

Hoea ra



Ngāti Kahungunu Iwi
INCORPORATED

Annual Report 2005 - 2006

Published 2006

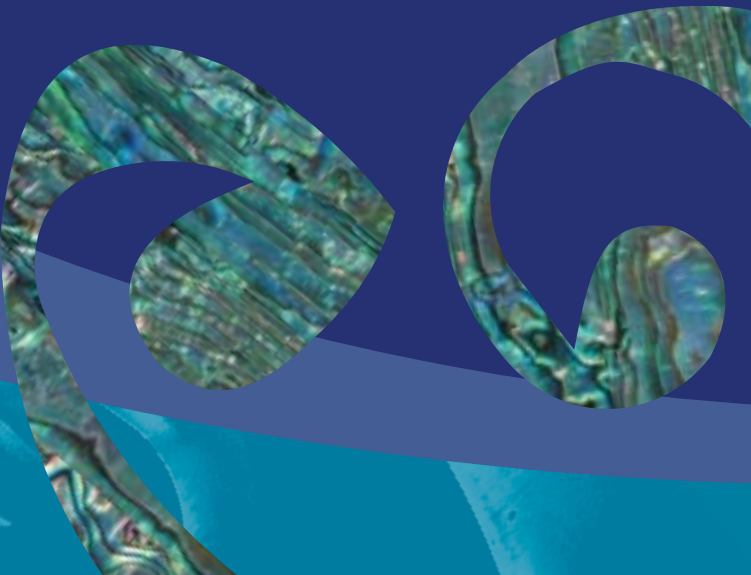


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Chairperson's Report

*"Whano Whano
Haramai te Toki"*



This classic saying in Takitimu lore to me is about the gathering of the physical, emotional, supernatural and spiritual forces necessary to take the next leap of faith into the unknown, the surge toward new horizons and new adventures.

This past year has been about that for us, for after two decades of battling whirlpools, hurricanes, and endless sets of unruly waves of the political, legal and organisational kind, we have grasped that toki and cleaved our way to new targeted frontiers.

The cutting edge of the toki has been the ability to see beyond current issues and in engaging rhythms of the past to match the trills of today. I acknowledge the efforts of the board and the staff in our achievements which would all echo hollow if it were not for the support and commitment from those hapu and iwi leaders as well as mātāwaka who do not sit around the board tables but work with unstinting passion to create a better and greater Kahungunu community.

The achievements of the year are signposted throughout the report. They tell an earnest story. I urge that we continue to dream our dreams of a better future for our tamariki, mokopuna me ngā uri whakatipu, the generations yet unborn. One of my enduring passions is that we will over time take back every inch of Kahungunu whenua. I've sat atop Kahurānaki and thought. Why not?

Hēoi anō, e ngā tukemata nui o Kahungunu

Whano whano haramai te toki ...

Haumi e ... hui e ...

Taiki e!



Ngahiwi Tomoana

CHAIRMAN

General Manager's Statement

"Ngā Tukemata Rau Whakaoho"

"Kahungunu potential"



This is the vision of the Ngāti Kahungunu Te Reo Strategic Plan. It is also an appropriate description of the activities of the year being reported in this annual report, 2005-2006.

The organisation continues to be driven to achieve Kahungunu 2026, the 25 year vision for Ngāti Kahungunu, with focus of activity on the outcomes of Tinorangatiratanga, Whānautanga and Kahungunutanga throughout this period. There has been a greater concentration of activity on the Tinorangatiratanga outcome as we moved towards achieving Joint Mandated Iwi Organisation status in order to settle the long running Treaty of Waitangi Fisheries Claim, an achievement reached soon after reporting date.

The annual financial statements demonstrate the continued commitment of the organization to strengthen the financial position of Ngāti Kahungunu Iwi Incorporated while at the same time supporting our constituent organizations to provide benefits to the iwi. An annual surplus of \$684,688 was achieved with provision made for distribution of grants to Taiwhenua and Taurahere to meet our charitable objects. Taking into account the provisions mentioned above our net equity position at 30 June 2006 is \$3,346,256. The reserve fund is increased by \$268,525 to ensure continuing growth in our permanent capital base.

Our organization is supported by a small but dedicated team. We welcomed three new members to the team this year and farewelled one of our number. The staff work hard to advance the Ngāti Kahungunu strategic vision and I acknowledge their commitment and pay tribute to the excellent work they do.

Aramanu Mitchell

General Manager



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)

Board 2005-2006



Ngahiwi Tomoana
Chairman



Christine Teariki
Deputy Chairperson



Haami Hilton
Kaumtua



Noreen Taylor
Kaumtua



Albert Walker
Wairoa Taiwhenua



Aotearoa Karauria
Wairoa Taiwhenua



Bevan Taylor
Te Taiwhenua o Te Whanganui a Orotu



Tipu Tareha
Te Taiwhenua o Te Whanganui a Orotu



Ngatai Huata
Te Taiwhenua o Heretaunga



Lester White
Te Taiwhenua o Heretaunga



John Nepe Apatu
Tamatea Taiwhenua



Jill Munro
Tamatea Taiwhenua



Linette Rautahi
Tamaki Nui a Rua Taiwhenua



Kahu Pene
Tamaki Nui a Rua



Paora Ammunson
*New member
Wairarapa Whānui*



Huria Robens
*New member
Wairarapa Whānui*



Urania Peita
*Tamaki-makau-rau/
Te Raki Taurahere*



Owen Purcell
*Ngā Parirau o Te Ika
Taurahere*



Tiopira Rauna
*New member
Te Ūpoko o te
Ika/Manawatu Taurahere*



Paora Ropiha
*Te Waipounamu
Taurahere*

Timorangatiranga

Objective:

Provide quality leadership to drive the political, cultural, economic and social development of Ngāti Kahungunu Iwi.

Governance

The board conducted a review of the 25 year vision and confirmed its relevance five years into the term. It explored roles and responsibilities of iwi at levels of whānau, marae/hapū, Taiwhenua, Taurahere and Ngāti Kahungunu Iwi Inc and confirmed its core roles as those things that no other part of the wider iwi organisation can do, such as:

- safeguarding the mana of Kahungunutanga;
- harnessing the strength that lies in unity;
- multiplying the value of tribal assets;
- political advocacy, including:
 - making tribal members aware of political issues
 - influencing legislation
 - lobbying
 - litigation;
- managing the macro claim issues;
- driving tribal-wide communication;
- building and maintaining inter-iwi relationships;
- maintaining a tribal register; and
- championing cultural excellence.

The Board reviewed its governance structure and proposed a reduction in the size of the Board as part of constitutional change, approved by Hui ā iwi in July 2006. It revised the code of conduct; implemented standing orders and confirmed strategic priorities for next 5 years.

Objective:

Establish a commercial structure to drive the economic development of the Iwi through developing business opportunity and initiatives.

The Kahungunu Asset Holding Company Ltd, incorporated on 22 June 2005, 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 devoted its first 12 months to the further development of its constitution to ensure alignment with the Māori Fisheries Act 2004, contributing to the development of a statement of intent with its shareholder and the development of an investment strategy in preparation for the transfer of the fisheries settlement asset from Te Ohu Kai Moana. This important work establishes a firm foundation for the company to operate once ownership of the assets is transferred.

The company also oversees and advises on the Board's investment in Napier Mussels Ltd and manages its annual ACE transactions until such time as the entire fisheries asset is transferred to the company. It is supported by a secretarial service provided by Ngāti Kahungunu Iwi Incorporated until decisions are made on a suitable infrastructure.

Tinorangatiratanga

Treaty Claims

Subsequent to the annual reporting period, at a Hui a iwi on 22 July 2006 Ngāti Kahungunu Iwi Incorporated was mandated pursuant to the Māori Fisheries Act 2004. Te Ohu Kai Moana approved Ngāti Kahungunu Iwi Incorporated as the Joint Mandated Iwi Organisation for Ngāti Kahungunu and Rongomaiwahine on 2 August 2006 and on 4 August 2006 the Board of Ngāti Kahungunu Iwi Incorporated ratified the constitution of the Kahungunu Asset Holding Company Ltd. opening the way for the transfer of the fisheries settlement asset.

Iwi Relationships

Ngāti Kahungunu Iwi Incorporated and Rongomaiwahine Iwi Trust negotiated and signed a settlement agreement to resolve a long standing dispute over access to fisheries resources. The settlement takes effect once the result of a preliminary hui determines whether Rongomaiwahine will withdraw from Ngāti Kahungunu and become a Mandated Iwi Organisation for the purposes of the Māori Fisheries Act.

Representatives from Ngāti Kahungunu Iwi Incorporated and Rangitāne continue to meet to discuss coastline agreements.

Whānautanga - Mauri Ora

Reclaiming our values and improving our health and standard of living

Objective

Strong vibrant healthy whanau.

Board members and staff of Ngāti Kahungunu Iwi Incorporated maintain relationships with Government agencies, local authorities and provider organisations working in the areas of health, housing and education to initiate or support projects that advance the iwi strategies.

An Iwi Management Forum was established with support from the Ngāti Kahungunu Iwi Inc. Board, Te Puni Kōkiri and our member organisations to increase and improve the management, administration and operational leadership capacity and capability across our organisations by:

1. Planning for greater connectedness, collaboration and pooling of resources at a management and operational level;
2. Increasing capacity and capability through assessment, training and development;
3. Developing a shared work programme that will strengthen our internal and external relationships;
4. Reviewing and monitoring our progress towards our project and organisational objectives and goals.

Individual and team achievements are supported through scholarships and sponsorship grants

Whanautanga - Mauri Ora

Reclaiming our values and improving our health and standard of living

Hauora

Ngāti Kahungunu Iwi Inc worked with the Hawke's Bay District Health Board to establish a Māori Relationship Board that will 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. The first meeting of the Māori Relationship Board was held May 2006. District Health Boards in the Mid Central and Wairarapa regions also have mana whenua boards with representation from Ngāti Kahungunu.

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

Ngāti Kahungunu Iwi Inc contracted with the Hawke's Bay Primary Health Organisation to develop its Māori Health Action Plan in consultation with Māori communities.

2005-06 was the final year of our contract with Te Roopu Rangahau a Eru Pomare assisting with the unemployment study looking at the effects of unemployment on the health of Māori. The study involved employees made redundant from Whakatu and Tomoana works.

Housing

The Ngāti Kahungunu strategic housing outlook seeks to address housing issues within the iwi rohe. Contract funding from Housing New Zealand and Contact Energy supported a number of projects including:

- The publication, dissemination and communication of the strategy;
- The energy efficiency retrofit project resulting in 200 homes in the rohe being fitted with insulation;
- The commissioning of a feasibility study and concept plan for a housing development project at Flaxmere under a joint venture with Te Taiwhenua o Heretaunga and the Hastings District Council;
- The development of tools and database to conduct a housing needs assessment.

Some Taiwhenua and Hapū have housing projects that link with the Ngāti Kahungunu housing strategy.

Ngāti Kahungunu Iwi Incorporated is a Member of Community Housing Aotearoa Inc.

Mātauranga

The Ngāti Kahungunu Iwi Inc Board has delegated governance for Mātauranga activity to the Mātauranga Board. Members of the Mātauranga Board are:

Board Convener	Christine Teariki
Wairoa	Te Mini Smith
Te Whanganui a Orotu	Marama Ngawhika
Heretaunga	Heke Turoa Huata
Tamatea	Reihana Sciascia
Tamaki Nui a Rua	Linette Rautahi
Wairarapa	Connie Oneroa
New member	Rawiri Smith
Pouwhakataki	Meagan Joe and Hawea Tomoana

Two Mātauranga projects commenced in this year are the development of the strategic plan for the revitalisation of Te Reo o Ngāti Kahungunu and development of a project plan for Kahungunu tikanga for schools, both supported by funding from the Ministry of Education. Both projects extended beyond the reporting period with the launch of the Te Reo strategy in August 2006.

A Māori achievement seminar was organised for teachers and Boards of Trustees in November 2005 with over 300 participants.

Whanautanga - Mauri Ora

Reclaiming our values and improving our health and standard of living

Scholarships

This year Ngāti Kahungunu Iwi Incorporated awarded, to third year degree and postgraduate students, 49 scholarships to the combined value of \$30,000. The recipients were:

1. Piata ALLEN	BA Māori Development	Heretaunga
2. Michael BASSET	Bachelor of Education	Heretaunga
3. Kahukura BENTSON	Bachelor of Sport	Tamaki Nui A Rua
4. Rachael CARROLL	Bachelor of Nursing	Wairarapa
5. Rangiaroha CLARKE	Masters Mātauranga Māori	Te Ūpoko O Te Ika
6. Michelle COLEY	Bachelor of Counselling	Wairarapa
7. Theron FAU	Teaching E.S.L	Wairoa
8. Rebecca FEARY	Bachelor of Physiotherapy	Te Ūpoko O Te Ika
9. Helena FERRIS	Masters Mātauranga Māori	Tamatea
10. Jeremy HAMILTON	Poumanawa Mātauranga Whakaaoranga	Wairoa
11. Brylee HAPUKU	Bachelor of Commerce	Heretaunga
12. Kyla HEIHEI	Bachelor of Teaching (Early Childhood)	Tamaki Makaurau
13. Mereara HESKETH	Masters Heke Whakaakoranga	Heretaunga
14. Te Rina HESKETH	Bachelor of Māori	Heretaunga
15. Kimberly HOOK	Bachelor of Education	Wairoa
16. Cordry HUATA	Masters Heke Whakaakoranga	Heretaunga
17. Huia HUATA	Bachelor of Māori	Heretaunga
18. Ngatai HUATA	Masters Mātauranga Māori	Heretaunga
19. Henrietta HUIRUA	Bachelor of Applied Sciences	Whanganui A Orotu
20. Leonie JONES	Bachelor of Science	Tamaki Makaurau
21. Nathan JOSEPH	Master of Medical Science	Wairoa
22. Kurschteen KING	Bachelor of Social Work	Heretaunga
23. Tracey LEE	Bachelor of Commerce/Law	Tamatea
24. Gareth MCDONALD	Bachelor of Commerce/Admin	Heretaunga
25. Aaron MUNRO	Bachelor of Arts - Māori	Wairoa
26. Michael NUKU	Bachelor of Arts - Māori	Heretaunga
27. Pareputiputi NUKU	Bachelor of Arts - Māori	Heretaunga
28. Eldon PAEA	Bachelor of Commerce/Admin	Te Ūpoko O Te Ika
29. Damien PAEWAI	Bachelor of Sport & Leisure	Heretaunga
30. Aroha POHATU	Law	Heretaunga
31. Cherie POHATU	Dip. Teaching	Heretaunga
32. Jacoby POULAIN	Bachelor of Law/Commerce	Heretaunga
33. Peter ROBIN	Bachelor of Māori	Heretaunga
34. Wyllis RUSSELL	Bachelor of Social Work	Wairoa
35. Ngaraurekau TAMATI	Bachelor of Business Studies	Heretaunga
36. Tama TAWHAI	Bachelor of Law & Science	Heretaunga

Whanautanga - Mauri Ora

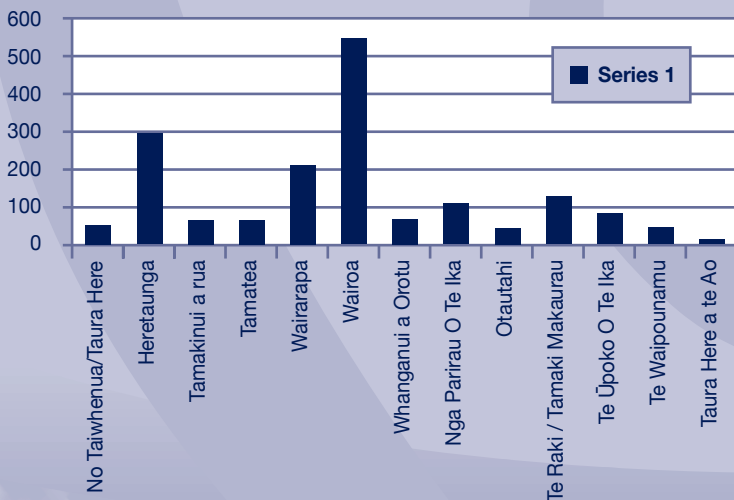
Reclaiming our values and improving our health and standard of living

37. Kirstin TE AMO	Masters of Māori & Pacific Development	Wairoa
38. Ashley TE WHARE	Masters of Education	Tamaki Makaurau
39. Larinda TIMU	BA - Spanish BA - Commerce	Heretaunga
40. Numia TOMOANA	Masters of Theology	Heretaunga
41. Glenn TUAHINE	Bachelor of Information Technology	Wairoa
42. Nalynee TUHI	BA - Health Science BA - Commerce	Heretaunga
43. Hukarere VALENTINE	PhD Clinical Psychology	Heretaunga
44. Donna WAIHAPE	Bachelor of Therapeutic Recreation	Wairoa
45. Donna WALFORD COLLIER	Bachelor of Design	Tamatea
46. Rueben WAIHI	Bachelor of E Commerce	Wairoa
47. Richard WEBBER	Bachelor of Social Sciences	Wairoa
48. Piata WINITANA MURRAY	Masters of Māori Visual Arts	Wairarapa
49. Angela YATES	Post Grad Dip. Business Admin	Wairarapa

Communication

Communication with whānau, is provided through many media including 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.

Registered membership has increased to 17,486 an increase of 10.69%. The graph below shows new registrations by Taiwhenua and Taurahere.



Kahungunutanga - Māuri Ora

The retention of our uniqueness

Kia mau mahara ki te mana ahua ake o Ngāti Kahungunu

Uphold the absolute uniqueness of the living breath of Kahungunu

Objective:

To ensure the retention of the traditional knowledge and the progression of both traditional and contemporary arts and culture of Ngāti Kahungunu.

Ngāti Kahungunu Iwi Incorporated continues to support kapa haka festivals from primary, through secondary, to the regionals and Te Matatini. Our sponsorship funds contributes support to rangatahi participating in Manu Kōrero, sporting, education and cultural activities. Matariki events were again held throughout the rohe. The annual Kahungunu Waitangi celebrations were again successfully held at Ahuriri and Clive. **Kahungunutanga** is about celebrating and promoting our people and culture. These events are evidence that Kahungunutanga continues to advance strongly.

The kākano of the Kahungunu Taumata formed last year comprising Tama Huata, Dr Rangimarie Rose Pere, Professor Piri Sciascia and Dr Pita Sharples, met at least once in this period.

Kahungunu Cultural Centre

The board is committed to the concept of a Kahungunu Cultural Centre. Discussions continue with our own authorities and local authorities on an appropriate venue and vehicle.

Kahungunu, ka moe...ka puta... exhibition

Tamaki Makaurau Taurahere is preparing to host the next exhibition of Kahungunu, Ka Moe...Ka Puta... Representatives from Ngāti Kahungunu Iwi have facilitated workshops and attended hui with the Taurahere to assist development of a vision and plan for the exhibition to be staged in Tamaki Makaurau.



Wairoa Exhibition 2005

Sponsorship

Ngāti Kahungunu Iwi cultural and sporting sponsorships were distributed to a total of 26 individuals and 8 group events.

National and International representatives

Te Kura Motuhake O Te Ataarangi Inc	Research Takitimu Waka in Rarotonga
Willie Walker	NZ Bodybuilding Champs
James Karaitiana	NZ Bodybuilding Champs
Maria Brightwater-Wharf	World Powerlifting Champs
Softball Hawke's Bay	Inter Taiwhenua Softball Tournament
Rugby League HB	Māori Rugby League Nationals (2 teams)
Britney & Charlie Vermunt	NZ U14 Basketball
Te Matau ā Maui Māori Touch	Māori Touch Nationals (5 teams)
Hayden Tahau	NZ U14 Basketball
Leanda & Shiana Harris	NZ U14 Basketball
Sentaine North	NZ U14 Basketball
Kahukura Bentson	NZ Boxing Nationals
Jenny Wilkes	NZ Disability Swimming Champs
Trevor Taurima	NZ Waka Ama Masters Nationals
Julie Furguson	NZ 7's Women's Rugby – Hong Kong Tournament
Melanie Gettins	NZ Junior Women's Softball
Shaan Waru	NZ 7's Women's Rugby – Hong Kong Tournament
Kriston Chadwick	NZ Shooting
Ngahuia Tohiāriki	National Roller Skating Champs
Violet Lawrence	New York Marathon
Jordan Hill	NZ Roller Sports Champs
Geoffery Ahipene	NZ Kickboxing
Tamihana Hokianga	NZ Junior Mens Softball

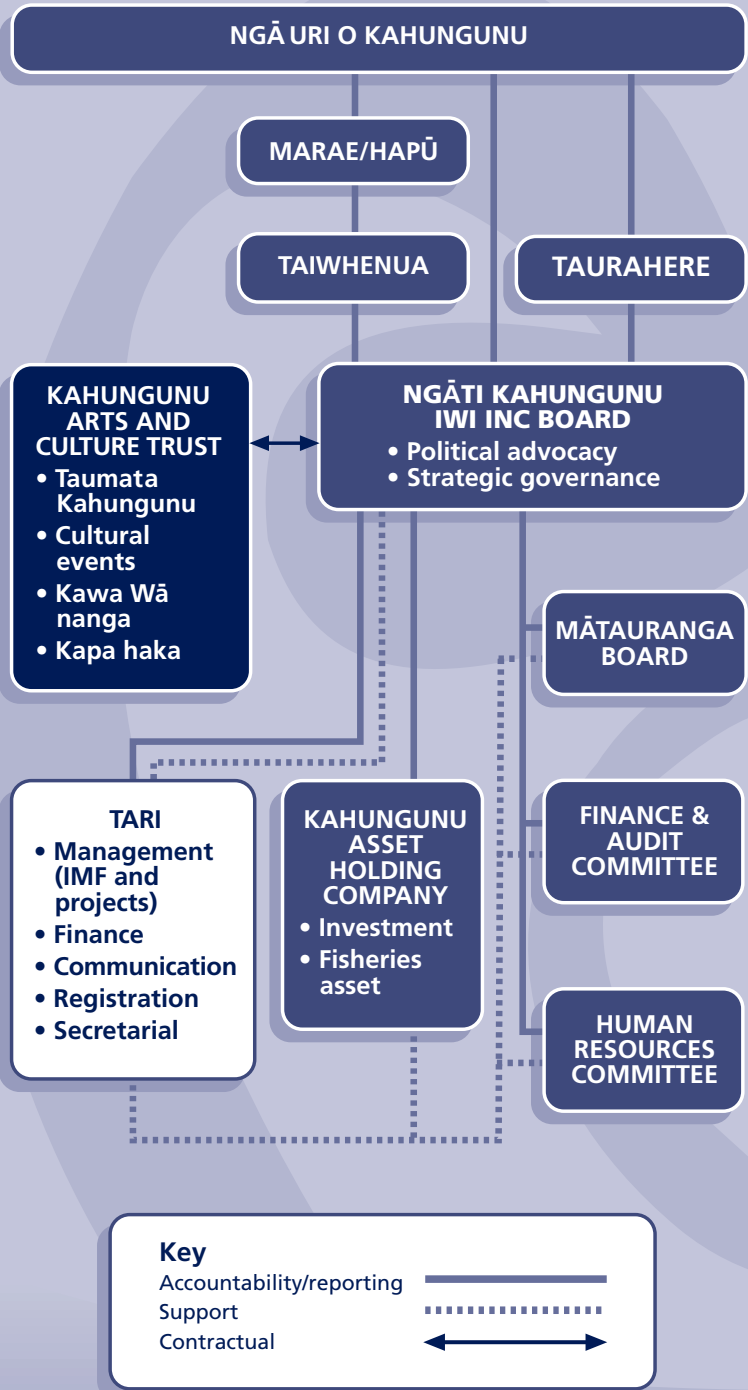
Events

Tidal Arts Inc	Gifted Sands Arts Festival
Whāriki Trust	Super12 Kapa Haka
Te Ora Hou HB Inc	Camberley Annual Festival Event
Māori Millennium Committee	Waitangi Day Festival
Public Dreams Trust	Waitangi Day Touch Tournament
Sport Hawke's Bay	Kahungunu Māori Sports Awards
Sport Hawke's Bay	Wairoa Sports Awards
Porongahau Marae	Porongahau Marae Golf Tournament
Hukarere Māori Girls College	Waiata Mai Concert

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 \$463,930 to be used to meet the charitable objects of Ngāti Kahungunu Iwi Incorporated.

Ngāti Kahungunu Iwi Inc Organisation Structure



Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2006

		Consolidated		Parent	
		2006	2005	2006	2005
		\$	\$	\$	\$
INCOME					
Administration income	2	437,885	223,498	310,517	223,498
Hī Ika income	3	2,501,239	2,398,388	2,501,239	2,398,388
Communications	4	-	-	-	-
Mātauranga	5	255,713	176,704	255,713	176,704
Hauora	6	94,129	79,811	94,129	79,811
Māuri Ora	7	58,249	17,582	58,249	17,582
Taiao	8	26,500	13,250	26,500	13,250
Housing	9	81,564	5,843	81,564	5,843
Merchandising	10	5,956	7,918	5,956	7,918
Governance	11	876	5,787	876	5,787
		3,462,111	2,928,781	3,334,743	2,928,781
LESS EXPENDITURE					
Administration	2	512,958	293,935	487,158	293,655
Hī Ika	3	1,015,751	677,795	1,015,751	677,795
Communication	4	44,601	46,444	44,601	46,444
Mātauranga	5	265,890	172,838	265,890	172,838
Hauora	6	94,209	88,800	94,209	88,800
Māuri Ora	7	114,992	128,144	114,992	128,144
Taiao	8	27,121	18,163	27,121	18,163
Housing	9	70,061	7,732	70,061	7,732
Merchandising	10	8,720	5,853	8,720	5,853
Governance	11	623,118	750,504	496,624	747,726
		2,777,422	2,190,207	2,625,128	2,187,148
Net Surplus/(Deficit) for year		684,688	738,575	709,614	741,633

Statement of Movements in Equity

Opening Equity as at 1 July 2005	3,125,498	3,742,221	3,113,687	3,727,352
Net Surplus/Deficit for the year	684,688	738,575	709,614	741,633
Less: Taiwhenua/Taurahere distribution	(463,930)	(1,355,298)	(463,930)	(1,355,298)
	3,346,256	3,125,498	3,359,370	3,113,687

These Financial statements must be read in conjunction with the accompanying Notes

Statement of Financial Position

AS AT 30 JUNE 2006

		Consolidated		Parent	
		2006	2005	2006	2005
		\$	\$	\$	\$
ASSETS					
NON CURRENT ASSETS					
Property	12	271,030	275,526	271,030	275,526
Motor vehicles & plant	13	175,343	147,580	175,343	147,580
Investment	14	14,858	1,489	1,244,176	6,605
Total Non Current Assets		461,231	424,595	1,690,549	429,711
CURRENT ASSET					
Bank and cash	15	5,045,804	4,016,899	5,045,392	4,016,487
Debtors		401,711	941,135	370,579	910,004
Prepayments		14,915	15,381	14,915	15,381
Stock on hand		9,591	17,045	9,591	17,045
Accrued income		62,945	15,702	62,945	15,702
Total Current Assets		5,534,966	5,006,162	5,503,422	4,974,619
TOTAL ASSETS		5,996,197	5,430,757	7,193,971	5,404,330
LIABILITIES					
NON CURRENT LIABILITIES					
Loan	17	22,320	45,178	22,320	45,177
Finance Lease	18	66,340	40,334	66,340	40,334
Total Non Current liabilities		88,660	85,512	88,660	85,512
CURRENT LIABILITIES					
Creditors		267,624	233,890	257,284	224,274
Provision for reparation cost		286,160	17,640	281,160	12,640
Funds held in trust	16	1,321,568	1,248,984	2,521,568	1,248,984
Loan due within 1 year	17	22,857	22,857	22,857	22,857
Finance leases within 1 year	18	33,912	33,912	33,912	33,912
Taiwhenua/Taurahere grants payable	19	316,361	413,495	316,361	413,495
Income in advance		312,798	248,969	312,798	248,969
Total Current liabilities		2,561,280	2,219,747	3,745,940	2,205,131
TOTAL LIABILITIES		2,649,940	2,305,259	3,834,600	2,290,643
EQUITY					
Retained earnings	20	2,784,853	2,832,620	2,797,967	2,820,809
Reserve fund	20	561,403	292,878	561,403	292,878
NET EQUITY		3,346,256	3,125,498	3,359,370	3,113,687
TOTAL LIABILITIES AND EQUITY		5,996,197	5,430,757	7,193,971	5,404,330

These financial statements were authorised for issue by the board on 27 October 2006.



Chairman



Trustee

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 2006

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.

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. (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, 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
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Buildings	2% SL
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Computer Equipment & Plant	10-50% DV
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(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) Income Tax

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

(f) Inventory

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

(g) Debtors

Debtors are stated at their estimated net realisable value.

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 2006

(h) Advances and Provisions

Loan advances are recorded net of any specific provision for doubtful amounts.

There are no general provisions for doubtful debts.

(i) 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.

Changes in Accounting Policies

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

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 2006

	Consolidated		Parent	
	2006	2005	2006	2005
	\$	\$	\$	\$
2 ADMINISTRATION				
Admin Income				
Administration fee (external)	48,473	-	48,473	-
Iwi Management Forum	133,334	-	133,334	-
Interest on investments	244,654	215,139	117,286	215,139
Building rental	4,550	4,200	4,550	4,200
Sundry Income	6,874	4,160	6,874	4,160
	<u>437,885</u>	<u>223,498</u>	<u>310,517</u>	<u>223,498</u>
Admin Expenses				
ACC	1,983	1,332	1,983	1,332
Accountancy fees	649	833	649	595
Audit fees	13,000	13,928	13,000	13,928
Small assets	2,062	1,599	2,062	1,599
Bank fees	770	798	770	756
Building R&M	13,917	10,855	13,917	10,855
Bad & doubtful debts	407	1,047	407	1,047
Consultancy	18,000	550	-	550
Depreciation Building	4,497	4,496	4,497	4,496
Depreciation Motor Vehicles	53,968	12,817	53,968	12,817
Depreciation Plant	29,322	11,141	29,322	11,141
Equipment Lease	6,167	7,896	6,167	7,896
Equipment R&M	3,625	2,709	3,625	2,709
General office expenses	6,454	1,137	1,054	1,137
Iwi Management Forum	132,623	-	132,623	-
Insurance	4,677	3,804	4,677	3,804
IT services	5,476	5,143	5,476	5,143
Gain/(Loss) on Sale	368	384	368	384
Power	4,444	3,881	4,444	3,881
Employee Related Expenses	325,079	216,081	325,079	216,081
Stationery	10,445	6,922	9,005	6,922
Subscriptions	1,999	2,955	1,999	2,955
Telephone/Communications	13,288	8,920	12,328	8,920
Travel/Accommodation	5,464	10,052	5,464	10,052
Vehicle other	6,308	10,948	6,308	10,948
less Recharges	(152,035)	(46,294)	(152,035)	(46,294)
	<u>512,958</u>	<u>293,935</u>	<u>487,158</u>	<u>293,655</u>

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2006

	Consolidated		Parent	
	2006	2005	2006	2005
	\$	\$	\$	\$
3 HĪ IKA				
Hī Ika Income				
Quota lease wetfish	1,919,515	1,570,746	1,919,515	1,570,746
Rock lobster lease	581,724	827,582	581,724	827,582
Research/eels	-	60	-	60
	<u>2,501,239</u>	<u>2,398,388</u>	<u>2,501,239</u>	<u>2,398,388</u>
Hī Ika Expenses				
Committee expenses	600	618	600	618
Consultancy	-	910	-	910
Eel Management	-	1,620	-	1,620
Hui costs	146	63	146	63
Increase in Funds held in Trust (i)	234,248	56,199	234,248	56,199
Quota costs	765,700	603,405	765,700	603,405
Telephone/Communications	2,146	1,578	2,146	1,578
Treaty Tribes	12,911	13,402	12,911	13,402
	<u>1,015,751</u>	<u>677,795</u>	<u>1,015,751</u>	<u>677,795</u>

- (i) The Māori Fisheries Act 2004 was passed into law on 25 September 2004. This legislation requires Ngāti Kahungunu Iwi Incorporated's constitution to provide a mechanism for the withdrawal of Rongomaiwahine from Ngāti Kahungunu.

Funds previously received are held on trust by Ngāti Kahungunu Iwi Incorporated for Rongomaiwahine pending a decision by Rongomaiwahine on withdrawal. (ref: Note 24)

4 COMMUNICATIONS

Comm Expenses

Advertising & promotions	4,161	6,376	4,161	6,376
Newsletter & publications	20,085	32,956	20,085	32,956
Postage/courier	5,146	1,871	5,146	1,871
Registration	11,227	1,605	11,227	1,605
Telephone 0800	2,954	2,128	2,954	2,128
Website	1,028	1,508	1,028	1,508
	<u>44,601</u>	<u>46,444</u>	<u>44,601</u>	<u>46,444</u>

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2006

	Consolidated		Parent	
	2006	2005	2006	2005
	\$	\$	\$	\$
5 MĀTAURANGA				
Mātauranga Income				
MOE Contracts	79,843	167,665	79,843	167,665
CBLI Contract	151,488	-	151,488	-
Others	24,382	9,039	24,382	9,039
	<u>255,713</u>	<u>176,704</u>	<u>255,713</u>	<u>176,704</u>
Mātauranga Expenses				
Governance				
Committee expenses	23,699	23,684	23,699	23,684
Hui costs	6,592	7,632	6,592	7,632
Legal fee	-	2,170	-	2,170
Training/conference	1,002	6,050	1,002	6,050
Admin				
General admin expenses	47,512	87,119	47,512	87,119
Rent /overheads	11,071	15,891	11,071	15,891
Vehicle expenses	12,698	15,671	12,698	15,671
Projects				
CBLI Contract	142,552	-	142,552	-
Cultural Standards	9,413	-	9,413	-
Research & development	2,800	14,000	2,800	14,000
Consultation	8,551	621	8,551	621
	<u>265,890</u>	<u>172,838</u>	<u>265,890</u>	<u>172,838</u>
6 HAUORA				
Hauora Income				
DHB contracts	35,303	42,906	35,303	42,906
Other income	58,826	21,641	58,826	21,641
Hikoi for health-income	-	15,264	-	15,264
	<u>94,129</u>	<u>79,811</u>	<u>94,129</u>	<u>79,811</u>
Hauora Expenses				
Governance				
Committee expenses	6,002	27,317	6,002	27,317
Hui costs	2,633	2,934	2,633	2,934
Admin				
General admin expenses	36,184	34,398	36,184	34,398
Vehicle expenses	1,310	-	1,310	-
Projects				
FORST - research strategy	8,594	-	8,594	-
Hikoi for health - expenses	-	24,150	-	24,150
Unemployment study	30,855	-	30,855	-
Māori Health Action Plan	8,631	-	8,631	-
	<u>94,209</u>	<u>88,800</u>	<u>94,209</u>	<u>88,800</u>

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2006

	Consolidated		Parent	
	2006	2005	2006	2005
	\$	\$	\$	\$
7 MĀURI ORA				
Māuri Ora Income				
Art & Culture	58,249	17,047	58,249	17,047
Whakairo	-	535	-	535
	<u>58,249</u>	<u>17,582</u>	<u>58,249</u>	<u>17,582</u>
Māuri ora Expenses				
Arts & Culture Centre	11,146	17,047	11,146	17,047
Events	49,664	59,770	49,664	59,770
Kaumātua-expenses	-	2,744	-	2,744
Scholarships	30,000	28,500	30,000	28,500
Sponsorship	24,183	20,083	24,183	20,083
	<u>114,992</u>	<u>128,144</u>	<u>114,992</u>	<u>128,144</u>
8 TAIAO				
Taiao Income				
Other income	26,500	13,250	26,500	13,250
	<u>26,500</u>	<u>13,250</u>	<u>26,500</u>	<u>13,250</u>
Taiao Expenses				
Consultancy - GWRC	23,394	18,163	23,394	18,163
Consultancy	3,727	-	3,727	-
	<u>27,121</u>	<u>18,163</u>	<u>27,121</u>	<u>18,163</u>
9 HOUSING				
Housing Income				
Other Income	81,564	5,843	81,564	5,843
	<u>81,564</u>	<u>5,843</u>	<u>81,564</u>	<u>5,843</u>
Housing Expenses				
Admin				
General admin expenses	2,171	-	2,171	-
Consultancy /personnel	51,836	-	51,836	-
Rent /overheads	3,150	-	3,150	-
Vehicle expense	12,084	-	12,084	-
Flaxmere rates	516	623	516	623
Committee expenses	-	6,011	-	6,011
Hui costs	304	1,098	304	1,098
	<u>70,061</u>	<u>7,732</u>	<u>70,061</u>	<u>7,732</u>

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2006

	Consolidated		Parent	
	2006	2005	2006	2005
	\$	\$	\$	\$
10 MERCHANDISING				
Merchandising Income				
Sales	5,956	7,918	5,956	7,918
Less Cost of sales	8,720	5,853	8,720	5,853
Gross margin	(2,765)	2,066	(2,765)	2,066
11 BOARD				
Board Income				
Koha	705	200	705	200
Other	171	5,587	171	5,587
	876	5,787	876	5,787
Board Expenses				
Committee Expenses	92,894	80,715	92,894	80,715
Consultancy	16,323	19,066	8,483	19,066
Hui costs	119,980	11,996	32,632	11,996
Insurance	4,871	-	4,871	-
Kaumātua	22,399	-	22,399	-
Koha	4,647	6,434	4,647	6,434
Company setup	-	10,252	-	7,474
Legal fees/Treaty claims	109,188	107,179	109,188	107,179
Executive salary & honoraria	101,218	91,584	101,218	91,584
Executive expenses	78,686	51,413	49,975	51,413
Training/conferences	10,466	13,336	8,523	13,336
Vehicle expenses	22,877	10,479	22,877	10,479
Provision for reparation	28,749	-	28,749	-
Relationship expenses	652	-	-	-
Mussel line development	-	95,082	-	95,082
Provision for non-recovery of investment (i)	39,223	275,592	39,223	275,592
Social activities	1,800	1,422	1,800	1,422
Election expenses	-	-	-	-
Less Recharges	(30,855)	(24,045)	(30,855)	(24,045)
	623,118	750,504	496,624	747,726

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2006

(i) Provision for doubtful recovery of mussel venture

A provision for the doubtful recovery of investments and advances made to Napier Mussels Ltd has been made as follows:

	Consolidated		Parent	
	2006	2005	2006	2005
	\$	\$	\$	\$
- Investments	-	80,000	-	80,000
- Advances	39,223	195,592	39,223	195,592
	<u>39,223</u>	<u>275,592</u>	<u>39,223</u>	<u>275,592</u>

12 PROPERTY

Parent & consolidated

Land & Buildings

	Consolidated and Parent		
Original Cost	Accum Dpn	Closing Value	2005 Closing
320,808	49,778	271,030	275,526

13 MOTOR VEHICLES & PLANT

Parent & consolidated

Vehicles

Plant & Machinery

194,692	64,616	130,076	98,092
106,169	60,902	45,267	49,488
<u>300,861</u>	<u>125,518</u>	<u>175,343</u>	<u>147,580</u>

Vehicles subject to finance lease have a net book value of \$120,468 (2005: \$86,607)

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2006

	Consolidated		Parent	
	2006	2005	2006	2005
	\$	\$	\$	\$
14 INVESTMENTS				
Investments in Subsidiaries				
Shares TRONK (100%)	-	-	15,732	15,732
Shares Tu Kahu (100%)	-	-	100	100
	-	-	15,832	15,832
Shares				
Napier Mussels Ltd (40%)	80,000	80,000	80,000	80,000
Less: Provision	(80,000)	(80,000)	(80,000)	(80,000)
	-	-	-	-
Advances				
Kahungunu Asset Holding Company Ltd	-	-	1,200,000	-
Murihiku Taurahere	160	160	160	160
Tamaki Nui A Rua	-	198	-	198
Tamatea	21,152	33,446	21,152	33,446
Tamaki Makaurau Taurahere	3,566	-	3,566	-
Wairarapa	(10,021)	(32,315)	(10,021)	(32,315)
	14,857	1,489	1,214,857	1,489
Napier Mussels Ltd	195,592	195,592	195,592	195,592
Less: Provision	(195,592)	(195,592)	(195,592)	(195,592)
	0	-	0	-
Amount due from Subsidiaries				
Tu Kahu Ltd	-	-	2,238	2,238
TRONK	-	-	(15,732)	(15,732)
Kahungunu Asset Holding Co Ltd	-	-	26,980	2,054
Kahungunu Iwi Holding Co Ltd	-	-	-	724
	0	-	13,486	(10,716)
	14,858	1,489	1,244,176	6,605

Kahungunu Asset Holding Co Ltd & Kahungunu Iwi Holding Co Ltd have been established to transact the Kahungunu fisheries settlement in terms of the Fisheries Act 2004. Kahungunu Iwi Holding Co Ltd has not traded. An interest free advance of \$1.2m has been made to Kahungunu Asset Holding Company Ltd. This will be converted to paid up share capital subsequent to balance date.

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2006

	Consolidated		Parent	
	2006	2005	2006	2005
	\$	\$	\$	\$
15 BANK ACCOUNTS				
Call Account -NBNZ	340	-	340	-
Cheque Account	70,660	24,920	70,248	24,508
Mana Account	389	388	389	388
Call Account	205,041	149,914	205,041	149,914
	276,430	175,223	276,018	174,811
Term Deposits	4,769,341	3,841,588	4,769,341	3,841,588
Petty Cash	33	88	33	88
	<u>5,045,804</u>	<u>4,016,899</u>	<u>5,045,392</u>	<u>4,016,487</u>

16 FUNDS HELD IN TRUST

Kahungunu Asset Holding Company	-	-	1,200,000	-
Funds subject to dispute resolution	1,321,568	1,248,984	1,321,568	1,248,984
	<u>1,321,568</u>	<u>1,248,984</u>	<u>2,521,568</u>	<u>1,248,984</u>

Funds held in trust represent bank deposits (\$1.2m) held on behalf of Kahungunu Asset Holding Company until such time as the company arranges its own banking facilities, and deposits totalling \$1,321,568 (2005 \$1,248,984) arise from fishing receipts and are being held subject to resolution of disputes regarding allocation.

17 LOANS

Housing Corporation of New Zealand	45,177	68,034	45,177	68,034
Less Payable within 1 year	22,857	22,857	22,857	22,857
	<u>22,320</u>	<u>45,177</u>	<u>22,320</u>	<u>45,177</u>

18 FINANCE LEASES

Total installments outstanding	104,396	80,339	104,396	80,339
Less Interest not yet due	4,144	6,093	4,144	6,093
	<u>100,252</u>	<u>74,246</u>	<u>100,252</u>	<u>74,246</u>
Payable within 1 year	33,912	33,912	33,912	33,912
1-2 years	33,912	33,912	33,912	33,912
2-5 years	32,428	6,422	32,428	6,422
	<u>100,252</u>	<u>74,246</u>	<u>100,252</u>	<u>74,246</u>

19 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 will fulfill the criteria.

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2006

	Consolidated		Parent	
	2006	2005	2006	2005
	\$	\$	\$	\$
20 RETAINED EARNINGS AND RESERVE FUND				
Opening Balance - Retained earnings	2,832,620	3,742,221	2,820,808	3,727,351
Net Surplus for the year	684,688	738,575	709,614	741,633
Less: Taiwhenua Distribution	(463,930)	(1,355,298)	(463,930)	(1,355,298)
Less: Transfer to Reserve Fund	(268,525)	(292,878)	(268,525)	(292,878)
Closing balance Retained earnings	2,784,853	2,832,620	2,797,967	2,820,808
Opening Balance Reserve Fund	292,878	-	292,878	-
Add : Transfer from Retained earnings	268,525	292,878	268,525	292,878
Closing Balance Reserve Fund	561,403	292,878	561,403	292,878

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

21 RELATED PARTY TRANSACTIONS

The society enters into transactions with and on behalf of its subsidiaries Kahungunu Asset Holding Company, Te Runanganui O Ngāti Kahungunu Ltd and Tu Kahu Ltd.

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.

22 DISCONTINUED ACTIVITIES

The Kahungunu Asset Holding Company has been established to receive and manage the fisheries assets upon settlement. The board of Ngāti Kahungunu Iwi Incorporated has determined that the Kahungunu Asset Holding Company will also manage all of its commercial activity.

The company will oversee all current commercial activity including the Iwi shareholding in Napier Mussels Ltd. The company will act independently of the Iwi board, ensuring separation of tribal governance from commercial governance but be guided by a statement of corporate intent.

23 COMMITMENTS

The Board has resolved to allocate \$500,000 of its reserves for the benefit of Taiwhenua/Taurahere organisations. The final mechanism for achieving this has yet to be determined.

24 SUBSEQUENT EVENTS

On 22 July 2006, Joint Mandated Iwi Organisation status was obtained enabling settlement under the Fisheries Act to be undertaken.

As part of the settlement \$2,083,194 has been set aside for allocation to Rongomaiwahine on notification that they will not be withdrawing from Ngāti Kahungunu. (ref: note 3)

There have been no other events subsequent to balance date that have an effect on these financial statements.

Audit Report



To the Members of Ngāti Kahungunu Iwi Inc

We have audited the financial report on pages 12 to 24. 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 2006. 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 2006 and of the results of operations for the year ended 30 June 2006.

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 24 fairly reflects the financial position of the society and group as at 30 June 2006 and the results of operations for the year ended on that date.

Our audit was completed on 27 October 2006 and unqualified opinion is expressed as at that date.

Chartered Accountants
Hastings, New Zealand



Ngāti Kahungunu Iwi

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AGM 25 NOVEMBER

12NOON SPLASH PLANET, HASTINGS