

Ngāti Mutunga o Wharekauri Iwi Trust

ANNUAL REPORT 2013



Table of Contents	Page
Na te Kaiwhakahaere	1
Iwi Trust Report	5
Overview	5
Financial Performance	5
Financial Position	6
Performance Against Annual Objectives	7
Compliance Report	10
Asset Holding Company Report	13
Executive Summary	13
Financial Performance	15
Financial Position	17
Financial Performance Metrics and Benchmarking	18
Progress Towards Other Objectives	19
Statutory Compliance	21
Consolidated Group Financial Statements	22
Consolidated Statement of Financial Performance	23
Consolidated Statement of Movements in Equity	23
Consolidated Statement of Financial Position	24
Notes to the Consolidated Statements	25
Auditors Report	31
Directory	33
He Maumhara – Te Rangihiroa / Ta Peter Buck	34

NA TE KAIWHAKAHAERE – ANNUAL REPORT 2012-13

On behalf of my fellow trustees I am pleased to present the 2012 – 2013 Annual Report of Ngāti Mutunga o Wharekauri Iwi Trust.

The year in review has been one of consolidation and growth for the Trust – both financially and with our Iwi. We have had pleasing growth in our equity position, our return on assets, and in the pūtea we have spent on distribution. We have also had pleasing growth in our Ngāti Mutunga influence as a result of the full time recruitment of a manager and administrator.

Our on-island influence has leapt forward as a result of the increased engagement by both management and Trustees. We have ‘normalised’ our Ngāti Mutunga ahua with the various on-island entities. We have regularised engagement with Moriori, Chatham Island Council, Chatham Island Enterprise Trust, Maori Community Services, and the Department of Conservation. Equally we have developed effective relationships at the Central Government level both at a ministerial and official level.

These relationships culminated in the successful visit of the Prime Minister in September. This visit resulted from ongoing invitations from Ngāti Mutunga Iwi that was eventually taken up. The significance of this visit cannot be overstated. It saw a consolidation of the relationship building between Ngāti Mutunga and Moriori as well as with Council. Of equal note was the receipt of a koha of \$400,000 for on-island housing. The visit was highlighted by the official Crown opening of our whare and the blessing given by Aunties Ollie Seymour and Rana Tuuta. Given our recent success with housing, we have been asked to lead the process of utilising that pūtea alongside Hokotehi Moriori Trust, Chatham Island Council, and the Chatham Island Enterprise Trust.



The Iwi Trust has focused on consolidating its programme of cultural enhancement under the ruia kākano programme. This has seen a substantial increase in distribution spending from \$21,480 in 2011/12, to \$70,099 in the current reporting year. This expenditure is showing in the auditing accounts as follows:

- \$36,308 (distributions)
- \$81,628 (other expenditure).

The ‘other expenditure’ component is broken down as:

- \$38,358 in additional distributions
- \$43,270 spent on mandating costs in that year (and showing as such in the ‘Consolidated Statement of Financial Position’).

Our combined distribution expenditure (including the \$38,358 in ‘other expenditure’) was \$70,099. We have delivered:

- 3 x Taiaha Wānanga
- 5 x Reo Wānanga
- 3 x Pūtea Whanāungatanga (4 received, one deferred to 2013/14 financial year)
- 2 x pānui, 1 x annual report
- 1 x Kaumātua lunch
- 1 x Kaumātua / Whare blessing event
- Weekly 'whakawhanaungatanga / kapa haka' days at Whakamaharatanga.

There are so many initiatives we have begun that deserve special mention. That being said I do want to mihi to our Iwi involved in the weekly kapa haka day at Whakamaharatanga. To see our marae coming back to life has been a true highlight of our Iwi Trust efforts. I make particular mention of Whaea Susan Carter, principle of Kaingaroa School. Equally our rangatahi 'rangatira', Shane Goomes, Ariel Ryan, and Tane O'Neill deserve real mention for their ongoing leadership as tamariki.



I am also proud of our efforts to revitalise our Ngāti Mutunga reo. We have engaged Te Reo o Taranaki to guide us all through this. We have a stalwart group of people who are providing leadership in this respect. I wish to thank Ali Reriti for providing coordination for both our bi-monthly hui and our weekly reo sessions at the Iwi Trust office.

The work to improve registrations has seen much angst arise over the role of the registrar and the ability of Trustees to access the beneficiary registrations. This culminated in significant delays to the Iwi Trust voting schedule (and AGM) as the register of voters could not be verified by Trustees. I'm pleased to report Trustees now have the ability to fully access and enhance our registrations, and by definition, to confirm our list of voters. Accordingly, and although late, we were able to welcome on-board four new Trustees.

I take the opportunity now to mihi to departing Trustees, Jamie Tuuta, Robin Page, and Deborah Goomes. They provided steady heads and hands in turbulent times and this was appreciated by both Trustees and Management.

I want to pay particular regard to Deborah Goomes and Robin Page who have been long standing contributors to the Trust. In their time they performed essential roles in setting the Pathway Forward and guiding our Iwi through their various Chair, Asset Holding Company, and Trustee roles.

The settlement of our longstanding treaty claim remains a challenge. I remind us all whānau, that the original executors of our Iwi Trust established section 7.1 (c) of the Trust Deed in 2004 that enabled the Iwi Trust to:

...make and pursue the settlement of claims on behalf and for the benefit of Ngāti Mutunga o Wharekauri under the provisions of the Treaty of Waitangi Act 1975.

Accordingly, the Iwi Trust is committed to perform that role. We travelled with officials of Te Puni Kōkiri to discuss mandate with you in July 2012. We have experienced some frustration with the delays to progress this matter on your behalf. That said we have engaged our whānau on Wharekauri (a clear message we received from our Aotearoa based whānau) and are confident we will be seeking mandate from you in late 2013.

The Trusts' Asset Holding Company continued to maintain a strong and disciplined approach to asset management and development. The continual and substantial return on equity (5.4%) is a pleasing result. We are steadily approaching the 'medium sized' Iwi level in regards our net worth. The settlement of our longstanding treaty claim will see us achieve our goals within the near future.

The AHC finally completed work on the housing development at Te One and this was fully tenanted by the second quarter of the financial year. The process of building and owning houses on Wharekauri has presented a huge learning curve for us. The fact we have quality homes and Kaumātua flats is something all Ngāti Mutunga o Wharekauri can be proud of. We are delivering real outcomes to our people.

I am also pleased to highlight the work of the AHC in achieving an excellent financial result. The combined effect of careful management of existing quota, and the increased returns from the Port Nicholson Fishery (PNF) acquisition, has seen the Iwi Trust realise an 11.5% operating return on investment for Cray.

Equally on our other significant fish species, the 8% increase on return for Paua is a welcome result. I cannot over-emphasise the level of volatility that currently exists in the world's markets, and that directly affects us on the island. These results highlight the expertise of our Asset Holding Company directors and management and justify the investment decision to acquire a 1/3rd share in PNF.

	2012-13 \$	Budget \$	2011-12 \$	2010-11 \$	2009-10 \$
AHC Net Income	1,499,896	1,147,928	1,215,325	1,135,383	981,489
Iwi Trust Net Income	0	0	652,554	0	0
Less Iwi Trust Governance & Operating Expenses	476,818	403,280	357,805	341,341	645,248
Less Iwi Trust Distributions & Pānui Expenses	36,408	93,000	21,480	22,689	31,168
Less Other Costs (distributions/mandating)	81,528	110,000	21,480	22,689	31,168
Total	594,754	606,280	400,765	386,719	707,584
Iwi Trust Group Net Surplus	905,142	541,648	1,467,114	748,664	273,905

I take the opportunity to mihi to my fellow Trustees, Asset Holding Company Directors and management, and equally to Iwi Trust staff and management. The gains we have made are measurable and notable. Our results continue to improve year in and out – both commercially and culturally. I have no doubt the 2013/14 year will be equally successful and look forward to updating you on progress at the September 2013 Annual General Meeting and Aotearoa consultation rounds.

Mā te kotahi o te waihoe ka tae to tātou waka ki uta.

Paula Page
Chair



IWI TRUST REPORT – 2012/13

1 Overview

The primary focus for the Iwi Trust through the financial year ending 31 March 2013 was to expand its programme delivery. The Iwi Trust signalled at the previous Annual General Meeting that costs would rise significantly to meet the programme approved by Trustees (see section 4 'Progress against Objectives').

The meeting of all objectives but one were met. This was a direct consequence of having full time management support for the Trust. There has been a significant increase in Iwi Distributions (from \$21,480 to \$70,099 in the financial year in review). This is reporting in two separate places in the annual accounts: Distributions at \$36,308 and other expenditure at \$81,628 (of which \$38,358 in additional distribution expenses were incurred). Distributions to Iwi development is broken down as follows:

<i>Cultural Development</i> (support costs for reo and Taiaha tutors)	7,654.69
<i>Koha</i>	2,393.50
<i>Mau Rākau</i>	6,477.52
<i>Pūtea Whanāungatanga (incl Kaumātua)</i>	11,300.00
<i>Reo Wānanga</i>	16,066.03
<i>Tautoko Kaumātua</i>	1,200.00
<i>Website, Pānui and Annual Report</i>	25,007.50

The breakdown of distribution activities is as follows:

- Taiaha Wānanga – x3
- Reo Wānanga – x5
- 3 x Pūtea Whanāungatanga (4 received, one deferred to 2013/14 financial year)
- 2 x pānui, 1 x annual report
- 1 x Kaumātua lunch
- 1 x Kaumātua / Whare blessing event
- Weekly 'whakawhanaungatanga / kapa haka' days at Whakamaharatanga.

In January 2013, an impromptu weekly open day was initiated at Whakamaharatanga marae. This open day was begun by Aunty Edith Tito and supported by the Iwi Trust, Te One and Kaingaroa schools, and Kaumātua. At the time of reporting the initiative is in its infancy but showing significant signs of growth. The focus of the day is on rāanga, korero, waiata, and aspects of ngā tikanga Ngāti Mutunga.

Progress on resolving the longstanding Ngāti Mutunga o Wharekauri treaty claim continues quietly. The Iwi Trust accompanied officials from Te Puni Kōkiri in July 2012 when they travelled the country to discuss the move to mandate. These hui were followed with additional hui back on Wharekauri in September 2012, and March / April 2013.

The Iwi Trust has developed a mandate strategy that is with Crown officials and has been made available to members of the Iwi who currently contest the right of the Iwi Trust to proceed to mandate. The Trustees are confident the mandate can be concluded by the end of the 2013/14 financial year.

2 Financial Performance

The Iwi Trust expenditure increased significantly from 2011/12. Trustees recruited full time management cover in both the Trust Secretary and the Trust Administrator. Accordingly

total expenditure for the Iwi Trust rose from \$354,514 in 2010/11, to \$580,181 for the current financial year. The budgeted expenditure for the current financial year was \$606,280

Financial Performance Compared to Budget

The total Iwi Trust expenditure for the year was \$26,099 lower than budget. However, this was generated on the back of an underspend for progressing mandate. The pūtea whanāungatanga continues to remain underspent and the Iwi Trust will be reviewing the policy in the new financial year.

3 Financial Position

The following table summarises the Iwi Trust's financial as at 2012-13 year end.

	2012-13	2011-12	Variance
	\$	\$	\$
Working Capital	8,155	698,571	-690,416
Non-Current Assets	586,748	41,357	545,391
<i>Iwi Trust Equity (Net Assets)</i>	<u>594,903</u>	<u>739,928</u>	<u>-145,025</u>

The separation of commercial assets (managed by the Asset Holding Company) would normally see a modest Iwi Trust balance sheet. The Iwi Trust holds a small amount of assets by way of an ageing vehicle and some office equipment. However, the successful completion of the liquidation sees the Iwi Trust carry significant equity into the 2013/14 financial year. This significant surplus will be made back over to the AHC for financial management in the 2013/14 financial year.



4 Performance Against Annual Objectives

The table summarises the Iwi Trust's key objectives for the 2012/13 financial year and progress against those objectives.

Sector	Objective	Measures	Progress
Sector	Objective	Measures	Progress
Ensure Robust Registration Processes are in Place	1. Review requirements for registration database and processes	<ul style="list-style-type: none"> a. Role of registrar formalised b. Secure database and procedures in place c. Registered with Tūhono d. Carry out further research for Tipuna List e. Develop and implement a project plan to complete research of Maori Land Court Records f. Implement online registration process 	<ul style="list-style-type: none"> ✓ Role of registrar currently under consideration ✓ Secure data base currently under review ✓ Tūhono registration completed ✓ Online registration in place and fully functional – 49 registrations received. ✓ Project plan started ➤ Research for Tipuna lists not currently started
Treaty of Waitangi Settlement	2. Work with Ngāti Mutunga o Wharekauri whānau to establish a unified and singular voice.	<ul style="list-style-type: none"> a. Wind up status of the Rūnanga and old Trust finalised b. All tribal assets properly lodged with the Iwi Trust c. Prepare a mandate strategy and achieve mandate in a form acceptable by Crown and Ngāti Mutunga o Wharekauri d. Negotiators appointed and or elected 	<ul style="list-style-type: none"> ✓ Old Trust liquidated and funds 'repatriated' ✓ Remaining paua ace about to be transferred to Iwi Trust ✓ Draft Mandate strategy document completed ➤ Negotiation not started
Identity of Ngāti Mutunga o Wharekauri	3. Ensure the mana and tikanga of Ngāti Mutunga o Wharekauri is maintained and interwoven into the fabric of Chatham Island life.	<ul style="list-style-type: none"> a. Continue to engage constructively with Moriori through Hokotehi Moriori Trust b. Identify and document sites and matters of cultural significance for relationship purposes c. Regular communication with Kaumātua on matters of cultural significance d. Ongoing communication with Crown agencies 	<ul style="list-style-type: none"> ✓ Excellent lines of communication and relationships established at both management and trustee level ➤ Work to map sites of cultural significance not started ✓ Strong interaction and consultation with Kaumātua on Prime Minister's visit ✓ Communication with Crown Agencies include: <ul style="list-style-type: none"> • Ministry of Education Office of Treaty

Sector	Objective	Measures	Progress
			Settlements <ul style="list-style-type: none"> • Te Puni Kōkiri • Ministry of Health • Ministry of Fisheries
Ngāti Mutunga o Wharekauri Marae	4. Progress action on the development of a suitable wharenui and marae for Ngāti Mutunga o Wharekauri	a. Developing Marae concept plan for consultation through working group to work alongside Kaumātua and the Maori Committee b. At least one consultation hui undertaken to discuss marae concept for Wharekauri c. Concept plans developed	✓ Marae concept discussions at initial stage. Key discussions with: <ul style="list-style-type: none"> • Eileen Cameron • Eileen Whaitiri • Trustees ✓ Recruitment of consultants to consider hi-level plans complete
Effective Communications	5. Continue to improve quality and effectiveness of engagement with Iwi Members	a. Bi-annual hui Updates (including AGM) on Wharekauri, Te-Ika-A-Maui, Te Waipounamu, which will see local representatives taking the active lead in facilitating b. Regularising Kaumātua get together c. Regular Pānui and Website updates	✓ Two pānui for the year ✓ Two Kaumātua hui held ✓ Website regularly updated. ✓ Mail Chimp function established ✓ Facebook established and regularly updated ✓ Twitter established and regularly updated
Representation	6. Continue to engage local and crown agencies	a. Formalised bi-monthly updates with DOC b. Regular hui with CIC/CIET c. Ongoing consultation with crown agencies such as MoF, TPK, OTS, DOC, HPT, etc d. Provide appropriate Iwi Trust responses to resource management matters including consents and requests for consultation e. Ensure the Iwi Trust is consulted with on all matters relating to the development of infrastructure and economic opportunities on Wharekauri f. Ensure all Crown funding opportunities are explored and capitalised on	✓ Running bi-monthly DOC hui ✓ Management attendance at monthly CI managers hui ✓ Ongoing consultation has occurred with agencies including: <ul style="list-style-type: none"> • DOC • OTS • HPT • TPK • MoF • MinEd ✓ Regularised discussions with CIC, CIET, CI business (Waitangi Fisheries) on wharf, Rock Phosphate, Eel farm, Blue Cod ✓ TPK to fund database development ✓ MinEd finalising reo revival programme for funding.

Sector	Objective	Measures	Progress
Asset Management – Tribal Footprint	7. Continue to work closely with the AHC on growing an on-island economic base	a. Consolidation of papakāinga housing opportunities on the back of current housing stock b. Continue to assist the AHC in exploring Wharekauri based investment and economic development opportunities c. Capitalise on all concession opportunities available through DOC.	✓ Additional crown funding available for more houses ✓ Opportunities identified include: <ul style="list-style-type: none"> • Eel farming • CI Rock Phosphate • Chatham Island Food Company • Wharf development ➤ Concession in early stages. Initial discussions with DOC centre around tramping opportunities on the island.



In addition to the above annual objectives, the Iwi Trust remained focused on increasing Iwi registrations. The registration process has been streamlined with Iwi members now able to utilise an online form to register as beneficiaries. This can be accessed on www.nmow.co.nz/register/form. Total registrations for 2012/13 are detailed in the tables overleaf:

Total New Registrations 2013			
TOTAL 2013	Tane	Wahine	Rangatahi (u18)
49	26	23	0

2013 New Registrations by Wahi			
Wharekauri	Te Waipounamu	Te Ika-a-Maui	Whēnua Moemoea
2	20	24	3

All Registrations			
TOTAL Registered	Tane	Wahine	Undeclared
963	504	454	5

All Registrations by Wahi				
Wharekauri	Te Waipounamu	Te Ika-a-Maui	Whēnua Moemoea	Tawahi
279	226	397	60	1

Registration Demographics		
Adult	Over 18 not registered	Tamariki (under 18)
623	151	189

5 Statutory / Constitutional Compliance Report

Constitutional Amendments

No amendments were made in 2012/13

Proposed Amendments to Constitution for the 2013-2014 Financial Year

Amendments are proposed for the 2013-2014 financial year. These will be voted on as a component of the 2012/13 financial year.

- Address for service in relation to Elections
 - Schedule 3, 2.3 (c)
 - Schedule 3, 2.3 (e)
 - Schedule 3, 2.7 (iii)
 - Schedule 4, 1.3 (b) (iii)
- Change 'Secretary' to 'Returning Officer'
 - Schedule 3, 2.3 (c)
 - Schedule 3, 2.3 (e)
 - Schedule 4, 1.3 (b) (iii)

Iwi Trust Group Annual Report

This Annual Report will be available to beneficiaries in August/September 2013. The annual general meeting is scheduled for September 28, 2013. Accordingly, the provision of this Annual Report is to ensure that the Trust remains accountable and transparent to its beneficiaries.

This Annual Report includes all information required pursuant to Section 13 of the Iwi Trust Deed for both the Iwi Trust and the AHC.

Benefit Distribution Policy

Prior to the start of the 2012-13 financial year the Trust Board approved the Pathway Forward /Strategic Direction, after consultation with Iwi members, which included:

- priorities for funding;
- policies in respect to the method of distribution of benefits
- policies on how Beneficiaries who live outside Wharekauri may reasonably access to the benefits of the Trust

A summary of this was distributed to Iwi members and is also available on the website.

The 'Pathway Forward' has been reviewed by Trustees and is currently under review by the Directors of the Asset Holding Company. A draft 'Strategic Direction: 2013 – 2016' is with both sets of Directors. This is intended to be discussed with Beneficiaries at the 2013 Annual General Meeting and subsequent hui in Aotearoa / Te Wai Pounamu.

Iwi Trust Annual Plan

The Annual Plan for the 2013/14 year has been prepared and approved by the Trustees. A copy of this has been published on the website and delivered by e-mail.

Policy Development

The Iwi Trust and its subsidiaries maintained and where required established appropriate and transparent policies and procedures for its Trustees, Directors, Employees, and advisors during its various recruitment, engagement, and appointment processes to support

- Management systems
- Administration policies
- Financial accountability
- Reporting systems
- Code of conduct

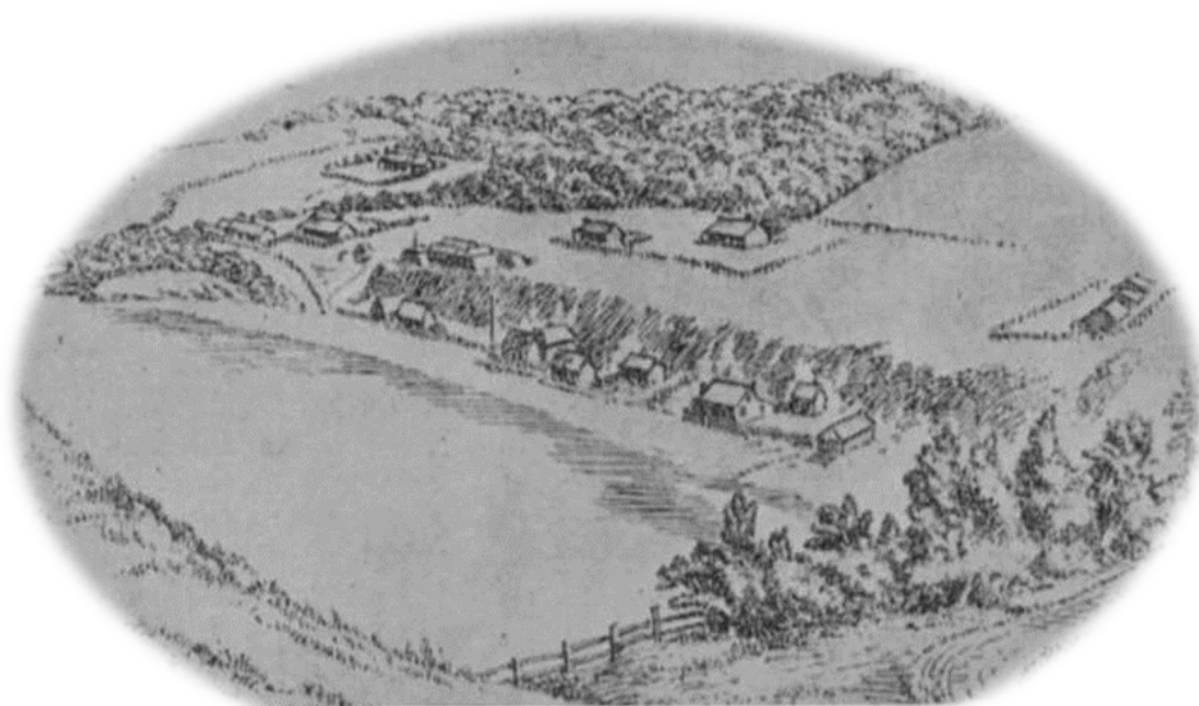
5 Year Commercial Plan

The Iwi Trust is required to establish a 5-year medium term plan of its commercial activities which shall include:

- Core commercial activities of the Trust, the AHC, and any other Corporate Entities;
- A Dividend policy in respect of the level of distribution or re-investment of income;
- A policy in respect of the acceptable Debt/equity ratios of its investments;
- A policy in respect of restrictions on alienation of assets.

The Trust Deed requires a full review of this 5-year plan every two years.

A Statement of Investment Strategy and Policy to support the 3 year Strategic Direction was established in June 2010 for the AHC and to ensure guidelines were in place for the AHC board. The SIPO was subsequently updated for the 2011/12 and for the 2012/13 financial years.



Chatham Island, in 1868. The red line shows the beach. (From the original sketch.)

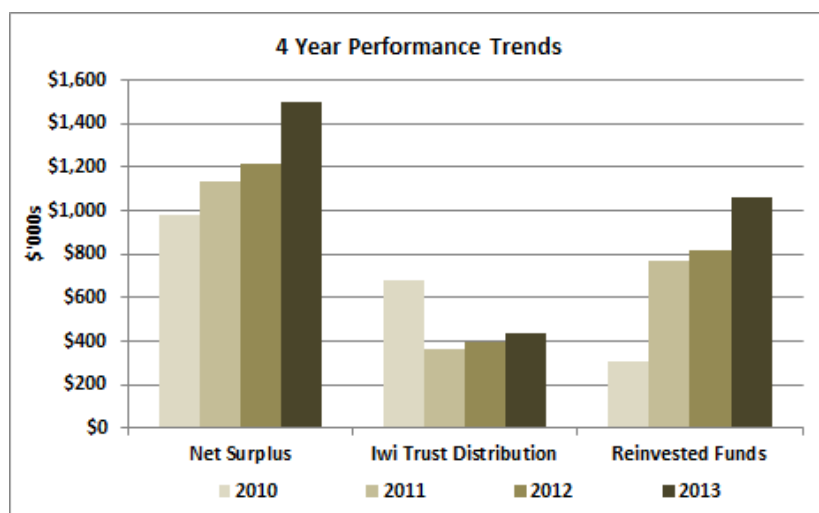
Ngati Mutunga O Wharekauri Asset Holding Company Limited “AHC”

Annual Report Section – 2012-13

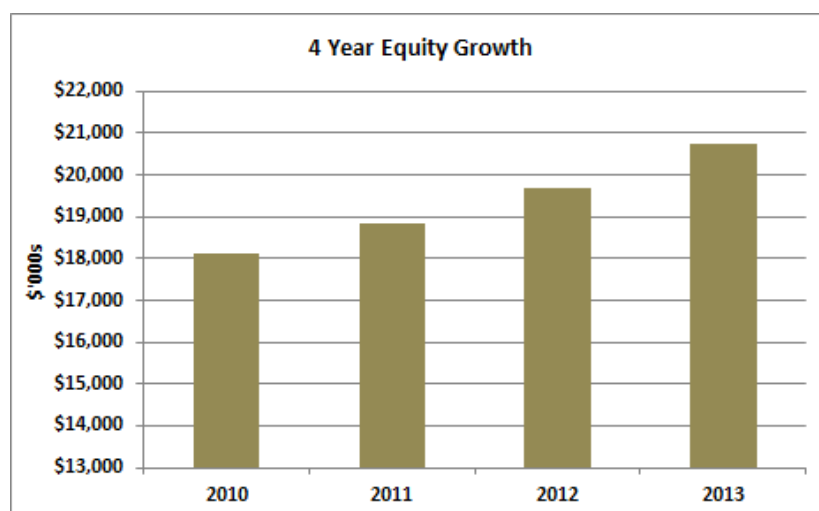
1. EXECUTIVE SUMMARY

AHC’s focus on implementing it’s strategic direction and generating greater value from its asset base continued through the 2012-13 financial year. The AHC Board is pleased to report an operating profit before distributions of \$1.50m, an increase of \$285k (24%) against the 2011-12 financial year, resulting in a Return on Equity of 7.4% up from 6.3% the previous year. After accounting for distributions to the NMOW Iwi Trust, AHC’s equity increased by \$1.06m (5.4%).

The performance improvement trend over the last four years is illustrated in the tables below, the first showing the growth in AHC Net Surplus, change in Distributions to the Iwi Trust and the residual funds available for reinvestment.



The second graph highlights the strong growth in AHC equity.



Following both the Port Nicholson Fisheries acquisition (which consisted of a 1/3rd share of the processing/exporting business and 5mt of CRA6 quota) and completion of the Te One housing

development (three 3 bedroom houses and two 1 bedroom units), AHC's primary focus through 2012-13 has been to bed-in these two significant investments and begin generating income from them.

The housing development was completed and tenanted by the 2nd quarter of the financial year, the slight delay being the result of a protracted final consenting process. Whilst there have been teething issues that inevitably result from such scale developments, they have been remarkably minimal and easily rectified. NMOW now have a portfolio of quality homes, realising one of the Iwi Trust's key strategic objectives.

The Port Nicholson Fisheries investment produced excellent returns for AHC through a tough year dogged by increased market volatility and a high exchange rate environment. AHC's combined income from both its 23mt of CRA6 quota and investment in the PNF processing/exporting business, generated an 11.5% operating return on investment. Note, this return is calculated against the market value of CRA6 quota rather than the Balance Sheet value which is held at cost. Given the trying economic and market climate, this result concludes a successful first year and reinforces the significant value that the PNF investment will generate for NMOW, both now and over the long term.

Paua again continued to be a strong performer for AHC through its relationship with AFL/Prepared Foods. Returns increased 8% over the previous year on the back of an improved market although much of this market gain was off-set by the higher exchange rate. As it did last year, the Wharekauri paua industry agreed to shelve 20% of its quota through 2012-13 with income therefore being generated from only 12mt of AHC's 15mt of quota. The industry has recently determined that this shelve be reduced to 10% for the 2013-14 fishing year providing AHC with an additional 1.5mt of ACE to allocate to NMOW fishers.

Wetfish ACE returns continue to trend downwards, principally on the back of falling demand from the deep water fishing sector. New legislation proposing to direct all foreign chartered fishing vessels to be reflagged under New Zealand authority has resulted in a number of vessels opting to leave New Zealand waters, hence the changing demand profile. AHC continued its relationship with both Sanford for its deep water trawl quota parcel and Waitangi Seafoods for its longline quota parcel, both of which generated at or above market returns.

The year ahead for AHC will continue to focus on delivering its investment strategy.

For its fisheries based assets, this involves continuing to identify and develop relationships with long term strategic partners that allow AHC to take a position further along the value chain and generate returns from quota through to the end customer. Any relationship that AHC may commit to in the future will be structured to ensure NMOW fishers continue to be supported as it has done with the PNF investment.

AHC will also start to focus on non-fishing based areas over 2013-14. Initially this will involve completing a comprehensive review of the Wharekauri agriculture sector and assess where there may be opportunities for investment and/or to develop / support commercially successful ventures.



2. FINANCIAL PERFORMANCE

The following table summarises AHC's financial performance for the 2012-13 financial year against the previous three years.

	2012-13 \$	2011-12 \$	2010-11 \$	2009-10 \$
Seafood Income	1,600,837	1,229,648	1,155,393	1,111,687
Investment Income	80,625	187,000	210,113	127,097
Property Income	32,524	19,181	14,133	13,000
AHC Gross Income	1,713,986	1,435,829	1,379,639	1,251,784
Less AHC Overheads	197,163	202,752	225,045	249,451
Less Depreciation	16,928	17,753	19,211	20,844
AHC Net Income	1,499,895	1,215,324	1,135,383	981,489

The key points in relation to the financial performance are set out below.

Seafood Income

Earnings from seafood/fisheries based investments increased \$371k (30%) on last year. The key points to note being:

- Crayfish income increased \$369k against 2011-12 as a result of the additional returns from the 5mt of CRA6 quota purchased through the Port Nicholson Fisheries ('PNF') acquisition together with increased returns from AHC's share of PNF's processing and marketing profits which have traditionally been retained by off-Island interests.
- The paua ACE return increased \$24k (8%) on last year through AHC's relationship with AFL/Ocean Ranch.

- AHC's crayfish and paua ACE is fully caught by NMOW fishers with PNF providing an additional 14mt of crayfish ACE from their own holdings and AFL/Ocean Ranch providing a further 12mt of paua ACE to NMOW fishers, further supporting their businesses.
- Blue cod and kina ACE continued to be sold and caught by NMOW fishers (in addition to the crayfish and paua). There was only a marginal increase (combined \$13k) in the income derived from these species, mostly from the blue cod profit share arrangement committed to with Waitangi Seafoods and Chatham Island Food Company.
- Wetfish ACE returns fell \$35k on 2011-12, principally the result of the continued falling demand/price for deep water ACE from diminishing catch capacity, mostly reduced numbers of foreign chartered vessels. Unfortunately, AHC has little (or no) control over this situation hence the importance of deriving full value chain returns from its core inshore species.



Cash Investments

Earnings from cash investments decreased \$106k (56%) on last year. This is the result of funds previously held on term deposits being released in early 2012 to fund the PNF purchase (both the 5mt of CRA6 quota and 1/3rd share of the operating business) and Te One housing development. Operating cash flows generated across the year lifted the term deposit portfolio to \$2.48m at year end from \$522k at the start of 2012-13.

Property Investments

Earnings from property investments increased \$13k (68%) on last year. The Te One housing development was completed in June 2012 and fully tenanted over the 2nd quarter of 2012-13, generating the improved earnings result.

Overheads

AHC's overheads reduced by \$6k (3%) on 2011-12 and have now reduced by approximately \$56k or 21% over the last 3 years.

Financial Performance compared to Budget

The 2012-13 Annual Plan budgeted an AHC net surplus for the year of \$1.15m. The final net surplus for the year of \$1.50m is an improvement of \$352k (30%) on budget. The key driver for this improvement was again the crayfish performance offset by the reduced wetfish trawl income detailed above.

3. FINANCIAL POSITION OVERVIEW

The following table summarises AHC's financial position as at 2012-13 year end.

	2013 \$	2012 \$	Movement \$
Working Capital	520,206	643,933	-123,727
Seafood Quota	14,745,088	13,105,318	1,639,770
Port Nicholson Fisheries Investment	1,171,013	3,414,166	-2,243,153
AFL Shares	414,160	414,160	0
Cash Investments	2,476,249	521,722	1,954,527
Property	1,807,568	1,571,424	236,144
Housing NZ Loan	-403,667	0	-403,667
AHC Equity (Net Assets)	20,730,617	19,670,723	1,059,894

AHC equity increased \$1.06m (5.4%) over the 2011-12 financial year, being the Group net surplus after NMOW Iwi Trust distributions. Other points to note:

- A further \$17k of the Canterbury Mortgage Trust balance was repaid during the year taking the total repayments to 87% of the original capital and leaving \$34k outstanding. AHC wrote down the Canterbury Mortgage Trust investment by 15% in 2009. With in excess of 85% now repaid, no further write-downs are required.
- Cash investments increased over the year from a low \$526k (following the purchase of PNF and Te One housing development) to \$2.48m by 31 March 2013.
- Approximately 71% of the AHC net assets are held in Seafood Quota. This quota is held at cost in the financial statements however an independent broker valued the quota at a market valuation of \$17.4m as at 31 March 2013, \$2.7m greater than the \$14.7m quota cost which is broken down as follows:

Species	Settlement Quota			Non-Settlement Quota		
	Quota (No. Shares)	ACE (Kgs)	Cost (\$)	Quota (No. Shares)	ACE (Kgs)	Cost (\$)
Blue Cod	4,700,391	35,692	\$155,394			
Kina	10,000,000	22,500	\$92,931	15,662,929	35,242	\$592,617
Paua	4,599,701	15,020	\$4,111,657			
Crayfish	5,000,000	18,000	\$2,075,855	1,380,278	4,969	\$1,639,770
Other Species	321,995,985	1,165,886	\$6,076,664			
Total			\$12,512,501			\$2,232,387

4. FINANCIAL PERFORMANCE METRICS AND BENCHMARKING

Financial Performance Metrics

The key AHC financial returns and metrics are highlighted in the table below with comparisons shown against the last three years:

	2012-13 \$	2011-12 \$	2010-11 \$	2009-10 \$
Seafood/Fisheries Assets Return on Investment	9.8%	9.1%	8.2%	8.5%
Cash Deposits Return on Investment	4.7%	4.4%	4.9%	3.3%
Property Return on Investment	2.7%	3.4%	2.4%	2.1%
Total Return on AHC Equity	7.4%	6.3%	6.2%	5.4%
Increase in AHC Equity	5.4%	4.4%	4.1%	1.7%
Trust Distribution to AHC Net Income	29.3%	32.5%	33.9%	57.3%

Performance has continued to improve through 2012-13, albeit Property ROI has fallen marginally due to the Te One development not being fully completed and tenanted until the 2nd quarter of the financial year.

Benchmarking

(i) ACE Trading

The table below compares AHC's ACE Trading revenue to two industry benchmarks:

- The 'Blue Book' produced by FishServe which provides the average industry ACE trade values for all fishstocks across the applicable fishing year; and
- An independent quota broker's assessed ACE values based on the broker's knowledge of the market and what arms-length buyers were willing to pay for the ACE.

For a variety of reasons (eg – inter-company ACE trades, ACE 'swaps', deemed value drivers, etc), the Blue Book values can be distorted. The broker values are therefore considered to be a more accurate reflection of true market ACE values.

	AHC Result (\$'000s)	Blue Bk Value (\$'000s)	Broker Value (\$'000s)	Variance AHC to Blue Bk		Variance AHC to Broker	
				(\$'000s)	(%)	(\$'000s)	(%)
ACE Trading	\$1,726	\$1,321	\$1,373	\$405	30.7%	\$354	25.8%

AHC's ACE Trading performance through 2012-13 is 25-30% ahead of market. Again, this is on the back of the PNF investment allowing AHC to share in returns across the full value chain – from quota to the Chinese customer.

(ii) Cash Investments

The table below compares AHC's Cash Investment performance to the weighted average 6 month Term Deposit rates through the period April 2012 to March 2013 as supplied by the Reserve Bank of New Zealand. Given most of the AHC cash investments are in Term Deposits of between 3 and 6 months, the 6 month RBNZ interest rate index was deemed the most appropriate benchmark.

	AHC Result (\$'000s)	RBNZ (\$'000s)	Variance AHC to RBNZ	
			(\$'000s)	(%)
Cash Investments	\$81	\$68	\$12	18.4%

The reduced term deposit investment value through most of the 2012-13 year meant the interest income generated was comparatively low. AHC still outperformed the RBNZ average.

(iii) Property

Given AHC's minimal property income coupled with the new Te One development being tenanted for only the final 3 quarters of the year, no benchmark assessment can be meaningfully completed.

5. PROGRESS TOWARD OTHER OBJECTIVES

The following table summarises the key objectives for AHC for the 2012-13 financial year and AHC's performance and progress against each of these.

Annual Objective	Progress Update
Actively participate as influential leaders on the key Wharekauri based Commercial Stakeholder Organisations.	Progressing Representative on PAUMAC4 and nomination submitted to the CRAMAC6 AGM.
Monitor and pursue the development of new commercial fisheries resources around Wharekauri and position NMOW for maximum benefit.	Ongoing New Working Group established to assess potential investment in eel farming.

Complete a further review of the ACE Allocation Policy to ensure the Policy creates outcomes in the best long-term interests of NMOW, AHC, NMOW fishers and the wider Island fishing community.	Ongoing AHC review completed ahead of the 2012-13 fishing year with no changes made. A further review to be completed and ready for implementation for start of next fishing year.
Continue to pursue the Chatham Islands industry collaboration using the blue cod model as a pilot.	Progressing Waitangi Seafoods / Chatham Island Food Company blue cod proposal supported by AHC with the initiative commencing at the start of the 2012-13 fishing year.
Identify, investigate and pursue wider lobster opportunities and high value Wharekauri based quota opportunities.	Completed Investment in PNF and CRA6 quota with Paraninihi ki Waitotara and Iwi Collective Partnership.
Investigate a longer term value share model with Prepared Foods for paua which continues to support the NMOW fishers whilst allowing AHC to access returns further along the value chain through to market.	Progressing Initial discussions completed with PFL. Further discussions to be progressed ahead of the new fishing year.
Prepare initial scoping documents in relation to opportunities across the tourism, agriculture, minerals and energy sectors for presentation to, and discussion with, the Trust Board.	Progressing Initial meetings completed and briefing paper prepared for Rock Phosphate. A review of the Wharekauri agriculture sector is being completed.
Expand networks, resource and reach to ensure AHC builds its position as key investment body and force in Wharekauri	Progressing Developing relationship with Lincoln University re Wharekauri agriculture sector review.
Continue to closely monitor Canterbury Mortgage Trust.	Progressing A further \$17k received through the year.
With prudent investment opportunities likely to be realised over the next 12-18 months, continue to manage its surplus funds within the term deposit investment strategy ensuring interest rates and the balance between On-Call and 15 Month investment terms are optimised.	Ongoing \$2.48m on short term (3-4 month) term deposits at Year End at a weighted average interest rate of 4.1%.
Successfully complete construction of the 2 flat / 3 house property development on NMOW land.	Completed Development completed on budget, within scope but slightly behind schedule principally due to delays in consenting processes.
Tenant the newly constructed properties and ensure effective tenancy management in place.	Completed All properties tenanted.
Continue to work alongside the Iwi Trust Board to develop closer relationships with CIET and CIC with a view to putting collective Wharekauri weight behind infrastructure solution negotiations.	Progressing Potential to work collaboratively on a joint housing project following the grant by the PM.



6. STATUTORY COMPLIANCE

There have been no sales or exchange of quota. No sales or exchanges were allowed under the Maori Fisheries Act 2004 until a period of two years from recognition (28 September 2005) had passed. These restrictions ceased to apply from 29 September 2007.

No Settlement Quota interests have been registered against the quota shares or income shares, nor has there been any registered interest by way of caveat or mortgage raised against the settlement quota shares or income shares.

The Directors have overseen the governance of the fisheries activities of AHC. There have been general discussions with other Mandated Iwi Organisations regarding opportunities to work together in a manner that benefits all parties which has resulted in the Port Nicholson Fisheries acquisition and potentially other initiatives in the future.

The ACE allocation policy was again reviewed during the year and it was agreed to continue the Fisher ACE Allocation Committee to oversee the allocation of ACE to NMOW fishers.

Consolidated Group Financial Statements

- **Consolidated Statement of Financial Performance**
- **Consolidated Statement of Movements in Equity**
- **Consolidated Statement of Financial Position**
- **Notes to the Consolidated Statements**

Ngati Mutunga o Wharekauri Iwi Trust
Consolidated Statement of Financial Performance
For the Year Ended 31 March 2013

	Note	Group 2013 \$	Trust 2013 \$	AHC 2013 \$	Group 2012 \$	Trust 2012 \$	AHC 2012 \$
Revenue							
Revenue from Seafood	13(a)	1,735,264	-	1,735,264	1,366,708	-	1,366,708
Less Direct Seafood Expenses	13(b)	134,427	-	134,427	137,060	-	137,060
Seafood Earnings		1,600,837	-	1,600,837	1,229,648	-	1,229,648
Revenue from Investment	13(a)	80,626	440,001	80,625	187,000	395,002	187,000
Less Investment Fees		-	-	-	-	-	-
Investment Earnings		80,626	440,001	80,625	187,000	395,002	187,000
Other Revenue		-	-	-	652,552	652,552	-
Property Earnings		25,324	-	32,524	11,981	-	19,181
Earnings from Commercial Activities		1,706,788	440,001	1,713,987	2,081,181	1,047,554	1,435,829
Less Commercial Expenses	13(b)	197,162	-	197,162	202,752	-	202,752
Net Asset Holding Company Income		1,509,626	440,001	1,516,825	1,878,429	1,047,554	1,233,077
Less Iwi Trust Expenses							
Iwi Trust Governance Expenses	13(b)	103,722	103,722	-	164,761	164,761	-
Iwi Trust Operating Expenses	13(b)	351,323	358,523	-	182,553	189,753	-
Iwi Trust Distributions and Panui		36,308	36,308	-	21,480	21,480	-
Iwi Trust Other Expenses		81,628	81,628	-	-	-	-
Total Iwi Trust Expenses		572,981	580,181	-	368,794	375,994	-
Less Non Cash Items							
Depreciation		21,773	4,844	16,928	21,043	3,291	17,752
Total Non Cash Items		21,773	4,844	16,928	21,043	3,291	17,752
Total Expenses		594,754	585,026	16,928	389,837	379,285	17,752
NET SURPLUS / (DEFICIT)		914,872	145,025	1,499,896	1,488,594	668,269	1,215,325

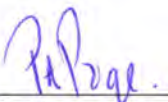
Ngati Mutunga o Wharekauri Iwi Trust
Consolidated Statement of Movements in Equity
For the Year Ended 31 March 2013

	Note	Group 2013	Trust 2013	AHC 2013	Group 2012 \$	Trust 2012 \$	AHC 2012 \$
Opening Equity		20,410,650	739,928	19,670,722	18,922,056	71,659	18,850,397
Net Surplus / (Deficit) for the year		914,872	145,025	1,499,896	1,488,594	668,269	1,215,325
Total Recognised Revenue and Expenses		21,325,522	594,903	21,170,618	20,410,650	739,928	20,065,722
Dividends Paid		-	-	(440,000)	-	-	(395,000)
CLOSING EQUITY		21,325,522	594,903	20,730,618	20,410,650	739,928	19,670,722

Ngati Mutunga o Wharekauri Iwi Trust
Consolidated Statement of Financial Position
As at 31 March 2013

	Note	Group 2013 \$	Trust 2013 \$	AHC 2013 \$	Group 2012 \$	Trust 2012 \$	AHC 2012 \$
Current Assets							
Cash at Bank and on Hand		14,196	6,752	7,444	64,761	8,580	56,181
Accounts Receivable		435,438	9,134	426,304	1,464,379	750,932	713,447
GST		34,106	16,926	17,180	-	-	-
Mandating Costs Recoverable	15	43,270	43,270	-	-	-	-
Investment Accounts	3	3,213,298	-	3,213,298	526,460	-	526,460
Total Current Assets		3,740,308	76,082	3,664,226	2,055,600	759,512	1,296,088
Non Current Assets							
Property, Plant & Equipment	4	558,913	15,825	543,088	566,094	15,461	550,633
Te One Housing		1,264,480	-	1,264,480	1,020,790	-	1,020,790
Port Nicholson Fisheries		1,171,013	-	1,171,013	3,414,166	-	3,414,166
Term Receivable		-	570,923	-	25,896	25,896	-
Seafood Quota	5	14,745,088	-	14,745,088	13,105,318	-	13,105,318
Shares - AFL	6	414,160	-	414,160	414,160	-	414,160
Total Non Current Assets		18,153,654	586,748	18,137,829	18,546,424	41,357	18,505,067
TOTAL ASSETS		21,893,962	662,830	21,802,055	20,602,024	800,869	19,801,155
Current Liabilities							
Accounts Payable		147,474	86,564	631,833	191,374	45,051	146,323
Housing New Zealand Current Portion		17,300	-	17,300	-	-	-
Group Inter Entity Accounts		-	(18,638)	18,638	-	15,890	(15,890)
Total Current Liabilities		164,774	67,927	667,771	191,374	60,941	130,433
Non Current Liabilities							
Housing New Zealand Loan		403,667	-	403,667	-	-	-
Total Non Current Liabilities		403,667	-	403,667	-	-	-
Equity							
Trust Capital	2	14,826,207	(248,849)	15,075,056	14,826,207	(248,849)	15,075,056
Accumulated Surplus	2	6,499,315	843,752	5,655,562	5,584,443	988,777	4,595,666
Total Equity		21,325,522	594,903	20,730,618	20,410,650	739,928	19,670,722
TOTAL LIABILITIES AND EQUITY		21,893,962	662,830	21,802,056	20,602,024	800,869	19,801,155

For and on behalf of the Board who authorised these financial statements for issue on 2 August 2013:


Trustee


Trustee

Ngati Mutunga o Wharekauri Iwi Trust
Notes to the Consolidated Financial Statements
For the Year Ended 31 March 2013

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The financial statements presented here are for reporting entity Ngati Mutunga o Wharekauri Iwi Trust (the "Trust"). The Trust was established by Deed dated 28 September 2004 for the purpose of receiving and managing fishery and other settlement assets for the benefit of Ngati Mutunga and to relieve poverty or need of Ngati Mutunga.

The financial statements presented represent the results from operations of the Trust and the subsidiary companies that it wholly owns. Trust figures are for the Parent only.

Group figures represent:

- Ngati Mutunga o Wharekauri Iwi Trust
- Ngati Mutunga o Wharekauri Asset Holding Company Limited

Reporting Basis

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand and the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

Measurement Base

The attached financial statements have been prepared in accordance with the general accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis.

Differential Reporting

The Trust is a qualifying entity within the Differential Reporting Framework established by the New Zealand Institute of Chartered Accountants. The Trust is not publicly accountable. The Trust qualifies on the size criteria. The Trust has taken advantage of all differential reporting exemptions except where a note or policy states otherwise.

Property, Plant and Equipment

Property, Plant and Equipment is valued at cost price less accumulated depreciation to date. Rates of depreciation used are set by the Inland Revenue Department and shown in the consolidated Schedule of Property, Plant and Equipment and are applied as below

Motor Vehicles	30% DV
Office Equipment	7.2% - 80.4% DV
Buildings	0% - 30% DV
Land	0% DV
Plant & Equipment	0% - 50% DV

Taxation

The Trust has been granted Charitable status by the Inland Revenue Department and is therefore exempt from income tax.

Goods and Services Tax

The Statement of Financial Performance has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of Receivables and Payables, which include GST Invoiced.

Accounts Receivable

Accounts Receivable are stated at their expected realisable value.

Basis of Consolidation

The group financial statements have been prepared using the purchase method of consolidation and include the financial statements of the parent and subsidiary companies. All significant intercompany profits, transactions and balances have been eliminated in preparing these financial statements.

Investments

Investments are valued at their cost price less any impairment recognised by the Directors. Advances between members of the group are shown in the parents figures at their estimated amount and eliminated upon consolidation.

Revenue

Sales are recognised as they are invoiced for the goods and services provided. Invoicing is completed on a monthly basis. All other income is recognised as received.

Quota

Quota shares owned are shown in the Statement of Financial Position at cost and are subject to annual impairment reviews.

Changes in Accounting Policy

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

Ngati Mutunga o Wharekauri Iwi Trust
Notes to the Consolidated Financial Statements continued
For the Year Ended 31 March 2013

	Group 2013 \$	Trust 2013 \$	AHC 2013 \$	Group 2012 \$	Trust 2012 \$	AHC 2012 \$
2. Retained Earnings						
Accumulated Surplus						
Opening Balance	5,584,443	988,777	4,595,666	4,095,849	320,508	3,775,341
Net Surplus / (Deficit)	914,872	145,025	1,499,896	1,488,594	668,269	1,215,325
Dividends Paid	-	-	(440,000)	-	-	(395,000)
Closing Balance	6,499,315	843,752	5,655,562	5,584,443	988,777	4,595,666
Trust Capital						
Opening Balance	14,826,207	(248,849)	15,075,056	14,826,207	(248,849)	15,075,056
Investments Transferred to Asset Holding Company	-	-	-	-	-	-
Closing Balance	14,826,207	(248,849)	15,075,056	14,826,207	(248,849)	15,075,056
3. Investment Accounts						
UDC	-	-	-	470,257	-	470,257
Canterbury Mortgage Trust *	33,680	-	33,680	51,464	-	51,464
ANZ Term Deposits	2,442,569	-	2,442,569	-	-	-
ANZ - Call	737,049	-	737,049	4,738	-	4,738
	3,213,298	-	3,213,298	526,460	-	526,460

* On the 21st of July 2008 Canterbury Mortgage Trust announced it had frozen all investments until at least March 2009. The trustees wrote the investments down by 15% in 2009 to more accurately reflect the expected carrying value of the capital that may be crystallised.

Canterbury Mortgage Trust have now repaid 87% of the original capital leaving a book value of \$33,680 at year end. Based on the information available the Trustees do not believe any further impairment is required.

Ngati Mutunga o Wharekauri Iwi Trust
Notes to the Consolidated Financial Statements continued
For the Year Ended 31 March 2013

4. Property, Plant and Equipment

	Group 2013 \$	Trust 2013 \$	AHC 2013 \$	Group 2012 \$	Trust 2012 \$	AHC 2012 \$
Motor Vehicles						
Opening Book Value	2,286	2,286	-	3,266	3,266	-
Depreciation	(629)	(629)	-	(980)	(980)	-
Closing Book Value	1,657	1,657	-	2,286	2,286	-
Cost	13,133	13,133	-	13,133	13,133	-
Accumulated Depreciation	(11,476)	(11,476)	-	(10,847)	(10,847)	-
Closing Book Value	1,657	1,657	-	2,286	2,286	-
Office Equipment and Software						
Opening Book Value	13,175	13,175	-	12,958	12,958	-
Additions	5,208	5,208	-	2,528	2,528	-
Depreciation	(4,215)	(4,215)	-	(2,311)	(2,311)	-
Closing Book Value	14,168	14,168	-	13,175	13,175	-
Cost	42,457	42,457	-	37,249	37,249	-
Accumulated Depreciation	(28,289)	(28,289)	-	(24,074)	(24,074)	-
Closing Book Value	14,168	14,168	-	13,175	13,175	-
Buildings						
Opening Book Value	379,685	-	379,685	397,355	-	397,355
Additions	3,350	-	3,350	-	-	-
Depreciation	(16,643)	-	(16,643)	(17,670)	-	(17,670)
Closing Book Value	366,392	-	366,392	379,685	-	379,685
Cost	458,538	-	458,538	455,188	-	455,188
Accumulated Depreciation	(92,146)	-	(92,146)	(75,503)	-	(75,503)
Closing Book Value	366,392	-	366,392	379,685	-	379,685
Land						
Opening Book Value	170,377	-	170,377	170,377	-	170,377
Depreciation	-	-	-	-	-	-
Closing Book Value	170,377	-	170,377	170,377	-	170,377
Cost	170,377	-	170,377	170,377	-	170,377
Accumulated Depreciation	-	-	-	-	-	-
Closing Book Value	170,377	-	170,377	170,377	-	170,377
Plant and Equipment						
Opening Book Value	570	-	570	-	-	-
Additions	6,032	-	6,032	652	-	652
Depreciation	(284)	-	(284)	(82)	-	(82)
Closing Book Value	6,318	-	6,318	570	-	570
Cost	6,684	-	6,684	652	-	652
Accumulated Depreciation	(366)	-	(366)	(82)	-	(82)
Closing Book Value	6,318	-	6,318	570	-	570
Total Property Plant and Equipment	558,913	15,825	543,088	565,094	15,461	550,633

Ngati Mutunga o Wharekauri Iwi Trust
Notes to the Consolidated Financial Statements continued
For the Year Ended 31 March 2013

5. Seafood Quota

The cost value of \$14,745,088 is recorded within these accounts in accordance with the stated accounting policy.

As determined by independent broker valuation the market value of quota as at 31 March 2013 is \$17,447,680 (2012: \$15,242,836). Overall the market value of Ngati Mutunga Quota shares is up by \$2,204,844. The Quota is made up as follows:

Settlement Quota	15,589,234
Non-Settlement Quota	1,858,446
	<u>17,447,680</u>

6. Asset Impairment

There was no impairment of assets during the year.

The Trustees have reviewed the carrying value of AFL shares taking account of the 2009 independent valuation of AFL and believe that no impairment is required.

7. Capital Commitments

The Trustees have not entered into any agreements to commit material amounts of Trust capital to any purpose which is not reflected or disclosed in these financial statements (2012: Nil).

8. Contingent Assets or Liabilities

The Trustees are aware of the following contingent assets existing at 31 March 2013 (2012: \$25,896):
Recovery of Enterprise Law expenditure in relation to the Old Entity Liquidation from T Thomas \$25,896

The Trustees are not aware of any contingent liabilities existing as at 31 March 2013 (2012: Nil).

9. Related Party Transactions

During the year, Ngati Mutunga o Wharekauri Iwi Trust and Ngati Mutunga o Wharekauri Asset Holding Company Ltd paid Trustees and Directors fees and/or wages to beneficiaries of Ngati Mutunga o Wharekauri Iwi Trust.

During the year, Ngati Mutunga o Wharekauri Iwi Trust and Ngati Mutunga o Wharekauri Asset Holding Company Ltd entered into transactions with related parties. These transactions were quota sales and grants paid and were completed on the same basis as external party transactions.

Given the size of the Chatham Islands the majority of Trustees are related parties in that fishing quota is sold to relatives and related entities of most Trustees. Importantly, processes have been put in place to ensure that related party transactions are carried out on an arms length basis. The processes in place ensure that market prices are paid for quota sold and that quantum of ACE allocated is fair.

Ngati Mutunga o Wharekauri Asset Holdings Company Ltd have an investment in Port Nicholson Fisheries and they also sell fishing ACE to them.

During the year, Ngati Mutunga o Wharekauri Iwi Trust paid grants totaling \$10,150 (2012: \$9,500). These grants were paid from the distribution fund, Te Putea Whanaungatanga. Some relatives and related entities of Trustees benefited from the receipt of these grants. Application and approval of these grants is carried out on an arms length basis.

10. Fishing Operations

The Trust undertook paua fishing operations prior to obtaining Mandated Iwi Organisation (MIO) status with To Dhu Kai Moana. There have been no fishing operations undertaken by the Trust after recognition of MIO status which occurred 28 September 2005.

11. Events Subsequent to Balance Date

There are no significant events subsequent to balance date which would have a material effect on the financial position or performance reflected in the financial statements.

Ngati Mutunga o Wharekauri Iwi Trust
Notes to the Consolidated Financial Statements continued
For the Year Ended 31 March 2013

	Group 2013 \$	Trust 2013 \$	AHC 2013 \$	Group 2012 \$	Trust 2012 \$	AHC 2012 \$
12. Trustee's Remuneration						
Allan Harvey	-	-	-	4,461	4,461	-
Daymond, Jack	-	-	-	9,984	9,984	-
Goomes, Deborah (Chairperson)	21,996	21,996	-	15,255	15,255	-
Page, Puala (Deputy Chairperson)	12,996	12,996	-	5,857	5,857	-
Page, Robin (Trustee & Director)	19,980	9,984	9,996	19,147	9,984	9,163
Tuuta, Jamie (Trustee & Director)	21,984	9,984	12,000	21,984	9,984	12,000
Tuuta, Mark-Shane	9,984	9,984	-	9,984	9,984	-
Thomas, Bernice (Registrar)	1,474	1,474	-	8,844	8,844	-
Thomas, Trudee	-	-	-	17,477	17,477	-
Total Trustee's Remuneration	88,414	66,418	21,996	112,993	91,830	21,163
13. Income and Expenses						
a) Revenue						
Revenue from Seafood						
ACE Revenue	1,726,142	-	1,726,142	1,354,548	-	1,354,548
AFL Dividend	9,122	-	9,122	12,160	-	12,160
Aquaculture Settlement	-	-	-	-	-	-
Other	-	-	-	-	-	-
	1,735,264	-	1,735,264	1,366,708	-	1,366,708
Revenue from Investment						
Dividend Received from Group Entities	-	440,000	-	-	395,000	-
Interest Received	80,626	1	80,625	187,002	2	187,000
Other	-	-	-	-	-	-
	80,626	440,001	80,625	187,002	395,002	187,000
b) Expenses						
Direct Seafood Expenses						
Quota Holder Levy	88,069	-	88,069	78,067	-	78,067
PNF Cray Management Fee	21,900	-	21,900	35,000	-	35,000
SeaFic Commodity Levy	18,455	-	18,455	17,437	-	17,437
Other	6,003	-	6,003	6,556	-	6,556
	134,427	-	134,427	137,060	-	137,060
Commercial Expenses						
Accounting Fees	14,279	-	14,279	13,500	-	13,500
Audit Fees	3,000	-	3,000	3,000	-	3,000
Directors Fees	45,996	-	45,996	46,996	-	46,996
Asset Management Fees	120,000	-	120,000	120,000	-	120,000
Legal, Advisory and Project Fees	4,506	-	4,506	5,800	-	5,800
Travel and Accommodation	7,913	-	7,913	11,895	-	11,895
Other Commercial Expenses	1,467	-	1,467	1,561	-	1,561
	197,162	-	197,162	202,752	-	202,752
Iwi Trust Governance Expenses						
Travel and Accommodation - Trustees	12,824	12,824	-	23,785	23,785	-
Trustee Fees	65,579	65,579	-	90,786	90,786	-
Advisory	6,557	6,557	-	22,982	22,982	-
Meeting Costs	3,107	3,107	-	2,856	2,856	-
Other	15,655	15,655	-	24,352	24,352	-
	103,722	103,722	-	164,761	164,761	-
Iwi Trust Operating Expenses						
Wages and Salaries	25,223	25,223	-	22,195	22,195	-
Accounting Fees	24,804	24,804	-	24,804	24,804	-
Audit Fees	9,000	9,000	-	8,830	8,830	-
Cultural Development	7,655	7,655	-	12,988	12,988	-
Legal, Advisory and Project Fees	32,928	32,928	-	-	-	-
Management Fee	134,415	134,415	-	83,170	83,170	-
Travel Other	36,749	36,749	-	4,001	4,001	-
Other	80,550	87,750	-	26,565	33,765	-
	351,323	358,523	-	182,553	189,753	-

14. Dividends Policy

It is the policy of the Trust to rollover any unused dividends received from its subsidiary (budgeted) in a year to future years and that they can be applied to beneficiary distributions at the discretion of the Trustees.

	Group 2013 \$	Trust 2013 \$	AHC 2013 \$	Group 2012 \$	Trust 2012 \$	AHC 2012 \$
Dividends Budgeted to Fund Operating Expenditure	-	(440,000)	440,000	-	(395,000)	395,000
Less Dividends Paid / (Received)	-	(440,000)	440,000	-	(395,000)	395,000
Surplus as a Result of Unpaid Dividends						
Opening Beneficiary Distribution Reserve Account		36,483			20,766	
Add Iwi Trust 2013 Net Surplus prior to abnormal items		(145,025)			15,717	
Closing Beneficiary Distribution Reserve Account		(108,542)			36,483	

15. Mandating Costs Recoverable

The Trustees expect to receive funding from the Office of Treaty Settlements to support the costs already incurred.

INDEPENDENT AUDITOR'S REPORT
To the Trustees of Ngati Mutunga o Wharekauri Iwi Trust

Report on the Financial Statements

We have audited the consolidated financial statements of Ngati Mutunga o Wharekauri Iwi Trust and its subsidiaries (together referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 March 2013, and the consolidated statement of movements in equity, and statement of financial performance for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Trustees, as a body, in accordance with the Trust Deed of Ngati Mutunga o Wharekauri Iwi Trust. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Trustees' Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, or any of its subsidiaries.

Opinion

In our opinion, the financial statements:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of the Group as at 31 March 2013, and its financial performance for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In accordance with the Financial Reporting Act 1993 we report that:

- We have obtained all the information and explanations that we have required.
- In our opinion, proper accounting records have been kept by Trust as far as appears from our examination of those records.

A handwritten signature in blue ink, which appears to read 'BDO Christchurch'.

BDO Christchurch
2 August 2013
Christchurch
New Zealand

Ngāti Mutunga o Wharekauri Iwi Trust Directory

For the year end 31 March 2013

Nature of the Business

To provide relief of 'poverty' or 'need' of all Ngāti Mutunga o Wharekauri

Beneficiaries

Persons defined as Ngāti Mutunga o Wharekauri in the Trust Deed

Date Established

28 September 2004

Address

PO Box 50
Waitangi
Wharekauri / Chatham Islands

Trustees (as at 31 March 2013)

Deborah Goomes (Chair)
Paula Page
Jamie Tuuta
Robin Page
Mark-Shane Tuuta-Rurehe

AHC Directors

Jamie Tuuta (Chair)
Robin Page
Joseph Thomas
Tom McLurg
Andrew Harrison

Accountant

DJCA
12 St Albans Street
St Albans
Christchurch 8014

Auditor

BDO Spicers
30 Sir William Pickering Drive
Burnside
Christchurch 8053

Solicitor

Wynn Williams
Unit B, Homebase
195 Marshlands Road
Shirley
Christchurch 8083

Bankers

ANZ
Wharekauri / Chatham Islands



Te Rangihiroa / Sir Peter Buck (Ngāti Mutunga): October 1877 – 1 December 1951

“The old world created by our Polynesian ancestors has passed away, and a new world is in the process of being fashioned

The old net is full of holes, its meshes have rotted, and it has been laid aside.

What new net goes a fishing”