

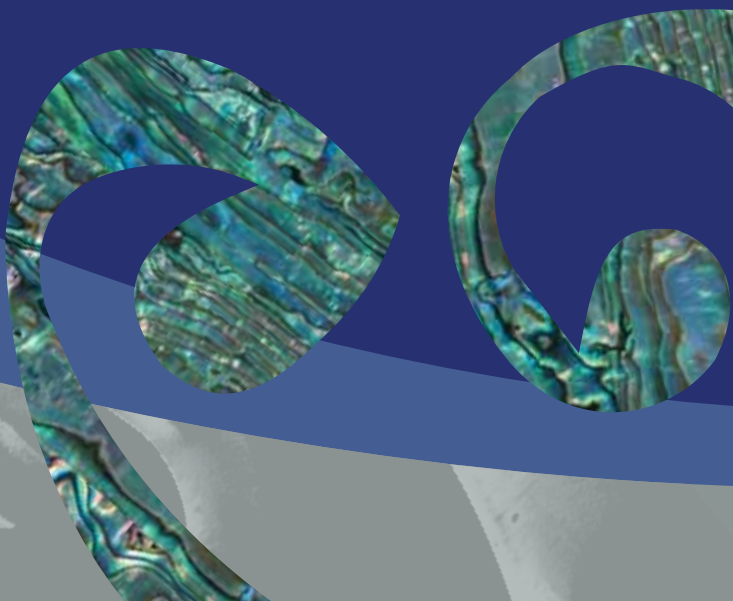
# Hoea ra



**Ngāti Kahungunu Iwi**  
INCORPORATED

## Annual Report 2006 - 2007

Published November 2007



# Table of Contents

	Page
Chairmans Report	1
General Manager's Statement	2
Board 2006-2007	3
Tinorangatiranga	4
Whānaungatanga - Māuri Ora	5
Kahungunutanga - Māuri Ora	8
Sponsorship	9
Ngāti Kahungunu Iwi Inc Organisation Structure	10
Kahungunu Asset Holding Company - Chairman's Report	11
Statement of Financial Performance	12
Statement of Movements in Equity	12
Statement of Financial Position	13
Notes to and Forming Part of the Financial Statements	14 - 19
Audit Report	20

# Audit Report



## To the Members of Ngāti Kahungunu Iwi Inc

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 Inc (the society) and group as at 30 June 2007. 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 2007 and of the results of operations for the year ended 30 June 2007.

### 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 2007 and the results of operations for the year ended on that date.

Our audit was completed on 9 November 2007 and unqualified opinion is expressed as at that date.

A handwritten signature in blue ink, appearing to read 'Staples Rodway', written over a white background.

Chartered Accountants  
Hastings, New Zealand

# General Manager's Statement

Tuia te rangi e tū iho nei

Tuia te papa e takoto nei

This year signals both an arrival and a departure. We have arrived at a destination that was begun for us by our previous leaders. We have secured the fisheries asset that was such a tantalizing but seemingly unreachable goal. We have also remodeled our waka and relaunched it for the next leg of our journey toward 2026, in our pursuit of excellence.

An organisation such as Ngāti Kahungunu Iwi Incorporated is dependent on people. We exist to serve our membership, we are governed by an elected board of representatives from various rohe within and outside of the iwi boundaries, we rely on a large number of volunteers who give selflessly of their time and resources, our relationships are with other organisations but it is the people within the organisations and within our communities who make those relationships work and who help to achieve the goals and objectives of the organisation.

The staff face daily challenges in our work but it is often the personal relationships that we develop and the strength we draw from one another that sustain us. I am grateful for the support and commitment the staff give to the kaupapa of Ngāti Kahungunu Iwi Incorporated. I stand in awe of the insight and strength of leadership demonstrated by our board as they negotiated the politics of Government and Iwi but mostly, I am inspired by the achievements of our people who strive for the betterment and well being of their whānau, their hapū and our iwi.

Our consolidated financial results show a surplus of \$972, 922 for the year with closing equity of \$35,109,129.00.

**Aramanu Mitchell**

*Manawhakahaere*



*Back row from left:* Naumai Ropitini (Finance Officer), Kym Hamilton (Project Manager - IMF), Nikki Harrison (Housing Project Manager), Ruth Wong (Communication Manager), Aramanu Mitchell (General Manager), Danielle Keil-Lambert (Personal Assistant), Tuakana August (Receptionist)

*Front row from left:* Kerrin Fair (Database Administrator), Ihaia Hutana (Poutiri-A-Reo), Roy Pewhairangi (Board Administrator)

*Not pictured:* Kim Smith (Iwi Planner)

# Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>9 BANK ACCOUNTS</b>				
Call Account -NBNZ	103	340	103	340
Cheque Account	355,697	70,660	57,420	70,248
Mana Account	-	389	-	389
Call Account	762,584	205,041	41,183	205,041
	1,118,384	276,430	98,706	276,018
Term Deposits	6,636,670	4,769,341	3,951,894	4,769,341
Petty Cash	59	33	59	33
	<u>7,755,113</u>	<u>5,045,804</u>	<u>4,050,659</u>	<u>5,045,392</u>

The deposits totalling \$1,490,609 (2006 \$1,321,568) arise from fishing receipts and are being held subject to resolution of disputes regarding allocation.

## 10 STOCKS ON HAND

Merchandise	12,261	9,590	12,261	9,590
	<u>12,261</u>	<u>9,590</u>	<u>12,261</u>	<u>9,590</u>

## 11 LOANS

Housing Corporation of New Zealand	22,320	45,177	22,320	45,177
Less Payable within 1 year	22,320	22,857	22,320	22,857
	<u>-</u>	<u>22,320</u>	<u>-</u>	<u>22,320</u>

## 12 MOTOR VEHICLE FINANCES

Total instalments outstanding	29,500	104,396	29,500	104,396
Less Interest not yet due	-	4,144	-	4,144
	<u>29,500</u>	<u>108,540</u>	<u>29,500</u>	<u>108,540</u>
Payable within 1 year	29,500	33,912	29,500	33,912
1-2 years	-	33,912	-	33,912
2-5 years	-	32,428	-	32,428
	<u>29,500</u>	<u>100,252</u>	<u>29,500</u>	<u>100,252</u>

## 13 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.

*Objective:*

*Accountable and transparent leadership.*

## Governance

The 2006-2007 financial year marks a milestone in the journey of Ngāti Kahungunu. Years of work done by iwi leaders to secure a mandate to settle the Fisheries claim culminated in a postal vote and Hui-a-iwi on 22 July 2006 approving Ngāti Kahungunu Iwi Incorporated as the Mandated Iwi Organisation to receive the fisheries settlement assets. Those assets, based on the population based formula set out in the Māori Fisheries Act 2004, were transferred in August 2006.

Triennial elections, also conducted by postal ballot, were held over the month of April. A governance review in the previous year recommended a down size of the board. Ten seats were contested instead of the prior 21, with alternate delegates being returned through the same election process. The elections resulted in retention of six board members, with their combined knowledge and experience and the introduction of four new members with their fresh, enthusiastic eyes, ears and minds. The board transition and induction occurred in May 2007.

*Objective:*

*Effective and credible commercial structure.*

The Kahungunu Asset Holding Company Ltd was established to serve a dual purpose:

- To receive, hold and manage Ngāti Kahungunu's fisheries settlement assets, primarily quota and income shares in Aotearoa Fisheries Ltd.; and
- To manage all commercial assets and interests of its shareholder, Ngāti Kahungunu Iwi Incorporated.

The company has received the population based asset. It reports quarterly to the shareholder, Ngāti Kahungunu Iwi Incorporated, and annually to the iwi on the management of those assets.

The Asset Holding Company Chairman's report is included at page 11.

## Treaty Claims

During the year the claimants of Wai 692, The Napier Hospital Claim, sought support of the Board to a heads of agreement being negotiated with the Ministry of Health. The board supported the move to a negotiated settlement with improved services to the Māori community of Napier.

Ngāti Kahungunu was one of the original claimants of Wai 262, Flora and Fauna. Hearings were conducted throughout the year and the concluding submissions made in June 2007. Ngāti Kahungunu's recommendations included the establishment of 8 working groups to sit kanohi ki te kanohi to consider and evolve strategies for rights relating to:

- Intellectual property;
- Freshwater;
- Te reo Māori;
- Rongoa Māori and others;
- Land management

One urgent recommendation was to reinstate the Treaty of Waitangi into the current curriculum, as it had been deleted. This has since occurred.

# Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>4 ADMINISTRATION</b>				
<b>Administration expenses include</b>				
Total depreciation	65,643	87,787	65,643	87,787
Bad and doubtful debts	5,148	407	5,148	407
Audit fees	18,768	13,000	13,768	13,000
<b>5 GOVERNANCE</b>				
<b>Governance income includes</b>				
Dividends	-	-	1,400,000	-
<b>Governance expenses include</b>				
Board member honoraria/committee fees	241,166	276,612	156,416	194,112
Shareholder advances/expenses Napier Mussels Ltd	15,225	39,223	15,225	39,223

	Original Cost	Accum Dpn	Closing Value
<b>6 PROPERTY</b>			
<b>Parent &amp; consolidated</b>			
Land & Buildings 2007	320,808	49,286	271,522
Land & Buildings 2006	230,808	49,778	271,030
<b>7 MOTOR VEHICLES &amp; PLANT</b>			
<b>Parent &amp; consolidated 2007</b>			
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>
<b>Parent &amp; consolidated 2006</b>			
Vehicles	194,692	64,616	130,076
Plant & Machinery	106,169	60,902	45,267
	<u>300,861</u>	<u>125,518</u>	<u>175,343</u>

# Whanaungatanga - Māori Ora

*Reclaiming our values and improving our health and standard of living*

## Key achievements

One year operation of the Māori Relationship Board established to advise the HB DHB, assist programme development to improve the health of Māori and assist in monitoring health improvement of the Māori population in the HBDHB region.

A research strategy for Kahungunu, developed with the support of a seeding grant from the Health Research Council and the Foundation for Research Science and Technology, was adopted by the Board.

Matariki - A joint venture with Te Taiwhenua o Heretaunga and the Hastings District Council to develop plans for a residential housing project in Flaxmere.

Launch of He Mahere Rautaki Hai Haumanu i te Reo o Ngāti Kahungunu, the strategic plan for the revitalisation of Te Reo o Ngāti Kahungunu.

The inaugural Taiao hui a iwi held at Te Aute college in April 2007, looking at environmental issues for Ngāti Kahungunu with a focus on developing Rangatahi leaders in this field.

Iwi Management forum initiatives being picked up and moved by the Board including the development of a public relations plan.

## Scholarships

This year Ngāti Kahungunu Iwi Incorporated awarded, to third year degree and postgraduate students, 35 scholarships to the combined value of \$30,000. The recipients were:

First Name	Last Name	Degree	Taiwhenua / Taurahere
Ahuriri	HOUKAMAU	Diploma Tertiary Teaching	Tamatea
Aimee-Rose	STEPHENSON	Master of Maori Visual Arts	Heretaunga
Anna	HODGES	Bachelor Early Childhood Education	Murihiku
Aroha	POHATU	Masters of Indigenous Studies	Heretaunga
Brook	GRANT	Post Graduate Diploma Commerce	Wairoa
Charles	ROPITINI	Bachelor of Arts Music	Te Upoko o te Ika
Cindy	WALLACE	Bachelor of Commerce & Administration	Wairoa
Cordry	HUATA	Masters of Teaching	Heretaunga
Ejay Natalya	GILLIES	Post Grd Dip Maori Laws/Philosophy	Heretaunga
Erena	TOMOANA	Bachelor of Education	Heretaunga
Ewan	POHE	PhD	Heretaunga
Glenda	TE RITO	Graduate Diploma Teaching	Tamaki Makaurau
Haeata	TE WHAITI	Bachelor of Management Studies	Wairarapa
Huia	HUATA	Masters of Teaching	Heretaunga
Jade	HADFIELD	Bachelor of Arts	Te Whanganui a Orotu
James	GRAHAM	PhD Education	Tamatea
Janette	HAMILTON -PEARCE	PhD Information Sciences	Tamaki Makaurau
Jeremy	MACLEOD	Bachelor of Arts Māori	Tamatea



# Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2007

## 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 companies. 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 FRS 19 GST.

### Specific Accounting Policies

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

#### (a) Operating Revenue

This represents revenue earned from the sale of the society's products and services, interest 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.

#### (b) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

#### (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) Investments and Advances

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

#### (e) Quota and Shares

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

#### (f) Income Tax

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

# *Kahungunutanga - Māuri Ora*

*The retention of our uniqueness*

## ***Kia mau mahara ki te mana ahua ake o Ngāti Kahungunu***

The board contracted the Ngāti Kahungunu Runanga Arts and Culture to deliver on this objective while at the same time continuing to support school kapa haka festivals and other sporting, education and cultural activities. Matariki events were held throughout the rohe. The annual Kahungunu Waitangi celebrations were again successfully held at Ahuriri and Clive. Wananga and Kaumatua hui were held at Marae and Taiwhenua to discuss and promote kawa and tikanga issues.

**Kahungunutanga** is about celebrating and promoting our people and culture. These events are evidence that Kahungunutanga continues to advance strongly.



*Pictures taken at the Special General Meeting held at Kahuranaki Marae in July 2006*

# Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>INCOME</b>				
Administration income	495,192	437,885	528,592	310,517
Hī Ika income	2,628,591	2,501,239	189,413	2,501,239
Mātauranga	304,478	255,713	304,478	255,713
Hauora	108,920	94,129	108,920	94,129
Māuri Ora	6,667	58,249	6,667	58,249
Taiao	26,565	26,500	26,565	26,500
Housing	68,737	81,564	68,737	81,564
Merchandising	6,043	5,956	6,043	5,956
Governance	5,575	876	1,405,575	876
	<u>3,650,768</u>	<u>3,462,111</u>	<u>2,644,990</u>	<u>3,334,743</u>
<b>LESS EXPENDITURE</b>				
Administration	4 567,491	512,958	533,510	487,158
Hī Ika	665,822	1,015,751	184,311	1,015,751
Communication	32,299	44,601	32,299	44,601
Mātauranga	301,475	265,890	301,475	265,890
Hauora	94,874	94,209	94,874	94,209
Māuri Ora	340,457	114,992	340,457	114,992
Taiao	36,361	27,121	36,361	27,121
Housing	66,383	70,061	66,383	70,061
Merchandising	4,781	8,720	4,781	8,720
Governance	5 567,903	623,118	446,850	496,624
	<u>2,677,846</u>	<u>2,777,422</u>	<u>2,041,301</u>	<u>2,625,128</u>
Net Surplus/(Deficit) for year	<u>972,922</u>	<u>684,688</u>	<u>603,689</u>	<u>709,614</u>

# Statement of Movements in Equity

FOR THE YEAR ENDED 30 JUNE 2007

Opening Equity as at 1 July	3,346,256	3,125,498	3,359,370	3,113,687
Net Surplus/Deficit for the year	972,922	684,688	603,689	709,614
Fishing Asset Settlement	31,139,951	-	-	-
Total recognised revenues & expenses	<u>32,112,873</u>	<u>684,688</u>	<u>603,689</u>	<u>709,614</u>
Less: Taiwhenua/Taurahere distribution	(350,000)	(463,930)	(350,000)	(463,930)
Closing Equity as at 30 June	<u>35,109,129</u>	<u>3,346,256</u>	<u>3,613,059</u>	<u>3,359,370</u>

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

# Ngāti Kahungunu Iwi Inc Organisation Structure 2006-2007

