through an audit of external stakeholders and members and intellectual property issues. You told us about the range of things that we are doing well and those things we need to improve on. The need for better and more two-way communications is a recurring theme. As a result, we have completed media training for board members and staff and this has helped us focus on how we can better promote and protect the dreams in our strategic vision and help our information get out to members and the wider public.

The board has reviewed the range of relationships Ngāti Kahungunu Iwi Incorporated manages and developed a plan to ensure that relationships and strategies can achieve better outcomes for our members and are given higher priority within our current resourcing constraints. The board has also directed a more strategic focus to these relationships at political, governance and management levels.

Ngāti Kahungunu Iwi Incorporated has been active in building alliances with likeminded organisations, groups and other indigenous peoples to support and promote our messages or positions. This has included promotion of our Mātauranga, Reo, Taiao and economic development and aspirations locally, nationally and at international forum in Australia, Geneva, Canada and Alaska.

A late addition to the annual plan in 2007/08 was one of our strategic goals to host a Takitimu Festival. The planning for this event is well underway and with the festival will come a strengthening of our inter-iwi and waka relationships with Takitimu and Hawaiiiki.

We continue to seek the interest of skilled members to represent Ngāti Kahungunu Iwi Incorporated in advisory groups and at national hui through our nominations database. All members are encouraged to register to contribute to our shared development and representation.

As part of our ongoing commitment to the development of our people and our organisation we have agreed to establish a research and development centre, including a strengthened Taiao focus. To support this Ngāti Kahungunu Iwi Incorporated have signed off a research policy that sets down our goals for research and development within the rohe of Ngāti Kahungunu and related to our people and places.

Kahungunutanga

Objectives:

- Championing cultural excellence
- Safeguarding the mana of Kahungunutanga
- Maintaining a tribal register

The Ngāti Kahungunu Taumata, Dr Piri Sciascia, Dr Rangimarie Rose Turuki Pere, Dr Pita Sharples and Mr Tama Huata, convened to provide leadership in the development of Tīhei Kahungunu, a Ngāti Kahungunu member resource that contains Ngāti Kahungunu waiata, haka and karakia. This taonga will be launched at the Ngāti Kahungunu Iwi Incorporated AGM.

This esteemed group also provided a pathway for greater celebration of our shared whakapapa as Ngāti Kahungunu and how we can best articulate that as uri and as a Ngāti Kahungunu organisation.

This year is the third year of our reo strategy contract with the Ministry of Education. The recording and digitization of Ngāti Kahungunu Kaumātua kōrero, Manu Kōrero Wānanga, the promotion of 'E Oho Kahungunu' as a strategy to promote greater awareness and responsibility of us all to commit to speaking and learning te reo have been key outcomes that help us to preserve our Kahungunutanga. Related to this has been the initiation of phase two of a Kahungunu Cultural Standards Project that will assist whānau to lead cultural development and learning opportunities in schools and early childhood education.

Members are encouraged to contact the office and staff involved to be kept informed about, and involved in, these developments and for priority access to the resources and presentations made as part of our mahi. We are always looking for ways of ensuring our members can contribute and be a part of what we are doing. Feedback, ideas and contributions from our members are always welcome.

Objectives:

- Managing the macro claim issues
- Political advocacy, including:
 - Influencing legislation
 - Lobbying
 - Litigation
- Safeguarding the mana of Kahungunutanga

Ngāti Kahungunu Iwi Incorporated has led responses to Iwi wide environmental issues through council planning, national policy consultation, development of board briefings, media releases and opinion pieces as evidenced in our monthly and annual reporting.

In particular issues pertaining to housing, air and water quality, resource management, our rivers, our streams, our traditional rights to food sources, along with other issues relating to biodiversity, biosecurity and climate change have been given priority by the board.

A collective made up of representatives from Ngāti Kahungunu Iwi Incorporated, Kahungunu Asset Holding Company and the Coastal Collective of Hapū has been formed under the banner of Kahungunu ki Uta, Kahungunu ki Tai. This group, through consultation with hapū, is developing a coastal marine and fisheries management and development plan for the benefit of the precious resources of Tangaroa accessed by customary, recreational and commercial fisheries.

Treaty Claims:

Following the foreshore and seabed hīkoi and legislation, many hapū are pursuing claims through the Māori land court. Ngāti Kahungunu Iwi Incorporated continues to encourage claimants to work together to settle their claims and pool knowledge and experience. 2007/08 has signaled a priority to assert our kaitiakitanga over freshwater, including our rivers, lakes, swamps and the water itself.

We continue to wait for the Waitangi Tribunal report on WAI 262, the flora and fauna claim. Wai 262 is a Treaty of Waitangi claim brought against the Crown in 1991 by the members of six iwi (Ngāti Kurī, Ngāti Wai, Te Rarawa, Ngāti Porou, Ngāti Kahungunu and Ngāti Koata). It is generally known as the “flora and fauna claim”, but its scope is significantly wider.

There are four statements of claim for Wai 262, which generally assert exclusive and comprehensive rights to flora and fauna, cultural knowledge and property as taonga protected by Article Two of the Treaty.

More specifically, we assert that the Crown has:

- Failed to actively protect the exercise of tino rangatiratanga and kaitiakitanga by the claimants over indigenous flora and fauna and other taonga, and also over mātauranga Māori (Māori traditional knowledge);
- Failed to protect the taonga itself;
- Usurped tino rangatiratanga and kaitiakitanga of Māori in respect of flora and fauna and other taonga through the development of policy and the enactment of legislation; and
- Breached the Treaty of Waitangi by agreeing to various international agreements and obligations that affect indigenous flora and fauna and intellectual property rights and rights to other taonga.

Ngāti Kahungunu remedies for Wai 262 included:

- broad and active participation of Māori in policy development
- policy development guided by the aspirations and expectations expressed by Māori
- respect for the rights of traditional communities under national and international law.

We proposed the establishment of a coordinating body, funded by the Crown and comprising representatives from the Wai 262 claimants, other iwi, the Crown, Crown Research institutes and the public to lead the following areas:

- Mātauranga/Education
- Environmental management
- Taonga
- Resource ownership
- Department of Conservation
- Rongoā
- Intellectual property
- International and legislative review

Although not directly involved with the land based claims, Ngāti Kahungunu Iwi Incorporated continues to encourage claimants to work together for the shared learning and experience that a collective approach could bring to the settlement process. Included in this are the four large groupings of Te Wairoa, Mohaka/Ahuriri, Heretaunga/Tamatea and Tararua/Wairarapa. The board has also provided support to Napier hospital claimants.

Whanaungatanga

Objectives:

- Political advocacy, including:
- Making tribal members aware of political issues
- Driving tribal-wide communication
- Harnessing the strength that lies in unity

Ngāti Kahungunu Iwi Incorporated staff led Whakamoe Patu – Kahungunu Violence Free strategy work. By working with talented rangatahi the Whakamoe Patu message was taken to the iwi in a showcase production staged in Te Wairoa, Nuhaka, Gisborne, Wairarapa and Wellington with outstanding stories of changed behaviour in whānau, as a result.

Te Tumu Whakahaere o Te Wero advise on progressing the Kahungunu Violence Free strategy and objectives to ensure they work to empower and educate whānau, are kaupapa Māori based and reflect Ngāti Kahungunu standards of practice.

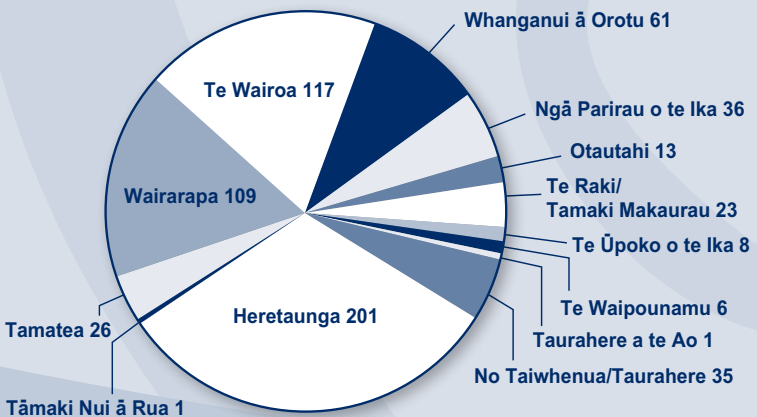
Over the past year the Board conducted a marae hīkoi to seek feedback on the organisational and strategic directions. The current programme of work was confirmed.

The Kaiwhakawā Rūnanga was convened to provide conflict resolution on behalf of Ngāti Kahungunu Iwi Incorporated and our Taiwhenua. This group consisted of Moana Jackson, Tuahine Northover, Mereana Pitman and Dr Rangimarie Rose Turuki Pere.

We now have more than 18,000 registered tribal members. However census shows us that there are still more than 45,000 that are unregistered. We are continuing to promote registration at events and through our panui.

637 new members registered with Ngāti Kahungunu Iwi Incorporated during the last financial year, compared to the 899 members who registered the year before. The graph below shows the increase of new members by Taiwhenua and Taurahere.

Ngāti Kahungunu Iwi



Whanaungatanga - Mauri Ora

Communications:

Ngāti Kahungunu Iwi Incorporated is committed to communicating with our members. This is provided through media networks such as the website (www.kahungunu.iwi.nz), Hōea Rā, our newsletter which is distributed to every registered member household, email pānui ki te iwi, Radio Kahungunu, hui and reports via Taiwhenua, Taurahere and Board delegates. This year the communications strategy included new ideas developed by the public relations team who focus on the promotion and planning of events, public and media affairs, the maintenance of the registration and nomination databases, and the provision of ongoing support to Taiwhenua and Taurahere.

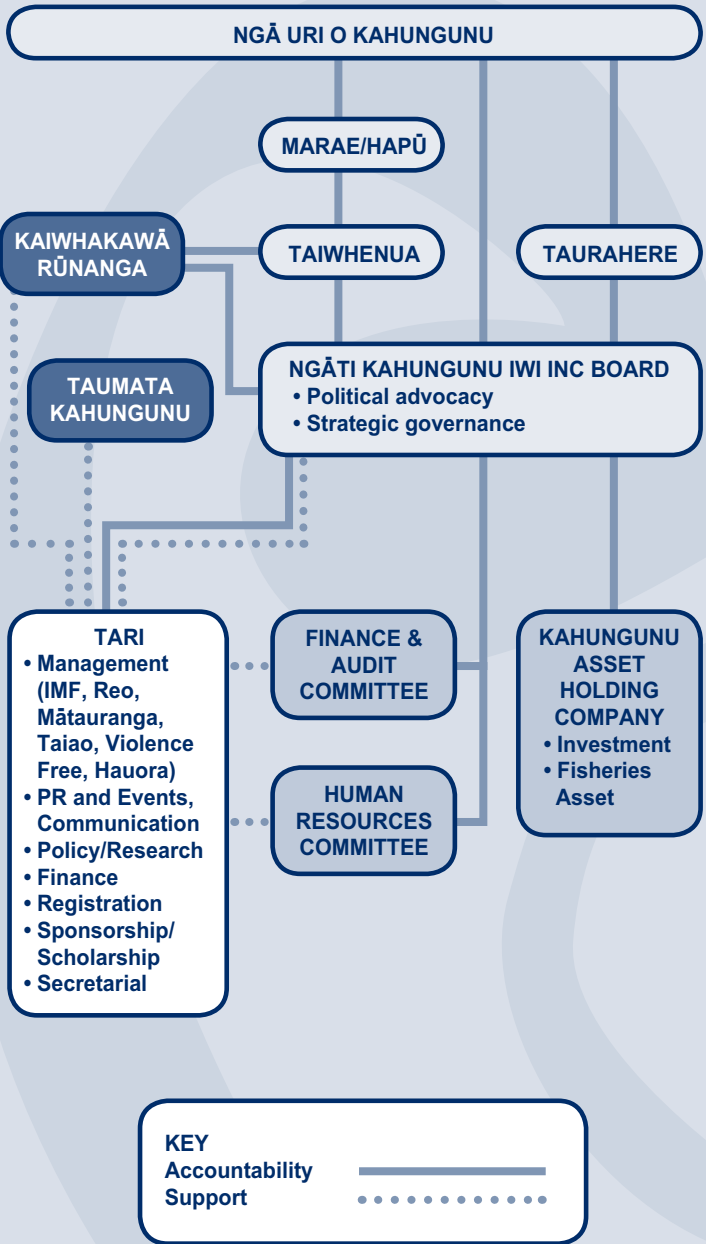
Scholarship & Sponsorship:

One of the benefits of registering with the iwi is eligibility for sponsorship and scholarship. This year Ngāti Kahungunu Iwi cultural and sporting sponsorships were distributed to a total of 58 individual, group and organisation events totaling \$30,000. A total of 41 Kahungunu tertiary students received scholarship funding to help support them in their studies toward higher learning.

Iwi grants to Taiwhenua and Taurahere

Ngāti Kahungunu Iwi Incorporated makes an annual grant to Taiwhenua and Taurahere to provide benefits to iwi. The amount distributed in this period is \$792,830. Of this amount, \$200,000 was to be used to meet the charitable objectives of Ngāti Kahungunu Iwi Incorporated. The balance of \$592,830 consisted of an investment fund, provided for Taiwhenua to support their ongoing sustainability. The annual distribution to Taiwhenua has become less sustainable as the Board has directed the Kahungunu Asset Holding Company to grow the asset base of the iwi to ensure the development and growth of Ngāti Kahungunu Iwi Incorporated and benefits for members.

Kahungunu Iwi Inc Organisation Structure 2007-2008



Kahungunu Asset Holding Company Report

Chairman's Report for the year 2007 - 2008

Tīhei Mauriora

He hōnore, he kororia, maungārongo ki runga i te whenua
He whakaaro pai ki ngā tāngata katoa.
Ka mihi rā ki ō tātou mate e hinga mai rā, e hinga atu rā.
Haere koutou ngā mate haere, haere
Moe mai koutou i roto i te Ariki
Ka āpiti hono, tātai hono,
Rātou te hunga mate ki a rātou
Ka āpiti hono, tātai hono, tātou te hunga ora ki a tātou
Tēnā tātou katoa



It is my pleasure to present to you the annual report of Kahungunu Asset Holding Company Limited (KAHC) for the year ended 30 June 2008.

KAHC was established in 2005 and received the population based fisheries settlement assets in August 2006. Ownership of the inshore fisheries assets remains with Te Ohu Kaimoana (TOKM) until coastline agreements are put in place with other iwi. Inshore Annual Catch Entitlement (ACE) is transferred to the company from Te Ohu Kaimoana each fishing season. The company is experiencing a planned period of income growth based on its decisions to maintain a mix of current investments in medium term deposits with compounding interest, while seeking appropriate investments that we are able to leverage our fisheries assets. Until such investments are secured, KAHC continues to seek a market price for its ACE through a tender process.

The first investment KAHC made is a 5% shareholding of Fiordland Lobster Company Ltd. This investment ensures we are paid market price for rock lobster ACE, enjoy dividends from our shareholding and see the value of the shareholding improve as the company grows.

The KAHC's strategy includes diversification of the asset portfolio however, the company's cautious, strategically driven approach has served us well in the economic environment in the last year where many investment sectors have seen a sizable deterioration in capital value.

The operating profit for the year 2008 was \$2,458,049 compared to \$1,769,233 for the same period in 2007.

I am also pleased to report an increased equity position of \$33,742,051 for the year ended 30 June 2008 year compared to \$32,684,002 for the 2007 year. This increase in equity is posted after payment of the \$1,400,000 dividend to the shareholder, Ngāti Kahungunu Iwi Incorporated.

I take this opportunity to thank the Directors for their co-operation and the wisdom that has been evident in the deliberations of the Board to date.

Kāti mō tēnei rīpoata
Tēnei te mihi ki a koutou e pae nei
Tēnā koutou katoa

Harry Haerengarangi Mikaere
Chair



Kahungunu Asset Holding Company Directors
from left: Paora Ammunson, Chris O'Reilly,
Peter Brierley, Christine Teariki, Harry Mikaere.

Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2008

| | Consolidated | | Parent | |
|--------------------------------|--------------|-----------|-----------|-----------|
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| INCOME | | | | |
| Administration | 242,332 | 224,036 | 274,423 | 257,436 |
| Interest | 405,655 | 724,080 | 110,876 | 271,156 |
| Hī Ika | 2,791,812 | 2,175,667 | 11,000 | 189,413 |
| Mātauranga | 360,672 | 304,478 | 360,672 | 304,478 |
| Hauora | 156,162 | 108,920 | 156,162 | 108,920 |
| Lotteries Grant | 50,985 | - | 50,985 | - |
| Mauri Ora | 128,203 | 6,667 | 128,203 | 6,667 |
| Taiao | 2,241 | 26,565 | 2,241 | 26,565 |
| Housing | 10,000 | 68,737 | 10,000 | 68,737 |
| Merchandising | 8,949 | 6,043 | 8,949 | 6,043 |
| Governance | 23,950 | 5,575 | 1,423,950 | 1,405,575 |
| 2 | 4,180,961 | 3,650,768 | 2,537,462 | 2,644,990 |
| LESS EXPENDITURE | | | | |
| Administration | 791,121 | 567,491 | 707,250 | 533,510 |
| Hī Ika | 425,204 | 665,822 | 35,432 | 184,311 |
| Communication | 39,516 | 32,299 | 39,516 | 32,299 |
| Mātauranga | 360,672 | 301,475 | 360,672 | 301,475 |
| Hauora | 207,147 | 94,874 | 207,147 | 94,874 |
| Mauri Ora | 271,927 | 340,457 | 271,927 | 340,457 |
| Taiao | 17,447 | 36,361 | 17,447 | 36,361 |
| Housing | 10,000 | 66,383 | 10,000 | 66,383 |
| Merchandising | 7,665 | 4,781 | 7,665 | 4,781 |
| Governance | 453,095 | 567,903 | 327,659 | 446,850 |
| 3 | 2,583,794 | 2,677,846 | 1,984,714 | 2,041,301 |
| Net Surplus/(Deficit) for year | 1,597,167 | 972,922 | 552,748 | 603,689 |

Statement of Movements In Equity

FOR THE YEAR ENDED 30 JUNE 2008

| | | | | |
|--------------------------------------|--------------|------------|-----------|-----------|
| Opening Equity as at 1 July | 35,109,129 | 3,346,256 | 3,613,059 | 3,359,370 |
| Net Surplus/Deficit for the year | 1,597,167 | 972,922 | 552,748 | 603,689 |
| Fishing Asset Settlement | - | 31,139,951 | - | - |
| Total recognised revenues & expenses | 1,597,167 | 32,112,873 | 552,748 | 603,689 |
| Less: Taiwhenua/ | | | | |
| Taurahere distribution | 4 (792,830) | (350,000) | (792,830) | (350,000) |
| Closing Equity as at 30 June | 5 35,913,466 | 35,109,129 | 3,372,977 | 3,613,059 |

These financial statements must be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT 30 JUNE 2008

| | Consolidated | | Parent | | |
|--------------------------------------|--------------|-------------------|-------------------|------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 | |
| | \$ | \$ | \$ | \$ | |
| ASSETS | | | | | |
| NON CURRENT ASSETS | | | | | |
| Property | 6 | 298,699 | 271,522 | 298,699 | 271,522 |
| Motor vehicles & plant | 7 | 142,264 | 117,117 | 140,839 | 117,117 |
| Quota | 8 | 9,436,871 | 9,436,871 | - | - |
| Investments and advances | 9 | 20,615,887 | 19,895,887 | 1,221,152 | 1,382,694 |
| Total Non Current Assets | | 30,493,721 | 29,721,397 | 1,660,690 | 1,771,333 |
| CURRENT ASSETS | | | | | |
| Bank and cash | 10 | 8,177,420 | 7,755,113 | 4,452,589 | 4,050,659 |
| Debtors | | 306,309 | 85,919 | 298,303 | 54,787 |
| Prepayments | | 20,966 | 16,431 | 20,966 | 15,870 |
| Stock on hand | 11 | 7,268 | 12,260 | 7,268 | 12,260 |
| Accrued income | | 129,063 | 66,743 | 50,673 | 28,172 |
| Total Current Assets | | 8,641,026 | 7,936,466 | 4,829,799 | 4,161,747 |
| TOTAL ASSETS | | 39,134,747 | 37,657,863 | 6,490,489 | 5,933,080 |
| LIABILITIES | | | | | |
| NON CURRENT LIABILITIES | | | | | |
| Vehicle lease | 12 | 16,650 | - | 16,650 | - |
| Total Non Current Liabilities | | 16,650 | - | 16,650 | - |
| CURRENT LIABILITIES | | | | | |
| Creditors | | 460,068 | 342,625 | 356,299 | 246,502 |
| Provisions | 13 | 2,142,423 | 1,885,615 | 2,142,423 | 1,753,025 |
| Loan due within 1 year | 14 | - | 22,320 | - | 22,320 |
| Vehicle lease within 1 year | 12 | 16,650 | 29,500 | 16,650 | 29,500 |
| Taiwhenua/Taurahere grants payable | 4 | 367,149 | 206,447 | 367,149 | 206,447 |
| Income in advance | | 218,341 | 62,227 | 218,341 | 62,227 |
| Total Current Liabilities | | 3,204,631 | 2,548,734 | 3,100,862 | 2,320,021 |
| TOTAL LIABILITIES | | 3,221,281 | 2,548,734 | 3,117,512 | 2,320,021 |
| EQUITY | | | | | |
| Retained earnings | 5 | 3,879,537 | 3,226,489 | 2,478,999 | 2,870,370 |
| Reserve fund | 5 | 893,978 | 742,689 | 893,978 | 742,689 |
| Fisheries Settlement Assets | 5 | 31,139,951 | 31,139,951 | - | - |
| TOTAL EQUITY | | 35,913,466 | 35,109,129 | 3,372,977 | 3,613,059 |
| TOTAL LIABILITIES AND EQUITY | | 39,134,747 | 37,657,863 | 6,490,489 | 5,933,080 |

These financial statements were authorised for issue by the board on 21 October 2008.



Chairman
21 October 2008



Trustee
21 October 2008

These financial statements must be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008

1 STATEMENT OF ACCOUNTING POLICIES

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 entities.

The reporting entity comprises the society and consolidated group of the society and its subsidiaries. The financial statements are prepared under generally accepted accounting principles.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed.

Differential Reporting

The society qualifies for differential reporting as the business is not publicly accountable, and not large in size. The society has taken advantage of all available differential reporting exemptions except for FRS 19 GST.

Specific Accounting Policies

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

(a) 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.

(b) Operating Revenue

This represents revenue earned from the sale of the society's products and services, investment income on the society's investments, and income earned on contract for services net of any credit allowed. Project related income is recorded on an accruals basis, consistent with the degree of project completion.

(c) Depreciation

Depreciation has been calculated using rates permitted by the Income Tax Act 2004

| | |
|----------------------------|-----------|
| Vehicles | 20-32% DV |
| Buildings | 2% SL |
| Computer Equipment & Plant | 10-50% DV |

(d) Income Tax

The society has applied to the Charities Commission for charitable status for income tax purposes.

The application was lodged prior to June 2008 and is at the quality review stage.

The Commission advised that status, when granted, will be backdated to the date of application.

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008

(e) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation.

(f) Investments and Advances

Investments and Advances are recorded at cost or estimated net realisable value if there has been a permanent diminution in value.

(g) Quota and Shares

The shares and quota received under the Fisheries Asset Settlement process have been included at the value established by Te Ohu Kaimoana on transfer.

Fiordland Lobster shares are recorded at cost.

(h) Inventory

Inventories are valued at the lower of cost and net realisable value.

(i) Debtors

Debtors are stated at their estimated net realisable value.

(j) Taiwhenua/Taurahere distribution

Taiwhenua/Taurahere distributions are recorded as a movement in equity.

Changes in Accounting Policies

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

| | Consolidated | | Parent | |
|---|--------------|------------|------------|------------|
| | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| 2 INCOME | | | | |
| Income includes | | | | |
| Dividends | - | - | 1,400,000 | 1,400,000 |
| 3 EXPENSES | | | | |
| Expenses include | | | | |
| Depreciation | 25,450 | 65,643 | 25,396 | 65,643 |
| Bad and doubtful debts | 333 | 5,148 | 333 | 5,148 |
| Audit fees | 21,820 | 18,768 | 14,620 | 13,768 |
| Board member honoraria/ committee fees | 207,289 | 241,166 | 154,789 | 156,416 |

4 TAIWHENUA /TAURAHERE GRANTS PAYABLE

The board requires certain criteria to be met prior to payments of grants. The expectation is that each Taiwhenua and Taurahere can fulfil the criteria.

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008

| | Consolidated | | Parent | |
|---|-------------------|-------------------|------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| 5 EQUITY | | | | |
| Opening Balance | | | | |
| - Retained earnings | 3,226,489 | 2,784,853 | 2,870,370 | 2,797,967 |
| Net Surplus for the year | 1,597,167 | 972,922 | 552,748 | 603,689 |
| Less: Taiwhenua Distribution | (792,830) | (350,000) | (792,830) | (350,000) |
| Less: Transfer to Reserve Fund | (151,289) | (181,286) | (151,289) | (181,286) |
| Closing balance Retained earnings | <u>3,879,537</u> | <u>3,226,489</u> | <u>2,478,999</u> | <u>2,870,370</u> |
| Opening Balance Reserve Fund | 742,689 | 561,403 | 742,689 | 561,403 |
| Add: Transfer from Retained earnings | 151,289 | 181,286 | 151,289 | 181,286 |
| Closing Balance Reserve Fund | <u>893,978</u> | <u>742,689</u> | <u>893,978</u> | <u>742,689</u> |
| Opening Balance Fisheries Settlement Assets | 31,139,95 | - | - | - |
| Add: Fisheries Settlement Assets Distribution | - | 31,139,951 | - | - |
| Closing Balance Fisheries Settlement Assets | <u>31,139,951</u> | <u>31,139,951</u> | - | - |
| Total equity | <u>35,913,466</u> | <u>35,109,129</u> | <u>3,372,977</u> | <u>3,613,059</u> |

For prudential purposes the board of Ngāti Kahungunu Iwi Incorporated has resolved to set aside 10% of the annual income excluding government contracts each year as an enduring capital base for the Society.

| | Original Cost | Accum Dpn | Closing Value |
|-------------------------------------|----------------|----------------|----------------|
| 6 PROPERTY | | | |
| Parent & consolidated | | | |
| Land & Buildings 2008 | 351,234 | 52,535 | 298,699 |
| Land & Buildings 2007 | 320,808 | 49,286 | 271,522 |
| 7 MOTOR VEHICLES & PLANT | | | |
| Parent 2008 | | | |
| Vehicles | 201,764 | 105,341 | 96,423 |
| Plant & Machinery | 131,087 | 86,671 | 44,416 |
| | <u>332,851</u> | <u>192,012</u> | <u>140,839</u> |
| Consolidated 2008 | | | |
| Vehicles | 201,764 | 105,341 | 96,423 |
| Plant & Machinery | 132,566 | 86,725 | 45,841 |
| | <u>332,851</u> | <u>192,012</u> | <u>142,264</u> |
| Parent 2007 | | | |
| Vehicles | 195,880 | 105,576 | 90,304 |
| Plant & Machinery | 116,057 | 89,244 | 26,813 |
| | <u>311,937</u> | <u>194,820</u> | <u>117,117</u> |
| Consolidated 2007 | | | |
| Vehicles | 195,880 | 105,576 | 90,304 |
| Plant & Machinery | 116,057 | 89,244 | 26,813 |
| | <u>311,937</u> | <u>194,820</u> | <u>117,117</u> |

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008

8 QUOTA

In 2007 the Kahungunu Asset Holding Company (the company) received quota as part of the Fisheries Settlement. Under the Māori Fisheries Act 2004, the company must not sell its settlement quota until two years after transfer from Te Ohu Kaimoana. After two years, the company can only sell its settlement quota to another iwi or to a member of the Te Ohu Kaimoana group. The quota has been recorded at the value placed on it for settlement purposes.

| | Consolidated | | Parent | |
|---|--------------|------------|-----------|-----------|
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| 9 INVESTMENTS | | | | |
| Investments in Subsidiaries | | | | |
| Shares Tronk (100%) | - | - | 15,732 | 15,732 |
| Shares Tū Kahu (100%) | - | - | - | 100 |
| Shares Kahungunu Asset Holding Company (100%) | - | - | 1,200,000 | 1,200,000 |
| | - | - | 1,215,732 | 1,215,832 |
| Shares in other companies | | | | |
| Aotearoa Fisheries Ltd | 19,874,735 | 19,874,735 | - | - |
| Fiordland Lobster Company | 720,000 | - | - | - |
| Napier Mussels Ltd (40%) | 80,000 | 80,000 | 80,000 | 80,000 |
| Less: Provision | (80,000) | (80,000) | (80,000) | (80,000) |
| | 20,594,735 | 19,874,735 | - | - |

The Kahungunu Asset Holding Company has purchased, as part of the Fisheries Settlement, 7,874 shares in Aotearoa Fisheries Ltd (AFL). This represents a 6.3% holding in that company. The shares have been recorded at the value established by Te Ohu Kaimoana on transfer. The net book value of the Kahungunu Asset Holding Company's shareholding in AFL as disclosed in its Annual Report at 30 September 2007 was \$22,589,028. Under the Māori Fisheries Act 2004, the company must not sell its AFL shares until two years after transfer from Te Ohu Kaimoana. After two years, the company can only sell its AFL shares to another iwi or to a member of the Te Ohu Kaimoana group.

The Kahungunu Asset Holding Company has purchased 100,000 shares in Fiordland Lobster Company (FLC). This represents a 4.5% holding in that company. These shares have been included at cost. The net book value of the Kahungunu Asset Holding Company's share holding in FLC as disclosed in its Annual Report at 31 March 2008 was \$1,430,000.

The Board has resolved to transfer its shareholding in Napier Mussels Ltd to the Kahungunu Asset Holding Company for a nominal consideration. The company has assumed responsibility for the shares although the share transfer has not been effected at balance date.

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008

| | Consolidated | | Parent | |
|--|--------------|-----------|-----------|-----------|
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| 9 INVESTMENTS cont'd | | | | |
| Advances | | | | |
| Tamatea Taiwhenua | 21,152 | 21,152 | 21,152 | 21,152 |
| Kaiwhakawā Rūnanga has recommended that the advance due from Tamatea Taiwhenua is repayable. | | | | |
| Napier Mussels Ltd | 195,592 | 195,592 | 195,592 | 195,592 |
| Less: Provision | (195,592) | (195,592) | (195,592) | (195,592) |
| | - | - | - | - |

Amount due from (to) Subsidiaries

| | | | | |
|---------------------------------|-------------------|-------------------|------------------|------------------|
| Tū Kahu Ltd | - | - | - | 2,238 |
| TRONK | - | - | (15,732) | (15,732) |
| Kahungunu Asset Holding Company | - | - | - | 159,204 |
| | - | - | (15,732) | 145,710 |
| | <u>20,615,887</u> | <u>19,895,887</u> | <u>1,221,152</u> | <u>1,382,694</u> |

10 BANK ACCOUNTS

| | | | | |
|--------------------|------------------|------------------|------------------|------------------|
| Call Account -NBNZ | 5,611 | 103 | 565 | 103 |
| Cheque Account | 494,133 | 355,697 | 490,124 | 57,420 |
| Call Account | 134,354 | 762,584 | 1,129 | 41,183 |
| | <u>634,098</u> | <u>1,118,384</u> | <u>491,818</u> | <u>98,706</u> |
| Term Deposits | 7,543,274 | 6,636,670 | 3,960,723 | 3,951,894 |
| Petty Cash | 48 | 59 | 48 | 59 |
| | <u>8,177,420</u> | <u>7,755,113</u> | <u>4,452,589</u> | <u>4,050,659</u> |

Deposits totalling \$1,843,043 (2007 \$1,490,609) arise from fishing receipts and are being held in trust subject to resolution of disputes regarding allocation.

11 STOCKS ON HAND

| | | | | |
|-------------|--------------|---------------|--------------|---------------|
| Merchandise | 7,268 | 12,260 | 7,268 | 12,260 |
| | <u>7,268</u> | <u>12,260</u> | <u>7,268</u> | <u>12,260</u> |

12 MOTOR VEHICLE FINANCES

| | | | | |
|-------------------------------|---------------|---------------|---------------|---------------|
| Total instalments outstanding | 33,300 | 29,500 | 33,300 | 29,500 |
| | <u>33,300</u> | <u>29,500</u> | <u>33,300</u> | <u>29,500</u> |
| Payable within 1 year | 16,650 | 29,500 | 16,650 | 29,500 |
| 1-2 years | 16,650 | - | 16,650 | - |
| 2-5 years | - | - | - | - |
| | <u>33,300</u> | <u>29,500</u> | <u>33,300</u> | <u>29,500</u> |

13 PROVISIONS

Included in the provision is an amount of \$1,843,043 which is committed to the Rongomaiwahine Iwi Trust.

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008

| Consolidated | | Parent | |
|--------------|------|--------|------|
| 2008 | 2007 | 2008 | 2007 |
| \$ | \$ | \$ | \$ |

14 LOANS

| | | | | |
|---------------------------------|---|--------|---|--------|
| Housing New Zealand Corporation | - | 22,320 | - | 22,320 |
|---------------------------------|---|--------|---|--------|

The loan was fully repaid during the year.

15 RELATED PARTY TRANSACTIONS

The society enters into transactions with and on behalf of its subsidiaries Te Rūnanganui o Ngāti Kahungunu Ltd, and the Kahungunu Asset Holding Company.

The society collects and distributes funds on behalf of and to constituent Taiwhenua and Taurahere organisations. There are common board members between the society and the Taiwhenua and Taurahere organisations.

During the year the Kahungunu Asset Holding Company paid a dividend of \$1,400,000 to the society.

16 SUBSEQUENT EVENTS

After balance date a property situated on Kirkwood Road, Flaxmere, was sold for \$280,000. There have been no other events subsequent to balance date that have an effect on these financial statements.

In 2007 the Kahungunu Asset Holding Company purchased shares in Fiordland Lobster Company Ltd to the value of \$720,000.

17 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There are no commitments for capital expenditure at balance date (2007 nil). The society has underwritten the 2008 Takitimu Festival to a maximum of \$500,000 (2007 nil).

Audit Report



To the Members of Ngāti Kahungunu Iwi Incorporated

We have audited the financial report on pages 12 to 19. The financial report provides information about the past financial performance and financial position of Ngāti Kahungunu Iwi Incorporated (the society) and group as at 30 June 2008. This information is stated in accordance with the accounting policies set out on pages 14 and 15.

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 2008 and of the results of operations for the year ended 30 June 2008.

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. 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.

Unqualified Opinion

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

In our opinion, the financial report on pages 12 to 19 fairly reflects the financial position of the society and group as at 30 June 2008 and the results of operations for the year ended on that date.

Our audit was completed on 21 October 2008 and our unqualified opinion is expressed as at that date.

Chartered Accountants
Hastings, New Zealand





Ngāti Kahungunu Iwi
INCORPORATED

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New Zealand
Permit No. 167697



AGM 29 NOVEMBER
9AM SPLASH PLANET, HASTINGS