

**TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
TE KAHA**

DIRECTORY

NATURE OF BUSINESS:	Iwi Charitable Trust	
IRD NUMBER:	50-912-914	
CHARITIES COMMISSION REGISTRATION NUMBER	CC40643	
DATE OF REGISTRATION	08-06-2009	
TELEPHONE NUMBER:	07-3252726	
CHIEF EXECUTIVE OFFICE:	Rikirangi Gage	
FISHERIES MANAGER:	Tiaki Parata	
ADMINISTRATION MANAGER:	Joe Ngatoro	
FINANCE MANAGER:	Umesh Naik	
TRUSTEES-DELEGATES / HAPU-BENEFICIARIES-SETTLERS :	Grace Kemara Adelaide Waititi Stewart Butler Rosana Wirepa Matetu Herewini Astrid Tawhai Marcia Insley Blythe Rogers Miro Heurea Roka Cameron	Tapaeururangi Kauaetangohia Pararaki Kahurautao Kaiaio Rutaia Nuku Tutawake Hikarukutai Haraawaka
REGISTERED OFFICE:	Cyberwaka Building 102 St. John Street OPOTIKI	
AUDITORS:	Cookson Forbes & Associates Chartered Accountants OPOTIKI	
BANKERS:	Bank of New Zealand Church Street OPOTIKI	

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SOLICITORS: Kahui Legal
P O Box 1654
WELLINGTON

SUBSIDIARY COMPANIES	DIRECTORS	TRUST SHAREHOLDING
TWA Holding Company Limited	Rikirangi Gage Jack Parata	100%
TWA Fishing Company Limited	Rikirangi Gage Jack Parata	100%
TWA Health & Social Services Limited	Rikirangi Gage Jack Parata	100%
TWA Holiday Park Limited	Rikirangi Gage Jack Parata	100%
Cyberwaka Limited	Rikirangi Gage	100%
ASSOCIATE COMPANY	DIRECTORS	TRUST SHAREHOLDING
Cyberwaka Enterprizes Limited	Rikirangi Gage Hamish Crooks	50%

TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2012

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Te Runanga o Te Whanau Trust (the Trust) was established under the Charitable Trusts Act 1957 (the Act). In accordance with the Act, the purpose of Te Runanga O Te Whanau is to advance the interests of Te Whanau a Apanui Iwi, individually and collectively. The Trust is registered with the Charities Commission as a Group. Te Runanga o Te Whanau Charitable Trust Group comprises of the Trust and its the following subsidiary companies:

TWA Holdings Limited, TWA Fishing Limited, TWA Health & Social Services Limited, TWA Holiday Park Limited and Cyberwaka Limited. The Trust has an associate company Cyberwaka Enterprizes Limited.

General accounting policies

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis are followed by the Trust. There have been no changes in Accounting Policies. All Accounting Policies have been applied on bases consistent with those used in the prior year.

Summary of Specific accounting policies

Basis of Preparation

The Trust is a reporting entity for the purposes of the Charitable Trusts Act 1957. The financial statements and the Group financial statements are presented in accordance with the Charitable Trusts Act 1957 and with New Zealand Generally Accepted Accounting Practice. The financial statements are for the year ended 30 June 2012.

Statement of Compliance

The financial statements comply with applicable Financial Reporting Standards, which include New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). Compliance with NZ IFRS ensures that the financial statements comply with International Financial Reporting Standards (IFRSs).

Basis of Measurement

The measurement and reporting of financial performance, movements in equity and financial position is based on historical cost, modified by the revaluation of certain assets. The financial statements are presented in New Zealand dollars (NZ\$). The functional currency is New Zealand dollars.

Use of Estimates and Judgements

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2012

assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Specific areas requiring significant estimates and judgements include impairment testing of intangible assets, financial instruments, Real Property and Investments.

Basis of Consolidation

Subsidiaries are entities in which the Trust has the capacity to determine the financing and operating policies and from which it has an entitlement to significant ownership benefits. The consolidated financial statements comprise the Trust and its subsidiary companies accounted for using the purchase method of consolidation. This involves adding corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All significant transactions between the group entities have been eliminated on consolidation. In the Trust financial statements, investments in subsidiaries are recognised at cost. Associated companies are companies over which the Trust has the capacity to exercise significant influence and has been consolidated using the process mentioned in accordance with NZ IAS 27.

Trust Equity and Reserves

Trust equity is made up of Accumulated retained earnings reserves, Asset revaluation reserves for various asset classes and equity in subsidiaries at cost.

Taxation

The Trust and its all following wholly owned subsidiary have been recognised as charitable organisations by the Charities Commission and are therefore exempt from income tax:

- i TWA Holding Company Limited
- ii TWA Fishing Company Limited
- iii TWA Health & Social Services Limited
- iv TWA Holiday Park Limited
- v Cyberwaka Limited

The Trust has been granted group registration under the Charities Act 2005 to include all its subsidiaries as group members and The Trust as parent body. The Group is called Te Runanga o Te Whanau Charitable Trust Group.

The associate company Cyberwaka Enterprises Limited is not registered with the Charities Commission as it is not wholly owned by the parent trust.

Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of receivables and payables, which are stated inclusive of GST.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2012

Financial Assets

i) Receivables

Trade receivables, which generally have standard commercial terms of trade, are recognised and are carried at original invoice amount less an allowance for any amount assessed to be uncollectable. Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off when identified.

ii) Financial Investments

The Group classifies its financial investments as held-to-maturity investments. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. These investments are recorded at fair value plus transaction costs that are directly attributable to the acquisition or issue of these financial assets and subsequently measured at amortised cost using the effective interest method. All the held-to-maturity investments are included as current assets on the basis that the investments are readily convertible to cash within seven days. Any gains and losses are recognised in the Income Statement when they arise.

Inventory Valuation

All inventories are valued at the lower of cost or net realisable value.

Investments in Subsidiaries

Investments in subsidiaries are stated at cost less impairment in the company.

Investments in Associates

Investments in associates are initially stated at cost and subsequently equity accounted, using the relevant share of the net equity value of the associate.

Intangible Assets

Intangible assets have an indefinite useful life and generate economic benefits beyond one year. Goodwill is stated at cost less impairment adjustment stated in the Statement of Change in Equity.

Land and Buildings

Land and buildings are recorded at cost less depreciation and revalued to Quotable Value every three years. The last QV desktop valuation was undertaken in September 2010. The valuation base used is a departure from NZ IAS 16 which requires a fair value valuation based be used. The Trustees consider that the Quotable Value basis is adequate for reporting purposes. Any increase or decrease in value is allocated to the asset revaluation reserve. Investment properties are revalued in accordance with NZIFRS.

TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP TE KAHA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2012

Property, Plant Equipment

i) Initial Recording

The Trust has the following classes of property, plant and equipment:

Office equipment
Fixture and fittings
IT hardware
Software

Property, plant and equipment are stated at cost, including costs directly attributable to bringing the asset to its operating condition, less accumulated depreciation and any impairment in value.

ii) Depreciation

Depreciation is calculated on either a straight-line basis on all property, plant and equipment, other than capital work in progress, at depreciation rates calculated to allocate the asset costs or valuation less estimated residual value, over their estimated useful lives.

Major depreciation periods depreciation rate ranges are:

Office equipment	4 - 8 years	15% - 40%
Fixture and fitting	6 - 8 years	10% - 18%
IT hardware	3 - 4 years	40% - 50%
Kiwifruit orchard hevelopment	4 - 5 years	0%
Zespri Kiwi Gold licence	10 years	0%

Leasehold improvements are depreciated over the earlier of their economic life or the term of the lease.

Asset residual values and useful lives are reviewed, and adjusted if appropriate, each reporting date.

Kiwifruit orchard development and Zespri Kiwi Gold licence were not depreciated until the same time as the orchard become productive.

Impairment

The carrying amounts of the Group's assets referred to below are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the cash generating unit to which the asset belongs. Impairment losses directly reduce the carrying amount of assets and are recognised in the Income Statement.

i) Impairment of Receivables

An impairment provision is recognised when there is objective evidence that the Trust will not be able to collect the receivable. A provision for bad doubtful debt has been applied to the

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012**

amount owed by The Fishing Company Limited and reported in the Income Statement.

ii) Financial Investments

Financial investments are assessed annually.

iii) Investment in Subsidiaries

Impairment is tested when there are indicators of impairment.

iv) Quota Shares

Quota shares are tested annually for impairment or when there are indicators of impairment. Any adjustments made to recognise impairment are reported in the Income Statement.

v) Property, Plant and Equipment

Impairment is tested when there are indicators of impairment.

vi) Treaty of Waitangi Costs

The negotiation costs have been accumulated at cost and will be reimbursed when settlement legislation is passed.

Leases

The Trust has entered into operating leases for certain fixed assets. Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are charged to the income statement in the periods in which they are incurred.

Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

i) Interest Income

Revenue is recognised as the interest accrues using the effective interest method.

ii) Dividends

Revenue is recognised when the Trust's right to receive the payment is established.

iii) Government Grants

Grants are recognised as revenue when the conditions associated with the grants have been fulfilled.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

Financial Instruments

The Group may use derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rates from time to time. Such derivative financial instruments are recorded at fair value. Derivatives are carried as assets in the Statement of Financial Position when their fair value is positive and as liabilities when their fair value is negative. Exposure to credit and interest risks arises in the normal course of the Group's operation.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Employee Benefits

All short term and long term obligations relating to employee legal entitlements related to leaves are accrued and recognised in the Statement of Financial Position. The liability is equal to the present value of the estimated future cash outflows as a result of employee services provided at the reporting date.

Provisions made in respect of employee benefits expected to be settled within twelve months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Cash and Cash Equivalents

Cash and bank balances in the Statement of Financial Position comprise cash in hand and cash at bank on call.

Change in Accounting Policies

There have been no significant or material changes in accounting policies since the last Group annual financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012**

	<i>2012</i>	<i>2011</i>
	NZ\$	NZ\$
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<u>2. BANK ACCOUNTS</u>		
BANK CURRENT ACCOUNT WITH BNZ	27,563	(2,299)

The Group has overdraft facility up to \$185,192 with BNZ in its various accounts. An inter-company guarantee is held by BNZ in favour of TWA Holding Company Ltd.

3. INLAND REVENUE DEPARTMENT

All statutory obligations have been fulfilled on time. The balance shown pertains to the latest assessments and have been paid on due dates.

PAYE, SLD, CSD & KIWISAVER - PAYABLE	28,628	40,026
GOODS & SERVICES TAX (GST) PAYABLE	93,448	(7,232)
	122,075	32,794

4. LICENCE - KIWI FRUIT "GOLD"

This licence represents payments made to purchase the licence of a 6.2 H Gold Kiwi Fruit from Zespri and is valued at cost.

As PSA was found in small section of the block, a decision was made to replace all H16 variety with G3 variety in a most effective manner.

In the current year Zespri offer G3 licence under one for one scheme to us for fixed rate of \$8000. The Group sacrificed 3.4ha H16 to get 3.4 ha of G3.

6.2 H KIWI FRUIT GOLD LICENCES	144,441	120,788
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5. HEALTH AND SOCIAL SERVICES CONTRACTS

The Trust has a number of Health & Social Services contracts with various government authorities. These contracts have set terms and values. All of these are serviced by the subsidiary company TWA Health & Social Services Limited. The company continues to be a going concern on the basis of its ability to retain contract funding for the programmes noted below.

The commencement dates for each contract is as follows:

	START	END
1 Kaumatua	01/07/00	30/06/14
2 Mental Health - Co-Existing Disorder	01/10/10	30/09/13
3 Child, Adolescent and Youth A & D	1/1/12	30/6/13
4 Specialist Youth AOD	1/2/11	30/6/13
5 Mental Health - Adult Community Support	01/10/10	30/09/13
6 Community Transport	01/07/08	30/06/13
7 Supervision with Activity Service	01/07/08	30/06/13
8 Youth At Risk Programme	01/07/00	30/06/13
9 Adult & Community Education	01/06/07	31/12/12

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012**

2012 *2011*
NZ\$ NZ\$

6. TRUST CORPUS

Opening Balance	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

7. GOVERNANCE COST

The governance cost is mainly to provide training to Board members, cover their mileage cost to attend Board Hui, sitting fees and honorarium.

Trustee Honorarium	20,364	21,092
Trustee Travel	4,216	4,138
Trustee Secretary Expenses	2,100	1,855
Trustee Indemnity Insurance	3,765	3,585
Trustee Hui Arrangements	720	720
Total	<u>31,165</u>	<u>31,390</u>

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FOR THE YEAR ENDED 30TH JUNE 2012**

<i>2012</i>	<i>2011</i>
NZ\$	NZ\$

8. TAXATION

The Trust and its all subsidiaries are registered as a group with the Charities Commission. The Group has charitable purposes and is exempt from paying income tax subject to the conditions of its charitable status.

Cyberwaka Enterprizes Limited is not registered with the Charities Commission and is subject and required to complete tax return.

9. CONTINGENT LIABILITIES

At year end there is a contingent liability for a claim against the Trust by three hapu which are not affiliated to the Trust. The Trust will be required to pay these funds to the Trust if the claim is successful. The Trustees estimate the value of this contingent liability to be approximately \$300,000 at balance date.

The inter company bank guarantee given to Bank of New Zealand from TWA Holding Co. Ltd. to TWA Fishing Co. Ltd & TWA Holiday Park Ltd.

Te Whanau a Apanui iwi are assisting Greenpeace in the challenge to prevent deep sea oil exploration in the Raukumara Basin. The Trust may be requested to provide some financial assistance in the future. No cost have been committed by the Trust to date.

10. RELATED PARTY TRANSACTIONS

There are inter-entity transaction within the Group that have occurred as part of the normal course of business. These transactions have occurred under conditions that are no more, or no less favorable than if the entities where not related.

The Trust Group employs salaried employees from within the iwi of Te Whanau a Apanui. Salaries are determined based on market rates and qualifications of the employee.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012**

	2012	2011
	NZ\$	NZ\$

11. RAPID REPAY FARMING LOAN

This facility has a maximum limit of \$102,056 as at 30th June 2012. The term is 15 years ending on 8/7/2014 with monthly limit reductions. The current interest rate is 7.80%. It is secured by a debenture over the assets of the Company and guarantees from Te Runanga o Te Whanau Charitable Trust and TWA Fishing Company Limited.

Rapid Repay Farm Loan	\$133009	\$103589
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12. BNZ FARM FIRST TERM LOANS

The company borrowed money to assist with the purchase of 8.731 tonnes of CRA 2 fishing quota. Further the Company has borrowed for the purchase of two buildings in Opotiki. The loans are secured over the following assets:

1. Debenture over the assets of the company.
2. Specific charge over all cray and wet fish quota owned by the company.
3. Specific charge over San Pietro fishing vessel.
4. Chattels charge over both boats' equipment and electronics etc.
5. Specific charge over land owned by the company.
6. Guarantee from Te Runanga o Te Whanau Charitable Trust \$1,751,000.
7. Unlimited guarantee from TWA Fishing Company Limited.
8. Debenture over the assets of TWA Fishing Company Limited.
9. Mortgage against the land & building at Opotiki

BNZ Term Loan (3019)	373219	429307
BNZ Term Loan (3020 : Te Kaha Holiday Park)	1374610	1433770
BNZ Term Loan (3021) : KiwiFruit Development	500000	300000
	\$2247829	\$2163077

The original loans were refinanced during the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012**

	2012 NZ\$	2011 NZ\$
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<u>BNZ Term Loan - Account No 03019</u>		
Balance :	\$373,219	
Repayments:	Monthly interest & principal repayments	
Terms :	Maturity date 30/09/2013	
Interest Rate :	Fixed interest rate @ 7.12%	
<u>BNZ Term Loan - Account No 03020</u>		
Balance:	\$1,374,610	
Term:	Maturity Date 30/11/2013	
Repayments:	Monthly interest & principal repayments	
Interest Rate:	Fixed interest rate @ 7.12%	
<u>BNZ CARL Loan - Account No 03021</u>		
Balance :	\$500,000	
Terms:	Lump sum repayment on 20th	
Repayments:	Interest only on used CARL	
Interest Rate	Floating interest rate @ 5.18%	
As per the requirement of NZIFRS, current portion of all the term loans have been disclosed as short term loans under current liabilities as follows :		
BNZ Loan - 3019	55948	54264
BNZ Loan - 3020	59160	59160
Term Loan in Current Liabilities	115108	113424

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

2012 **2011**
NZ\$ NZ\$

13. SHARES - TWA COMPANIES

This investment represents the cost of share capital in TWA companies.

Shares - TWA Holding Co. Limited	100	100
Shares - TWA Fishing Co. Limited	1000	1000
Shares - TWA Health & Social Services Limited	100	100
Shares - Cyberwaka Limited	100	100
Shares - Cyberwaka Enterprises Limited	50	50
Shares - TWA Holiday Park Limited	100	100
	<u>1450</u>	<u>1450</u>

14. FISHING QUOTA

Quota - Bluenose (22.36 T)	391300	461700
Quota - Crayfish (17 T)	5940550	5940550
Quota - Wetfish (Hapuku 5 T)	100000	100000
	<u>\$6431850</u>	<u>\$6502250</u>

15. CAPITAL COMMITMENTS

No capital expenditure is contracted or provided for as at balance date.

16. EVENTS SUBSEQUENT TO BALANCE DATE

There are no known events subsequent to balance date which have a material effect on these financial statements.

17. ASSET REVALUATION RESERVE

Assets' and Investments' revaluations have been recorded in the asset revaluation reserve. The Trustees' policy is to revalue assets and investments to their fair value - NZITQ and shares annually and real property three yearly.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

	Cost	Revaluation	Accumulated Depreciation	Book Value
<u>18. FIXED ASSETS AT 30 JUNE 2012</u>				
Freehold Land	1187000	-	-	1187000
Land & Buildings	720164	-	231833	488331
Fishing Equipment	394101	-	287780	106321
Crayplant Operations	77986	-	54716	23270
Plant & Equipment	189702	-	162553	27149
Motor Vehicles	200443	-	116913	83530
Health Assets	169711	-	126690	43021
Housing Assets	21586	-	14370	7216
Training Assets	151242	-	119145	32097
The Kaha Holiday Park	1447390	-	140862	1306528
40" Waka	178491	-	28008	150483
Kiwifruit Orchard Development WIP	683673	-	-	683673
Zespri Kiwi Gold Licence	144441	-	-	144441
	<u>\$5565931</u>	<u>-</u>	<u>\$1282870</u>	<u>\$4283061</u>

19. FIXED ASSETS AT 30 JUNE 2011

Freehold Land	1187000	-	-	1187000
Buildings	708560	-	215150	493410
Fishing Equipment	389263	-	274769	114494
Crayplant Operations	77986	-	50424	27562
Plant & Equipment	183911	-	155079	28832
Motor Vehicles	224936	-	115579	109357
Health Assets	168218	-	117708	50510
Housing Assets	21586	-	13828	7758
Training Assets	152323	-	116974	35349
Te Kaha Holiday Park	1437883	-	113124	1324759
40" Waka	178491	-	20088	158403
Kiwifruit Orchard Development WIP	683673	-	-	683673
Zespri Kiwi Gold Licence	120788	-	-	120788
	<u>\$5534619</u>	<u>-</u>	<u>\$1192723</u>	<u>\$4341896</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012**

	2012	2011
	NZ\$	NZ\$
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<u>20. REVENUES DURING THE YEAR</u>		
Fishing Annual Catch Entitlement (ACE)	855151	875898
Fishing Operation	640748	527247
Health & Social Services Contracts	1273967	838861
Training Income	-	50000
Rural Housing Programme	-	407556
Te Kaha Holiday Park Receipts	1417785	1269242
IT Support Services Contracts	118672	131443
Interest Earned	3125	14518
Other Income	188552	993420
	<u>\$4498000</u>	<u>\$5108186</u>
<u>21. LESS : EXPENSES</u>		
COST OF SALES		
Wages & Salary	1617987	1887288
Materials & Other Direct Costs	1641214	1284679
	<u>3259200</u>	<u>3171967</u>
OTHER EXPENSES		
Audit Fees	8612	8660
ACC Levies	12644	13997
Electricity	50299	57227
Governance Cost	31165	31390
ICT Expenses	47135	46100
Insurance Premium	30151	39901
Printing & Stationery	12363	16028
Quota Lease Expenses	160743	147390
Repairs & Maintenance	22961	45542
Staff Training	5781	3870
Telecommunication Cost	41302	38318
Travelling Expenses	35161	47635
Vehicle Expenses	182043	221417
Interest	164464	144676
Bad & Doubtful Debts	187826	99130
Depreciation	113310	135586
Other Expenses	121107	581466
	<u>1227068</u>	<u>1678332</u>
TOTAL EXPENSES	<u>4486268</u>	<u>4850300</u>
<u>SURPLUS</u>	<u>\$11732</u>	<u>\$257886</u>

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**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012**

	Note Ref	2012 NZ\$	2011 NZ\$
REVENUES	21	4498000	5108186
LESS EXPENSES	22	<u>4486270</u>	<u>4850300</u>
<u>NET SURPLUS FOR THE YEAR</u>		<u>11731</u>	<u>257885</u>
<u>LESS DISTRIBUTION TO HAPU:</u>			
Te Whanau a Haraawaka (Hawai)		-	-
Te Whanau a Kaiaio (Maungaroa)		-	-
Te Whanau a Kauaetangohia (Whangapaoa)		-	-
Te Whanau a Hikarukutai (Maraenui)		-	-
Te Whanau a Nuku (Omaio)		-	-
Te Whanau a Kahurautao (Pahaoa)		-	-
Te Whanau a Tapaeururangi (Potaka)		-	-
Te Whanau a Ruataia (Otuwhare Marae)		-	-
Te Whanau a Pararaki (Maru o Hinemaka Marae)		-	-
Te Whanau a Tutawake (Whitianga)		-	-
		<u>-</u>	<u>-</u>
<u>NET SURPLUS AFTER HAPU DISTRIBUTIONS</u>		<u>\$11731</u>	<u>\$257885</u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2012**

	2012 NZ\$	2011 NZ\$
<u>OPENING EQUITY AT THE BEGINNING OF THE YEAR</u>	8875251	8528780
Net Surplus (Deficit) for year	11731	257885
Add/Less:		
Revaluation During the year		
Revaluation of Land	-	(94000)
Revaluation of Investment in Quota	(70400)	247950
Goodwill Impairment account	(56000)	(63613)
Revaluation of Shares	(2382)	(1751)
Revaluation Reserve Account	(128782)	88586
<u>CLOSING EQUITY AT THE END OF THE YEAR</u>	\$8758200	\$8875251

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.

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**CONSOLIDATED BALANCE SHEET
AS AT 30TH JUNE 2012**

	Note Ref	2012 NZ\$	2011 NZ\$
<u>CURRENT ASSETS</u>			
Bank Current Accounts	2	27563	-
Closing Stock		56809	66440
BNZ Interest Bearing Deposits	7	-	214273
Trade and Other Receivables		<u>826108</u>	<u>366881</u>
			910481 647594
<u>NON CURRENT ASSETS</u>			
FIXED ASSETS			
Land & Improvements		1187000	1187000
Buildings		488331	493410
Fishing Equipment		106321	114494
Crayplant Operations		23270	27562
Plant & Equipment		27149	28832
Vehicles		83530	109357
Health Assets		43021	50510
Housing Assets		7216	7758
Cyberwaka Enterprizes		32097	35349
Te Kaha Holiday Park		1306528	1324759
40" Double Hulled Waka		150483	158403
Kiwifruit Orchard WIP		683673	683673
Zespri Gold - Kiwifruit Licence	4	<u>144441</u>	<u>120788</u>
	19	4283061	4341896
NZITQ QUOTA SHARES			
Fishing Quota	15	<u>6431850</u>	<u>6502250</u>
TREATY OF WAITANGI			
Settlement Advances	1	<u>217004</u>	<u>217004</u>
		<u>6648854</u>	<u>6719254</u>
			10931915 11061150
<u>INVESTMENTS</u>			
IN SHARES			
Shares - TWA Companies	14	1400	1400
Shares - Associate Companies	14	50	50
Shares (7005)- Horizon Energy (Quoted)		23887	26269
Farmlands Trading Society - Total Shareholding		<u>1032</u>	<u>-</u>
			26369 27719
<u>INTANGIBLE ASSETS</u>			
Goodwill - Te Kaha Holiday Park		<u>168000</u>	<u>224000</u>
			168000 224000
<u>TOTAL ASSETS</u>		<u>\$12036765</u>	<u>\$11960463</u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.

**TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
TE KAHA**

**CONSOLIDATED BALANCE SHEET
AS AT 30TH JUNE 2012**

	Note Ref	2012 NZ\$		2011 NZ\$
<u>CURRENT LIABILITIES</u>				
BNZ Rapid Repay Account	12	133009		103589
BNZ Current Accounts	2	-		2299
Creditors for Goods & Services		126600		94628
HR Accumulation Liability		84167		104790
Advance Income from Projects		43000		63833
Quota Funds Held on Behalf		405277		405277
Inland Revenue Department	3	122075		32794
Term Loans - Current Portion	13	115108		113424
			1029236	920635
<u>TERM LIABILITIES</u>				
Term Loans from BNZ	13	2247829		2163077
<u>TOTAL LIABILITIES</u>		\$3277065		\$3083712
<u>NET ASSETS</u>		\$8759700		\$8876751
REPRESENTED BY:				
Retained Earnings		4368019		4356288
Asset Revaluation Reserve		4390181		4518963
Equity including Subsidiary Companies		1500		1500
<u>TRUST EQUITY</u>		\$8759700		\$8876751

For and on behalf of the Board

Signature *R. Jazie*
CEO

A.M.A. Waititi
CHAIRPERSON

Designation _____

Date 28-09-2012

28-09-2012

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.



TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
TE KAHA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2012

	As of 30-06-12 NZ\$	As of 30-06-11 NZ\$
<u>Operating Activities</u>		
Cash receipts from Customers	7,368,030	8,511,352
Cash paid to Suppliers	(5,796,631)	(6,469,750)
Payment to Employees & Governance	(1,684,462)	(1,915,954)
Total Operating Cash Flows	(113,063)	125,648
Interest & Dividend Received	3,678	2,049
Interest Paid	(165,214)	(144,676)
Total Interest and Taxation Cash Flow	(161,535)	(142,627)
<u>Net Cash from Operating Activities</u>	<u>(274,598)</u>	<u>(16,980)</u>
<u>Investing Activities</u>		
Kiwifruit development	0	(264,127)
Fixed Assets Purchases	(32,693)	(39,792)
Kiwifruit Licence	(5,440)	(12,521)
Proceeds on disposal of Assets	11,870	5,943
<u>Net Cash used in Investing Activities</u>	<u>(26,263)</u>	<u>(310,497)</u>
<u>Financing Activities</u>		
Distribution paid	0	0
Term Deposit (net)	214,911	94,724
Advances (net)	(43)	(1,376)
Repayment of Term Debts	86,436	177,343
<u>Net Cash from Financing Activities</u>	<u>301,303</u>	<u>270,691</u>
<u>Net (decrease)/increase in Cash and Cash Equivalents</u>	<u>442</u>	<u>(56,786)</u>
Cash and Cash Equivalents at the Beginning of the year	(105,890)	(49,103)
Cash and Cash Equivalents at the end of the year Made-up as		
BNZ Rapid Repay Account	12 (133,009)	(103,589)
BNZ Current Accounts	2 27,563	(2,299)
<u>Cash and Cash Equivalents at the end of the year</u>	<u>(105,446)</u>	<u>(105,889)</u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements



COOKSON FORBES

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the beneficiaries of Te Runanga O Te Whanau Charitable Trust Group

Report on the Financial Statements

We have audited the group financial statements of Te Runanga O Te Whanau Charitable Trust on pages 3 to 21. The group financial statements comprise the consolidated balance sheet as at 30 June 2012 and the consolidated income statement, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The Trust interests in the following wholly owned subsidiaries and associate are consolidated into the group financial statements;

Te Runanga O Te Whanau Trust
TWA Holding Company Ltd
TWA Fishing Company Ltd
TWA Holiday Park Ltd
TWA Health & Social Services Ltd
Cyberwaka Ltd
Cyberwaka Enterprises Ltd

Trustees' Responsibility for the Financial Statements

The trustees 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 trustees determine is necessary to enable the preparation of 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 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.



COOKSON FORBES

CHARTERED ACCOUNTANTS

Independence

We have complied with the independence requirements of the New Zealand Institute of Chartered Accountants in conducting the audit. Other than in our capacity as auditor we have no other relationship with or interests in, neither Te Runanga O Te Whanau Charitable Trust nor any of its subsidiaries and associate.

Opinion

In our opinion the group financial statements of Te Runanga O Te Whanau Trust on pages 3 to 21:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of the trust as at 30 June 2012 and of its financial performance for the year ended on that date.

Emphasis of Matter - NZ IAS 16: Land & Buildings Valuation

Without modifying our opinion, we considered the adequacy of the disclosures made in note 1 on page 5 concerning the valuation of Land & Buildings to Quotable Value at September 2010. This is a departure from NZ IAS 16 as Quotable Value is not considered a fair value Valuation basis. We consider the disclosures to be adequate and comment that it has no bearing on the performance results of the entity.

28th September 2012

Cookson Forbes
96 Waioweka Road,
OPOTIKI

