



NGATI WHAKAUE  
EDUCATION ENDOWMENT  
TRUST BOARD



*Te Toroihi Matauranga*



**2012 ANNUAL  
REPORT**



## DIRECTORY – JULY 2012

### BOARD MEMBERS

Malcolm Short (Chairman)  
Pita Anaru (Deputy Chairman)  
Jane McQuilkan  
Fred McRae  
Aramoana Mohi  
Monty Morrison  
John Murray  
Violet Pelham -Waerea  
Fred Whata  
Alec Wilson  
Beatrice Yates

### SECRETARY

Murray Patchell

### ACCOUNTANTS

Hulton Patchell Limited

### AUDITORS

Audit New Zealand

### SOLICITORS

Davys Burton (Richard Pryce)

### BANKERS

Bank of New Zealand

### REGISTERED OFFICE

Hulton Patchell Limited  
Chartered Accountants  
2/1176 Amohau Street  
ROTORUA

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ROTORUA

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### WEBSITE

[www.ngatiwhakaue-eetb.org.nz](http://www.ngatiwhakaue-eetb.org.nz)

## 2012 CHAIRMAN'S REPORT

The Minister of Education  
NZ Government  
Wellington

Tena koe Minister

### ANNUAL REPORT

On behalf of the Board I am delighted to present our statutory annual report, my 16<sup>th</sup> annual report since return of the Endowment in 1996.

It is a privilege to continue working with such a strong and capable Board supported by an excellent administration team. There have been no changes to the Board over the last year and the consistently high attendance by Board members at monthly meetings and subcommittees reflects their enthusiasm to ensure the legacy of our Ngati Whakaue Tupuna is managed to provide the maximum outcomes to our beneficiaries. The strategic vision written in 1996 still strongly underpins the Endowment strategy:

***“To enhance the vision of Ngati Whakaue Tupuna by the responsible, effective and prudent management of the Endowment and the provision of financial support to the beneficiaries of the Trust for Educational opportunities of significant identified need.”***

Financially the Board's net cashflow revenue and expenditure is consistent and has benefited from the build up of a significant investment reserve. That reserve fund now stands at \$16,332,803 and increased by 3.26% over the last year. The income from that reserve offsets the static rental from the Rotorua perpetual ground leases that have 21 year rent reviews. The next 21 year rent reviews are in 2017 but the indications are that any increase is likely to be modest given difficult economic trading conditions for provincial cities such as Rotorua. That emphasises the importance of growing the reserves to enable the Board to grow its distributions annually, to meet increasing demands and expectations from its beneficiaries. Lower interest rates and dividend yields and global investment pressures add further complications to income growth.

Operating surplus for the year ended 31 December 2011 was \$2,132,231 compared to \$2,130,532 in the previous financial year. Realised investment losses and currency losses of \$349,945 decreased net surplus to \$1,782,286.

A revaluation of the land has been reflected in the write down of asset valuation this year by \$5,991,887. This is based on the rating valuation. The Board does not accept the accounting standard requiring market valuation of the land which it can never control and accordingly the financial statements do have a qualification from Audit New Zealand in that regard. The Board's view is that the money that would otherwise be paid to valuers is better to be applied to grants or reserve buildup. The net equity of the Endowment as at 31 December 2011 was \$50,312,793 (\$55,752,850 in 2010).

The Endowment has a diversified range of grant programmes as summarised on page {6}. While the obligation for education of the community remains the responsibility of central Government there are many areas that we have been able to support the educational system whether through teaching tiny tots to swim, transporting school children to the Museum, supporting underachievers literacy skills or helping tertiary students through their degrees. The Endowment is playing a small but much needed part in strengthening education outcomes in the Rotorua district.

As at 31 December 2011 the Board has distributed in excess of \$12,127,588 in grants since inception in 1996. The ratio of grants distributed is:

Tertiary	42.3%
School Projects	38.4%
Ngati Whakaue Education Taumata	9.0%
Other Grants	10.3%

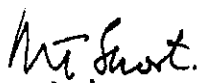
The current annual grants budget is \$1,558,657 and this has been increased by 6% p.a. to exceed the rate of inflation and to keep up with the growing population base and the demand for assistance. The forecast financial models indicate that rate of growth may not be sustainable through the next quartile of this century and this rate will be reviewed in the current financial year.

Significant investment has been made into a new interactive website development and database storage to manage online grant application processing, monitoring and information storage and retrieval. That development has now been completed and the benefits will follow in the coming years.

Recently our longstanding education consultant of 11 years Bev Anaru announced her intention to retire at the end of this year. Bev has provided outstanding service and guidance to the Board and will be difficult to replace. A process is underway to find a suitable replacement for this position.

No progress has been made on the repatriation of the overall control of the Endowment to Ngati Whakaue Iwi accountability. This is currently with the Office of Treaty Settlements and we will continue to progress this as best we can.

Nga Mihi



Malcolm Tukino Short, ONZM

CHAIRMAN

**BOARD ATTENDANCE 12 MONTHS TO 30th JUNE 2012**

MEMBER	MEETINGS ATTENDED			DATE JOINED BOARD
	MAIN	PROPERTY	EDUCATION	
Malcolm Short	10/11	3/3		11-6-96
Pita Anaru	11/11	3/3	10/10	11-6-96
Violet Pelham-Waerea	9/11		7/10	11-6-96
Fred McRae	8/11			9-11-00
John Murray	8/11	2/3	7/10	13-8-01
Jane McQuilkan	9/11		4/10	12-7-04
Fred Whata	11/11		9/10	9-5-09
Bea Yates	8/11		8/10	13-2-06
Aramoana Mohi	8/11		7/10	11-10-10
Alec Wilson	11/11	3/3		1-7-11
Monty Morrison	11/11		7/10	1-7-11

Board members are paid meeting attendance fees at the following rates:

***Board and subcommittee meetings:***

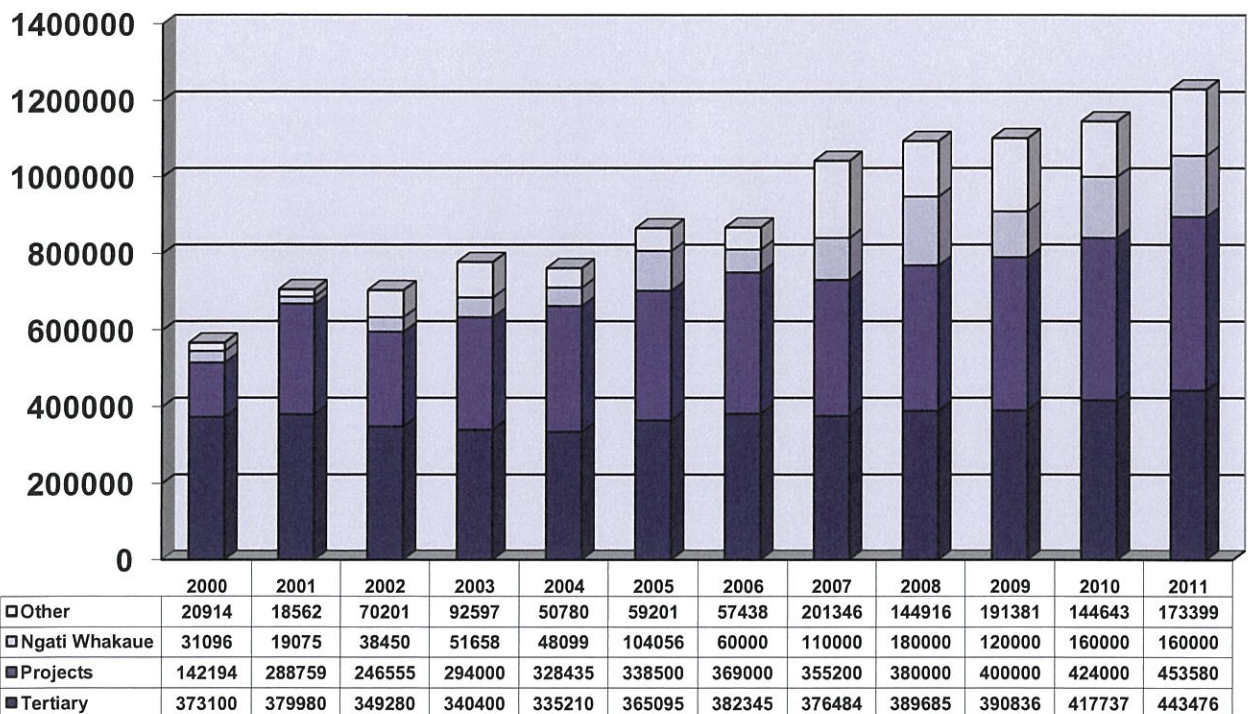
Chairman	\$500.00
Deputy Chair	\$400.00
Board members	\$350.00



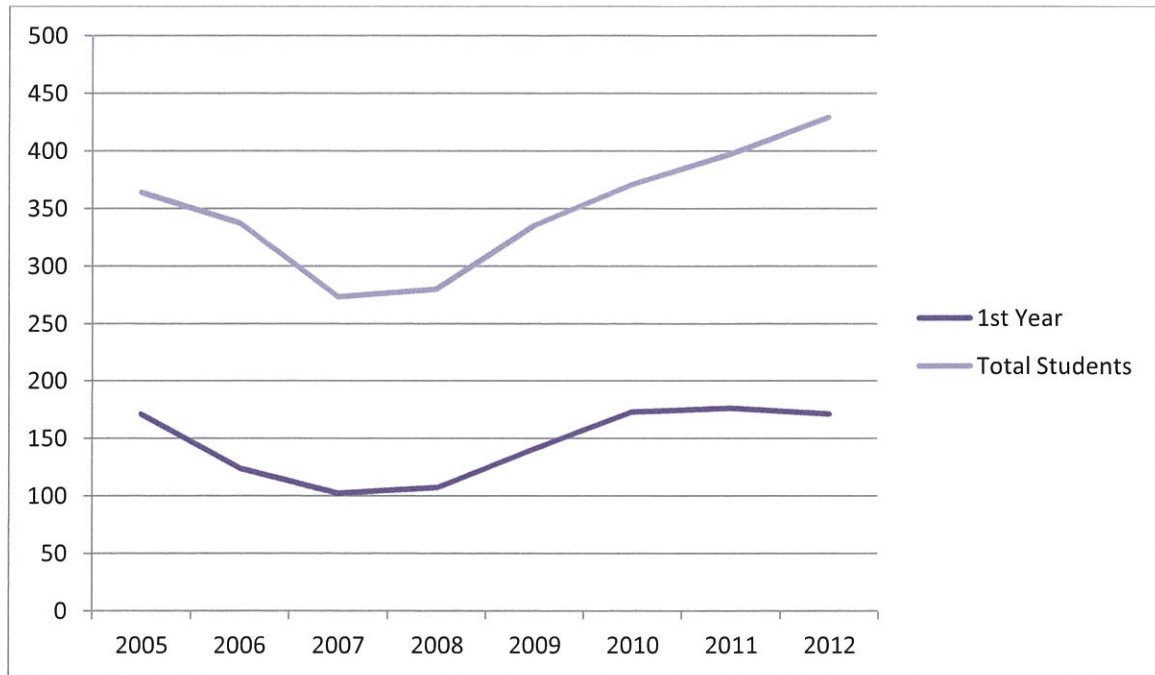
**Board Members 2012**  
**Seated (left to right):** Monty Morrison, Alec Wilson, Pita Anaru (Deputy Chair)  
**Standing (left to right):** John Murray, Aramoana Mohi, Fred Whata, Jane McQuilkan, Malcolm Short (Chair),  
 Beatrice Yates, Violet Pelham-Waerea, Fred McRae

YEAR	DISTRIBUTIONS			
	Tertiary	Projects	Ngati Whakaue education	Other
31.12.98	254,000	424,653	5,136	8,230
31.12.99	332,680	215,294	7,988	7,944
31.12.00	373,100	142,194	31,096	20,914
31.12.01	379,980	288,759	19,075	18,562
31.12.02	349,280	246,555	38,450	70,201
31.12.03	340,400	294,000	51,658	92,597
31.12.04	335,210	328,435	48,099	50,780
31.12.05	365,095	338,500	104,056	59,201
31.12.06	382,345	369,000	60,000	57,438
31.12.07	376,484	355,200	110,000	201,346
31.12.08	389,685	380,000	180,000	144,916
31.12.09	390,836	400,000	120,000	191,381
31.12.10	417,737	424,000	160,000	144,643
31.12.11	443,476	453,580	160,000	173,399
TOTALS	5,130,308	4,660,170	1,095,558	1,241,552

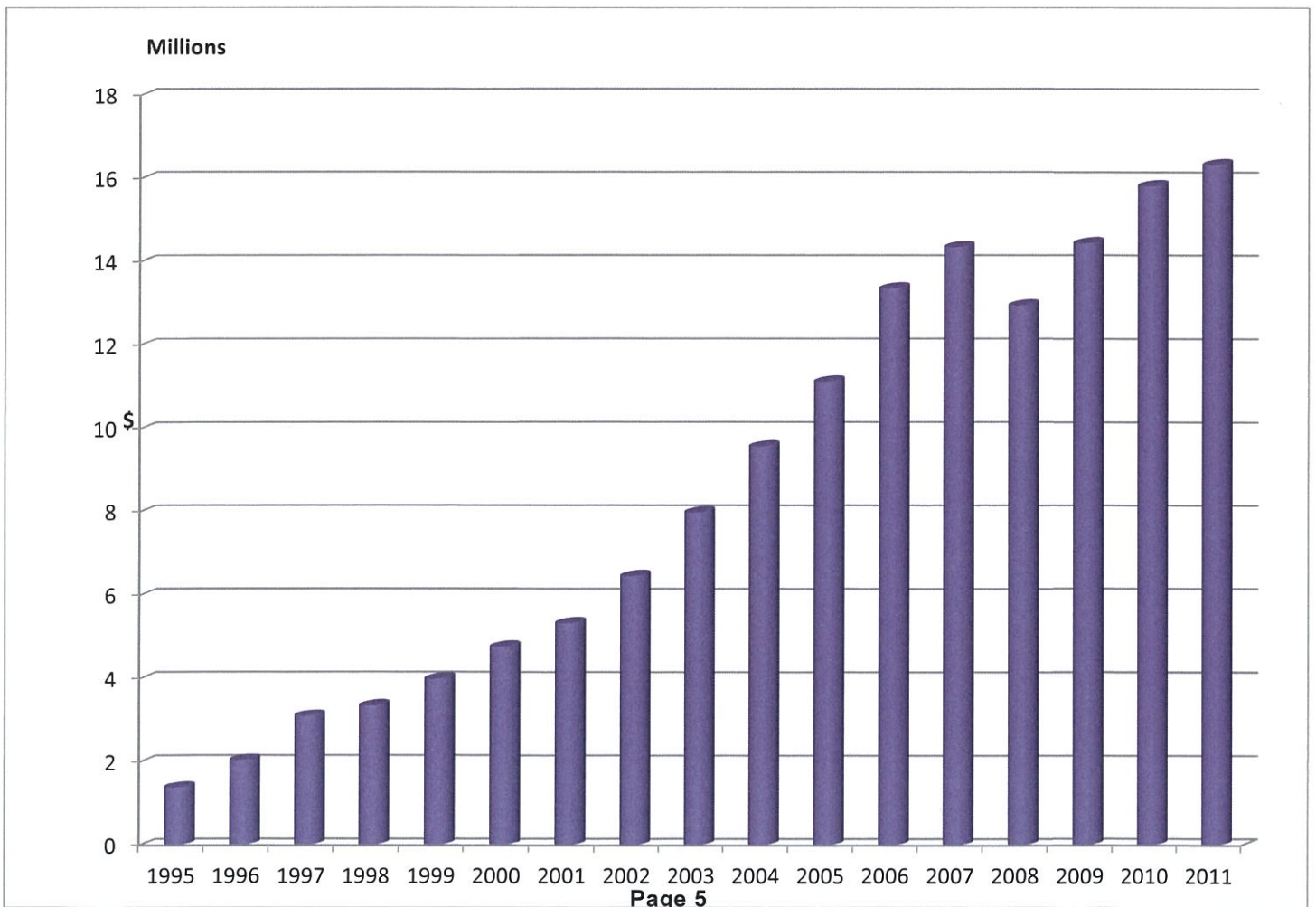
**Total Distributions to 31 December 2011 = \$12,127,588**



## TERTIARY STUDENTS - FIRST YEAR AND TOTAL STUDENTS TREND



## VALUE OF INVESTMENTS (Excluding Land)



## **EDUCATION CONSULTANT REPORT**

### **Projects 2011 – 2012**

**Manaaki Tangata:** This is a mentoring programme successfully implemented at our highest Maori Roll Secondary School – Te Kura o Rotohokahoka, Western Heights High School.

This programme locates Maori under achievers across a wide range of curriculum areas. e.g. Mathematics, English Science and Social Studies.

**Implementation:** The Teacher Aide Team locate under achievers based in Year9/10 and Year 11/12. After checking individual achievement records and in consultation with Curriculum Deans and Project Leader, daily timetables for the Teacher Aide team are confirmed. The programme is classroom based and very curriculum orientated.

Teacher Aides must be alert to classroom teaching learning programmes and provide assistance in class to enable their “at risk” students to understand “challenging concepts”

**Achievements:** The team of four “Support Staff” work with sincere commitment in their role as an in-class practitioner. They are part of the schools “Team Teaching” approach to learning.

A student who has difficulty with interpretation of a basic learning concept can always rely on “Whaea” to explain again and again. Project visits certainly confirm the challenges this team face but also the successes they deliver.

They are a skilled conscientious Teacher Aide “Whanau” team.

**Milestone Reporting:** The individual records Support Staff collate confirms their commitment to their “At Risk” pupils' tasting success.

Attendance is well documented as a way of improving student achievement.

Throughout the year this data is showing that the influence of Manaaki Tangata in terms of improving attendance is considerable

This in turn is leading to an improved achievement rate amongst the targeted students.

Manaaki Tangata is a project with Mana. It has motivated a large number of iwi students to leave school with N.C.E.A. Units- which will provide them with entry to a more positive career path.

**Project Holders – Iwi Research:** Fostering improved and accurate systems of identifying Ngati Whakaue pupil whakapapa.

Local schools have been encouraged to include Iwi information of both parents as an enrolment requirement. This information is crucial when allocating project funding.

Pleased to note schools have won positive co-operation with this requirement.

**Transition to School:** This project initiative continues to impress and makes a real difference for children on reaching the age of more formal learning.

Currently there are five “Transition to School” projects based in high Maori Roll Primary schools in the Rotorua area.

One of the benefits of these programmes apart from enabling children to be socialised into their local primary school environment, is that it provides an opportunity to educate parents and whanau about how to become involved effectively in their children's learning.

**Maketu Primary School** is in the process of establishing a Trust in consultation with the Ministry of Education to open their own Early Childhood Centre early next year. Currently one staff member is completing her Early Childhood teacher training.

A great extension of a Board funded “Transition to school project”.

#### **Providing Programmes to Develop Quality Outcomes:**

- Increasing the ratio of teachers, teacher aides per under achieving students has once again proved successful e.g. confirmed by quality “Milestone Reports” and detailed Pre and Post individual pupil data furnished as Board “Standards” measuring tool.
- Twenty five projects located and assisted 2000 students in 2012. A large number of these students were Ngati Whakaue. Schools however do provide additional resources to ensure effective literacy and numeracy outcomes for non Ngati Whakaue students.

#### **Direction of Projects 2012:**

A great number of projects target “Literacy”.

At the Junior level of the school it was oral language encouraging greater confidence in communicating using quality speech patterns and confidence in sharing ideas. This was extending into growth in reading and written language.

**Secondary Level Projects:** The main focus was increasing reading ages eventually leading to comprehension and expressive written language. My greatest concern and challenge is locating secondary students reading 3-4 years below their chronological age with low self esteem and a negative attitude to learning. Many students face multiple disadvantages.

We can't carry on the way we are at present where close to 50% of Maori boys are leaving without any meaningful qualifications. (This is a research finding by Sir Mason Durie, Massey University) Projects 2012 are certainly making a difference particularly for our Maori boys in all local secondary schools.

**Constant Challenge to “Project Teams”:**

- Low teacher expectations.
- Poor quality classroom relationships are the key factors contributing to Maori students non-achievement.

This always wins a positive response. Our role is to constantly keep positive about our role. Projects 2012 this year number 25 projects all targeting Literacy and Numeracy initiatives. I am sure we will continue to deliver positive outcomes.

Ma te kotahitanga ka ora nga tamariki -By working together our children will prosper.



Beverley R Anaru QSM  
Education Consultant

**2012 PROJECT GRANTS**

SCHOOL	PROJECT TITLE	AMOUNT
Aorangi School	Ngati Whakaue Pre-Entry Class Ngati Whakaue Literacy & Numeracy Programme	\$15,000
Glenholme School	GLiFE – Glenholme Literacy in Fortification & Enhancement	\$25,000
Horohero School	New Entrant Learning Initiative	\$9,000
John Paul College	Ngati Whakaue Kaiawhina Maori	\$8,000
Kaitao Middle School	Adventure Academy	\$20,000
Kawaha Point School	Maori student achievement and enhancement initiative (MSAEI)	\$23,000
Maketu School	Maketu School Literacy Project which is comprised of Nga Tamariki Potiki, and Remedial Literacy Intervention.	\$10,000
Malfroy School	1.Aratika Literacy 2. Transition to school.	\$17,000
Mokoia Intermediate School	Me Rata i te Tatai	\$14,000
Ngongotaha school	Tatai Aka Matua- Numeracy Te Ara Totika - Literacy	\$24,000
Owhata Primary School	Ngati Whakaue Junior Literacy Programme & Pre Entry Transition Programme.	\$18,000
Rotokawa School	TAUTOKO WHAKAPUAWAI Whakatauki: Ma te huruhuru, ka rere te manu me whakahoki mai te mana ki te whanau, iwi, hapu. Adorn the bird with feathers so it can fly.	\$16,000
Rotorua Boys High School	Raukura Literacy Project	\$33,000
Rotorua Girls High School	Ngati Whakaue Multi-Literacy Programme	\$30,000
Rotorua Lakes High School	Numeracy Development	\$25,000
Rotorua Primary School	Ngati Whakaue ALiM Enrichment Programme	\$25,000
Selwyn School	Early Literacy Support Project.	\$22,000
St Michaels Catholic School Rotorua	Literacy Support and Development Programme	\$7,000
SUNSET PRIMARY	" ChatterBox Project "	\$18,000
Te Kura Kaupapa Maori o Te Rotoiti	Whakapiki i te reo me te pangarau	\$10,000
Te Kura O Te Koutu	Te Mangai Tatai	\$15,000
Te Kura o te Whakarewarewa	Piki ake ke	\$9,000
Western Heights High School	Manaaki Tangata	\$40,000
Western Heights Primary	Literacy Acquisition Pathways	\$30,000
Whangamarino School	Programme 1) Toe to Toe Programme 2) One to One Writing Programme 3) Oro Reo (Years 1-3) Programme 4) Tuhi Korero (Years 4 & 5)	\$7,000
<b>TOTAL</b>		<b>\$470,000</b>

# NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

## GRANT POLICY INDEX

<i>Policy</i>	<i>Policy Number</i>
<p><b>Group Discretionary Grant</b></p> <p>To support recognised Educational Organisations to develop, implement and deliver innovative educational programmes that:</p> <ul style="list-style-type: none"> <li>• Are outside mainstream funding sources</li> <li>• Promote vocational and further learning opportunities, and outcomes and personal development of participants.</li> <li>• Encourage group study and participation</li> </ul>	<b>601</b>
<p><b>Individual Discretionary Grant</b></p> <ul style="list-style-type: none"> <li>• To further develop the educational and development opportunities for individuals.</li> <li>• Assist individuals in obtaining qualifications and skills/knowledge for vocational purposes.</li> <li>• To engage individuals in educational endeavours that benefit Ngati Whakaue (including research).</li> </ul>	<b>602</b>
<p><b>Nga Mahi a Rehia (Maori Performing Arts) Grant</b></p> <ul style="list-style-type: none"> <li>• To support the retention of all forms of Ngati Whakaue Waiata and Haka and consider applications from any Kapahaka Group, School, Marae or hapu.</li> <li>• The Board also supports the development and performance of contemporary song embodied in a Kapahaka performance.</li> <li>• The objective is to recognise collective cultural endeavours of Schools, Marae and hapu/iwi and promote and uphold Ngati Whakaue performing arts and tikanga a Marae.</li> </ul>	<b>603</b>
<p><b>Taumata Funding Grant</b></p> <ul style="list-style-type: none"> <li>• To acknowledge the vision of Ngati Whakaue Iwi - "Ngati Whakaue iho ake" and to assist in developing our people towards tribal strength and global success through education.</li> <li>• To set the basis of intended funding arrangements between the Ngati Whakaue Education Endowment (Board) and Ngati Whakaue Education Taumata (Taumata). The Board supports the development of the Ngati Whakaue education strategy as promulgated through the Taumata. The Board is prepared to provide for ongoing funding to the Taumata as set out in this policy statement as part of its statutory obligation to fund the general purpose of education.</li> </ul>	<b>604</b>
<p><b>Tertiary Grant</b></p> <ul style="list-style-type: none"> <li>• To provide individual tertiary grants to assist with tertiary education and encourage academic achievement.</li> <li>• To set out procedures for annual tertiary grant applications and checking processes.</li> </ul>	<b>605</b>
<p><b>Sponsorships</b></p> <ul style="list-style-type: none"> <li>• To support recognised Providers promote education programmes or outcomes that encourage the recognition and/or raising of educational standards and values within the wider Rotorua Community.</li> </ul>	<b>606</b>

<p><b>Haane Manahi Memorial Scholarship</b></p> <ul style="list-style-type: none"> <li>To acknowledge the significance, efforts and heroism of Lance Sergeant Haane Manahi during the Second World War.</li> <li>To provide a Scholarship in memory of Lance Sergeant Haane Manahi to assist Ngati Whakaue Students and/or Apprentices undertaking study, or an apprenticeship, cadetship, traineeship that specialises in either forestry, farming, trades or service industries.</li> </ul>	<b>607</b>
<p><b>Marae Based Wananga Grants</b></p> <ul style="list-style-type: none"> <li>To support ngā hapū o Ngati Whakaue to convene Marae based Wānanga in order to learn, maintain, uphold, develop and retain te reo me nga tikanga o Ngati Whakaue i raro i te kawa tapū o Te Arawa</li> <li>To provide support for Wānanga that preserve and maintain Ngati Whakaue and Te Arawa cultural continuity.</li> </ul>	<b>608</b>
<p><b>Project Grant</b></p> <ul style="list-style-type: none"> <li>To identify under-achievement in the general areas of literacy and numeracy and promote programmes to address these areas targeting junior levels of schooling.</li> </ul>	<b>609</b>
<p><b>Post-graduate Scholarship</b></p> <ul style="list-style-type: none"> <li>To provide individual post graduate scholarships to assist with post graduate education and encourage academic achievement.</li> </ul>	<b>610</b>
<p><b>Whakapapa Panel Policy</b></p> <ul style="list-style-type: none"> <li>The Board have available Kaumatua and Kuia who are able to assist grant Applicants and the Board in providing Whakapapa criteria relevant to the Board's various grants available.</li> </ul>	<b>611</b>
<p><b>Emergency/Disaster Discretionary grant</b></p> <p>The purpose of these grants is to support student victims of an emergency/disaster including the 4 Sept 2010 and 22 Feb 2011 Christchurch Earthquakes that have relocated to Rotorua District.</p> <ul style="list-style-type: none"> <li>Stabilise their lives and the lives of their whanau; through assistance for educational needs and stress relief;</li> <li>Supplement non-means tested assistance received from Work and Income New Zealand and other organisations;</li> <li>Assistance could include repatriation of Te Arawa whanau out of the Christchurch earthquake affected area.</li> </ul>	<b>612</b>
<p><b>Support of Rangahau (Research)</b></p> <ul style="list-style-type: none"> <li>The Trust Board's Research Fund has been established to support emerging and established Ngati Whakaue and Te Arawa researchers.</li> </ul>	<b>613</b>
<p><b>Support of Ngati Whakaue-Te Arawa Writers</b></p> <ul style="list-style-type: none"> <li>To support, develop and nurture Ngati Whakaue-Te Arawa writers.</li> </ul>	<b>614</b>
<p><b>Swimming programme sponsorship</b></p> <ul style="list-style-type: none"> <li>The aim of Kia Maanu Kia Ora is to increase the safety of Ngati Whakaue children in and around water.</li> </ul>	<b>615</b>

HAANE MANAHI  
SCHOLARSHIPS –  
TRADE & INDUSTRY  
APPRENTICESHIPS



POSTGRADUATE  
SCHOLARSHIPS



LEARN TO SWIM  
SPONSORSHIP



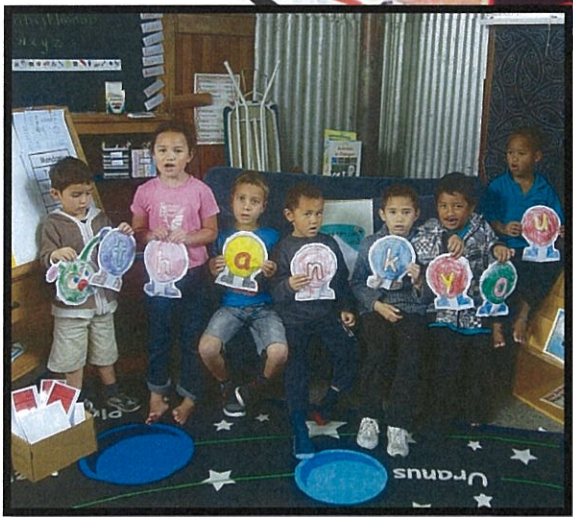
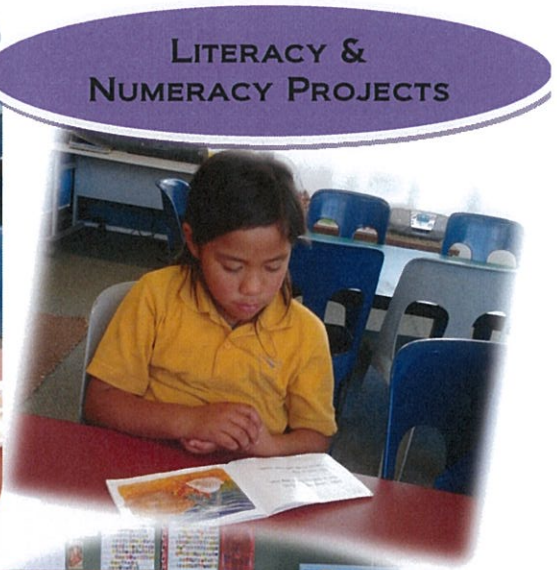
ROTORUA MUSEUM BUS



KAPA HAKA



LITERACY & NUMERACY PROJECTS



MARAE/WANANGA GRANTS  
TUNOHOPU MARAE RESTORATION



**NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2011**

**I N D E X**

Page	1/2	Audit Report
	3/8	Notes to the Financial Statements
	9/10	Statement of Financial Performance
	11	Statement of Movements in Equity
	12	Statement of Financial Position
	13	Schedule of Fixed Assets

**Independent Auditor's Report****To the readers of****Ngāti Whakaue Education Endowment Trust Board's  
financial statements  
for the year ended 31 December 2011**

The Auditor-General is the auditor of Ngāti Whakaue Education Endowment Trust Board (the Board). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Board on her behalf.

We have audited the financial statements of the Board and group on pages 3 to 12, that comprise the statement of financial position as at 31 December 2011, the statement of financial performance and statement of movements in equity for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

**Qualified opinion – Valuation of investment property*****Reason for our qualified opinion***

As stated in the accounting policies on page 3, land that is classified as investment property is not revalued annually, and the latest valuation of 1 July 2011 (\$33,984,000) is recorded as the value used for rating purposes. This is a departure from applicable Statement of Standard Accounting Practice No. 17 (SSAP-17), which requires investment property to be valued annually at net current value. The Board has not quantified the financial effect of this departure from SSAP-17 and we are unable to determine the amount of the required adjustment.

***Qualified opinion***

Except for the effects of the matter described in the "Reason for our qualified opinion" paragraph above, the financial statements of the Board on pages 3 to 12:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Board's:
  - financial position as at 31 December 2011; and
  - financial performance for the year ended on that date.

Our audit was completed on 9 July 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board Members and our responsibilities, and we explain our independence.

### ***Basis of opinion***

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. We are unable to determine whether there are material misstatements because the scope of our work was limited, as we referred to in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that fairly reflect the matters to which they relate. We consider internal control 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 involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board Members;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. We did not receive all the information and explanations we required although we believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our qualified opinion.

### ***Responsibilities of the Board Members***

The Board Members are responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and

- fairly reflect the Board's financial position and financial performance for the year ended on that date.

The Board Members are also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board Member's responsibilities arise from the Reserves and Other Lands Disposal Act 1995.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 10 of the Reserves and Other Lands Disposals Act 1995.

### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with, or interests in, the Board.



Clarence Susan  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2011**

**Note 1 STATEMENT OF ACCOUNTING POLICIES**

**Reporting Entity**

Ngati Whakaue Education Endowment Trust Board is established under the Reserves and Other Lands Disposal Act 1995. The financial statements of the Board have been prepared in accordance with generally accepted accounting practice.

**Measurement Base**

The financial statements have been prepared on a historical cost basis except for land and investments which are revalued.

**Nature of the Entity**

The Ngati Whakaue Education Endowment Trust Board is a charitable trust for educational purposes. Its income is from lease rentals.

**SPECIFIC ACCOUNTING POLICIES**

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

**Land**

Land is classified as Investment Property. It is recorded at Rateable Value dated 1 July 2011, as valued by Landmass Technology Ltd. The Board considers this to be an indication of fair value. The net current value is likely to be higher, although this has not been quantified. This is not in compliance with SSAP-17 Accounting for Investment Properties, which requires land to be included at net current value with revaluation done on an annual basis.

Land is revalued on a three yearly basis with revaluations taken to an asset revaluation reserve. Where a revaluation results in a debit balance in the reserve, this balance is expensed in the Statement of Financial Performance.

**Accounts Receivable**

Accounts receivable are stated at their expected realisable value after writing off all known losses.

**Investments**

Investments are stated at market value assessed by Craigs Investment Partners as at 31 December 2011. The increase in the value of the investment portfolio is taken to the Asset Revaluation Reserve. Where the change in market value of the portfolio results in a debit balance in the reserve the balance is expensed in the Statement of Financial Performance.

**Taxation**

The Board is not liable for Income Tax as it has been given approval for Charitable Status and it was registered as a charitable entity under the Charities Act 2005 in June 2008.

**Goods & Services Tax**

These financial statements have been prepared on a GST exclusive basis of accounting. Any GST due or recoverable at balance date is included within the amount of either Accounts Receivable or Accounts Payable.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2011

**Rental Received**

Rental received is recognised in the period to which the lease relates at the rate per the lease agreement. Where lease agreements have expired and no subsequent lease has yet been negotiated, the rental revenue is recognised on the basis of the expired contract, as at that time the new lease is unable to be measured with reliability. On renegotiation, the difference before the expired lease and the new lease is reflected in the financial statements. Rental received in advance is recognised as a liability within the Statement of Financial Position.

**Differential Reporting**

The Board qualifies for differential reporting because it does not have public accountability and is not large. The Board has taken advantage of all financial reporting exemptions, except revaluation policy on land. The adoption of NZ IFRS has been deferred in line with the IASB decision.

**CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies during the period of these financial statements.

**Note 2 CAPITAL**

	This Year	Last Year
Capital is established using the Government Valuations for land as at 1st September 1996	21,033,000	21,033,000
Funds held by Public Trustee as at 3 October 1995	1,385,108	1,385,108
<b>Closing Balance</b>	<b>\$22,418,108</b>	<b>\$22,418,108</b>

**Note 3 CAPITAL RESERVE**

Opening Balance	1,290,285	987,083
Transfer from retained earnings	188,618	303,202
<b>Closing Balance</b>	<b>\$ 1,478,903</b>	<b>\$ 1,290,285</b>

This reserve is the capital gain on sale of shares.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2011

**Note 4 ASSET REVALUATION RESERVE**

	This Year	Last Year
Opening Balance	20,756,286	20,484,307
Increase/(Decrease) in Investments	(40,887)	271,979
Decrease in Land Valuation	(5,951,000)	-
<b>Closing Balance</b>	<b>\$14,764,399</b>	<b>\$20,756,286</b>
<b>Represented by:</b>		
Land	13,422,000	19,373,000
Investments	1,342,399	1,383,286
	<b>\$14,764,399</b>	<b>\$20,756,286</b>

**Note 5 RETAINED EARNINGS**

Opening Balance	11,288,171	10,493,628
Net Surplus before Grants	1,782,286	2,244,124
	<b>13,070,457</b>	<b>12,737,752</b>
<b>Less</b>		
Transfer to Capital Reserves	188,618	303,202
Grants	1,230,455	1,146,380
<b>Closing Balance</b>	<b>\$ 11,651,384</b>	<b>\$ 11,288,170</b>

**Note 6 COMMITMENTS & CONTINGENT LIABILITIES**

At balance date there was a contingent liability of \$480,000 for the payments of project grants and \$76,000 for writers grants in 2012. (Last Year \$454,000 for project grants; Nil for writers grants).

**Note 7 FIXED ASSETS - LAND**

Opening Land Value	39,935,000	39,935,000
minus decrease to Market Value	(5,951,000)	-
<b>Closing Land Value</b>	<b>\$33,984,000</b>	<b>\$39,935,000</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2011**

**Note 8 RELATED PARTY TRANSACTIONS**

The Trust Board engages Beverley Anaru, who is the wife of Board member Pita Anaru. She is as an education consultant, and was paid \$45,062 for the year ended 31st December 2011. Her contract expires 31st January 2012. (Last Year \$42,812).

The following Board members are appointed by schools which have received grants during the year as scheduled:

<b>Board Member</b>	<b>School</b>	<b>Grants</b>
Jane McQuilkan	John Paul College	\$ 6,000
Aiamoana Mohi	Rotorua Girls High School	\$ 31,000
Beatrice Yates	Rotorua Lakes High School	\$ 25,000
Violet Pelham-Waerea	Western Heights High School	\$ 32,000
Fred Whata	Rotorua Boys High School	\$ 31,000

Board Members may have family attending these schools. Also some Board Members have family members that have received tertiary grants and scholarships.

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST DECEMBER 2011

## Note 9 INVESTMENTS

	Cost	Market Value	Interest & Dividends Received
<b>NZ Bonds</b>			
Air New Zealand	150,000	152,241	1,531
ANZ	1,207,079	1,261,129	79,055
ASB	200,922	208,941	23,857
Auckland Council	400,000	444,239	26,840
AMP Group Finance	100,000	109,482	9,800
BNZ	1,020,362	1,097,625	109,915
Contact Energy Ltd	200,000	207,153	8,000
Fonterra	296,595	323,406	20,580
Fonterra bonds	150,000	165,575	11,625
Genesis Energy	450,000	498,170	33,425
GMT Bond Issuer Ltd	300,000	321,846	23,250
Goodman Fielder NZ Ltd	150,000	144,604	11,302
Greenstone Energy Finance	100,000	105,417	185
Insurance Australia Bonds	150,000	153,362	7,350
Kiwibank	100,608	102,798	7,721
Kiwi Income Property	225,776	245,290	20,764
Mighty River Power	80,000	85,542	6,688
NZ Post Group	200,000	206,030	15,000
PINS Securities	300,000	249,000	-
Prime Infrastructure Networks	135,000	128,822	12,150
Rabobank MTN	150,758	154,023	4,687
Rabobank Nederland	350,758	309,513	19,934
Tauranga City Council	400,000	432,371	26,600
TCNZ Finance Ltd	300,467	318,492	20,880
Trustpower Ltd	240,000	252,872	20,160
Vector Ltd	200,000	201,580	16,000
Watercare Services Ltd	151,834	160,840	10,177
Westpac NZ Ltd	-	-	8,870
<b>NZ Shares</b>			
Abano Healthcare	-	-	356
AMP NZ Office	85,110	78,720	6,974
Auckland International Airport Ltd	78,511	235,620	8,135
Caledonia Investments	-	-	2,924
Contact Energy LTd	77,363	100,383	-
Dairy Equities Ltd	28,050	-	-
EBOS Group	71,388	65,500	1,800
Fisher & Paykel Healthcare	56,245	95,760	4,712
Fletcher Building	173,281	125,354	6,737
Freightways	41,173	47,840	1,885
Goodman Property Trust	150,838	150,245	9,537
Hellaby Holdings	40,593	39,600	-
Infratil	-	7	-
Infratil - warrants	-	25,352	-
ING-(Vital)	74,302	77,000	5,600
Mainfreight	43,490	44,550	540
Maui Capital Indigo Fund	37,500	69,000	-
NZ Social Infrastructure	32,000	29,000	-
Nuplex Industries	-	-	6,665
NZX Ltd	49,258	56,590	3,631
Opus International Consultants	103,903	96,900	2,884
Pohutukawa Private Equity	204,000	180,000	4,560
Pohutukawa Private Equity II	55,000	102,500	1,021
Port of Tauranga Ltd	81,692	268,650	8,370
Property for Industry	135,963	166,808	10,318
Ryman Healthcare	76,607	178,860	5,082

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST DECEMBER 2011

Scott Technology	59,385	69,300	2,250
Sky Network Television	39,922	40,280	-
Summerset Group Holdings	70,000	67,000	-
Teamtalk	50,632	54,500	2,500
Templeton Emerging Markets	50,275	68,780	505
Trademe Group	67,500	73,750	2,464
Trustpower Ltd	90,735	90,170	5,080
Willis Bond Capital Partners	23,639	63,600	-
<b>Aust. Shares</b>			
AGL Energy Ltd	158,424	169,341	7,013
Amcor	53,787	66,268	1,590
Australian Pipeline	259,573	347,384	24,424
Australia & NZ Banking Group	61,912	53,913	3,650
BHP Billiton Ltd	34,356	92,648	2,630
Coca Cola Amatil Ltd	78,513	77,076	2,353
Cochlear Ltd	65,383	81,408	2,950
Coinvestor No. 3 Pipe Fund	135,095	229,070	-
Commonwealth Bank	128,996	228,457	14,751
Computershare Ltd	94,804	76,777	2,039
CSL Ltd	4,228	89,916	2,242
Newcrest Mining Ltd	165,756	159,349	2,928
Orica Ltd	87,664	134,950	4,990
QBE Insurance Group	-	-	3,207
Ramsay Healthcare	60,218	119,487	-
Santos Ltd	110,879	96,429	2,354
Seek	89,703	74,449	961
Wesfarmers	54,487	50,781	2,533
Woodside Petroleum Ltd	54,417	39,200	1,359
Woolworths	41,898	67,562	3,313
<b>British Shares</b>			
Bankers Investment Trust	124,989	123,417	4,101
BHP Billiton Ltd	221,468	169,009	5,864
British Empire Securities	167,630	208,309	3,938
HSBC Holdings PLC	192,717	122,787	4,639
Murray International Trust PLC	160,334	155,836	-
Rio Tinto	115,697	71,889	1,694
RIT Capital Partners	161,263	265,661	859
Templeton Emerging Markets	135,076	148,462	1,104
The City of London Investment Trust	-	-	2,296
<b>US Shares</b>			
Apple Computers	50,007	73,313	-
iShares MSCI Emerging Markets	-	-	1,423
Vanguard Emerging Market	207,911	164,272	-
Cavotec	26,950	28,284	-
SPDR	64,253	76,619	436
<b>Cash</b>			
Cash	7,071	7,071	3,317
<b>Total</b>	<b>\$13,233,987</b>	<b>\$14,672,896</b>	<b>\$775,844</b>

**NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31ST DECEMBER 2011**

	<b>This Year</b>	<b>Last Year</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Rental Received	1,622,280	1,599,126
Consent Fees	1,174	1,710
Dividends Received	236,775	236,561
Interest Received	606,139	596,481
	<hr/>	<hr/>
	2,466,368	2,433,878
<b>LESS OPERATING EXPENSES</b>		
<b>ADMINISTRATION</b>		
Accident Compensation Levy	-	358
Advertising	8,819	7,886
Audit Fees	10,500	9,800
Bank Charges	242	260
Consultancy Fees	2,020	700
Education Consultant Salary & Travel	49,630	42,812
Entertainment	-	1,622
File Storage	396	-
General Expenses	4,252	2,880
Insurance	4,045	3,859
Education Grant Expenses	1,920	-
Grants Policy Review	6,330	-
Legal Costs	7,373	1,061
Portfolio Management Fee	20,998	33,358
Printing, Stationery & Postage	5,910	7,703
Rates	-	7,853
Repairs & Maintenance - Buildings	6,003	-
Repairs & Maintenance - Website	44,196	6,406
Site Costs Prop 28	-	31,819
Secretarial & Accounting	83,042	69,518
Property Management	19,263	19,749
Strategic Planning	-	1,895
Property Software License	799	799
Travel Expenses	-	1,305
Trustees Fees & Expenses	55,266	46,776
Valuation Fees	2,930	4,436
	<hr/>	<hr/>
	333,934	302,855
<b>DEPRECIATION</b>		
Depreciation on Assets	203	491
	<hr/>	<hr/>
	203	491
<b>TOTAL OPERATING EXPENSES</b>	<hr/>	<hr/>
	334,137	303,346
<b>OPERATING SURPLUS</b>	<hr/>	<hr/>
	2,132,231	2,130,532
Net Gain/(Loss) on Disposal of Shares	(169,112)	118,037
Profit/(Loss) on Currency Exchange	(180,833)	(4,445)
	<hr/>	<hr/>
<b>NET SURPLUS BEFORE GRANTS</b>	1,782,286	2,244,124

The attached Notes form part of these Financial Statements.

**NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31ST DECEMBER 2011**

	<b>This Year</b>	<b>Last Year</b>
	<b>\$</b>	<b>\$</b>
<b>LESS GRANTS</b>		
Grants	17,605	-
Ngati Whakaue Education Taumata	160,000	160,000
Discretionary Grants	64,284	54,715
Emergency Disaster Grants	6,710	-
Tertiary Education Grants	443,476	417,737
Writers Grants	4,000	-
Project Grants	453,580	424,000
Rotorua Young Achievers Awards	3,090	2,653
Kapahaka Grants	23,000	25,500
Te Kura Kaupapa Maori o Ruamata	-	12,000
Postgraduate Scholarships	32,000	37,500
Haane Manahi Scholarship	9,210	6,775
Sponsorship	13,500	5,500
	<hr/>	<hr/>
	1,230,455	1,146,380
	<hr/>	<hr/>
<b>NET SURPLUS</b>	551,831	1,097,744
	<hr/>	<hr/>


**STATEMENT OF MOVEMENTS IN EQUITY  
 FOR THE YEAR ENDED 31ST DECEMBER 2011**

	This Year \$	Last Year \$
Net Surplus for the Year	551,831	1,097,744
Increase/(Decrease) in Asset Revaluation Reserve	(5,991,887)	271,979
<b>TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR</b>	<b>(5,440,056)</b>	<b>1,369,723</b>
Equity at Start of Year	55,752,849	54,383,127
<b>EQUITY AT END OF YEAR</b>	<b>50,312,793</b>	<b>55,752,850</b>

STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER 2011

		This Year \$	Last Year \$
<b>EQUITY</b>			
Capital	(Note 2)	22,418,108	22,418,108
Capital Reserves	(Note 3)	1,478,903	1,290,285
Asset Revaluation Reserve	(Note 4)	14,764,399	20,756,286
Retained Earnings	(Note 5)	11,651,384	11,288,170
<b>TOTAL EQUITY</b>		<b>50,312,794</b>	<b>55,752,849</b>
<b>REPRESENTED BY</b>			
<b>CURRENT ASSETS</b>			
Accounts Receivable		56,790	50,317
BNZ - Current Account		162,953	118,051
BNZ - Investment Accounts		1,654,796	1,290,078
Prepayments		40,000	40,000
		<b>1,914,539</b>	<b>1,498,446</b>
<b>NON-CURRENT ASSETS</b>			
Investments	(Note 9)	14,672,896	14,679,870
Land	(Note 7)	33,984,000	39,935,000
Office Equipment		146	349
		<b>48,657,042</b>	<b>54,615,219</b>
<b>TOTAL ASSETS</b>		<b>50,571,581</b>	<b>56,113,665</b>
<b>LESS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable		15,077	12,114
GST Holding Account		25,817	39,046
Rents Received in Advance		217,893	309,656
<b>TOTAL LIABILITIES</b>		<b>258,787</b>	<b>360,816</b>
<b>EXCESS ASSETS OVER LIABILITIES</b>		<b>50,312,794</b>	<b>55,752,849</b>

  
.....  
Chairman

9-7-2012.  
.....  
Date  
  
.....  
Board Member

9-7-2012  
.....  
Date

Taxation Depreciation Schedule  
For the Year Ended 31 December 2011

	Private Use %	Date	Orig Cost	Open W.D.V	Add'ns (Sales)	Profit(Loss) on Sale	Dep Method	YTD Dep	Accum Depn	Close W.D.V
<b>Office Equipment</b>										
Database Software			1260	6			40.00 D	3	1257	3
Website Development			10120	233			60.00 D	140	10027	93
Toshiba Notebook Computer			2488	60			60.00 D	36	2464	24
HP Photosmart Printer			708	49			48.00 D	24	683	25
			<b>14576</b>	<b>349</b>				<b>203</b>	<b>14431</b>	<b>146</b>