



NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

Te Toroihi Matauranga



Transition to School



Te Putaketanga o Te Arawa



Waiata Mai



Te Huinga Raukura Rumaki



Ara Matauranga - Priority Learners



Transition

ANNUAL REPORT

2015

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DIRECTORY – JULY 2015

BOARD MEMBERS

Malcolm Short (Chairman)
Pita Anaru (Deputy Chairman)
Violet Pelham
Jane Savage
Beatrice Yates
Fred Whata
Aramoana Mohi
Monty Morrison
Alec Wilson
Greg Allen
Bella Tait

SECRETARY

Murray Patchell

ACCOUNTANTS

Deloitte

AUDITORS

Audit New Zealand

SOLICITORS

Tompkins Wake (Richard Pryce)

BANKERS

Bank of New Zealand

REGISTERED OFFICE

Deloitte
Chartered Accountants
2/1176 Amohau Street
ROTORUA

PO Box 12003
ROTORUA

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WEBSITE

www.ngatiwhakaue-eetb.org.nz

2015 CHAIRMAN'S REPORT

The Minister of Education
NZ Government
Wellington

Tena koe Minister

ANNUAL REPORT

I am delighted to present my 19th Annual Report on the operations of the Ngati Whakaue Education Endowment Trust Board. It has been another very busy year for the Board and our management team, resulting in our being able to distribute 95% of our grants budget for worthy purposes compared to 92% in the previous year. Demand for funding remains high and the challenge is to apply the funding available for the best investment in education within our Rohe without cutting across obligations and initiatives of other funders.

Most of the grants activity has been business as usual with administration of existing grant policies. However new initiatives were introduced including funding for a new Ngati Whakaue Te Reo project and a very well received sponsorship of a writing competition for the 100 year commemoration of ANZAC Galipoli involvement. The Board policies endeavour to provide a diversification of support over a range of educational, cultural and age groups that complement traditional educational areas.

Since 1996 the Endowment has distributed \$16.5 million in grants. 42% of this has gone to support Tertiary students and 37% for literacy projects in schools. These areas have been the key focus of the Board and a review of policies underway will consider the focus for future years. The grants budget is increased by 3% p.a. and this has only been achievable as a result of the Board setting aside reserves annually to build up an investment portfolio that generates interest and dividends to complement the rental income from the Endowment land leases. The value of the portfolio is currently worth \$22 million. Whether the Board can continue to grow its distributions at 3% p.a. will depend upon investment earnings rates and the next 21 year lease rent reviews due in 2017. The rent reviews will occur against a backdrop of a relatively flat Rotorua economy that is typical of regional economies that receive little Government support or incentives.

Net operating surplus for the year ended 31 December 2014 before investment gains was \$2,227,931 (\$2,162,387 in 2013) and after investment gains/losses on disposal and currency fluctuation was \$2,187,042 (\$2,139,671 in 2013). Net equity as at 31 December 2014 was \$49,256,034 (\$52,978,170 in 2013). This decrease was due to a revaluation write down of land value of \$4,338,360 by Rotorua Lakes Council rating valuers, being the adopted valuation methodology.

The value of investment reserves of \$18,156,568 grew by 12.5% as at 31 December 2014 (5.5% in 2013) through a combination of income retention and investment growth.

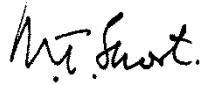
The annual audit by Audit New Zealand did not raise any new issues. The audit qualification remains due to the Board policy of not undertaking market valuation of the land due to the nature of the perpetually renewable leases.

Full audited financial statements are included in this report.

No progress has been made with the long term objective of amending the Endowment legislation and we will continue to pursue that strategy with Government officials.

I thank our hard working team of Trustees, advisers and our education consultant Jackie Woodland for their excellent work and support during another very successful year for the Endowment.

Nga mihi

A handwritten signature in black ink, appearing to read 'M. T. Short'.

Malcolm Tukino Short, ONZM

CHAIRMAN

BOARD ATTENDANCE 12 MONTHS TO 30th JUNE 2015

MEMBER	MEETINGS ATTENDED		DATE JOINED BOARD
	BOARD	EDUCATION SUBCOMMITTEE	
Malcolm Short	10/11	-	11-6-96
Pita Anaru	10/11	11/11	11-6-96
Violet Pelham	9/11	7/11	11-6-96
Jane Savage	9/11	8/11	12-7-04
Bea Yates	10/11	9/11	13-2-06
Fred Whata	9/11	10/11	9-5-09
Aramoana Mohi	6/11	9/11	11-10-10
Alec Wilson	8/11	-	1-7-11
Monty Morrison	11/11	11/11	1-7-11
Greg Allen	11/11	10/11	1-7-14
Bella Tait	9/11	10/11	1-7-14

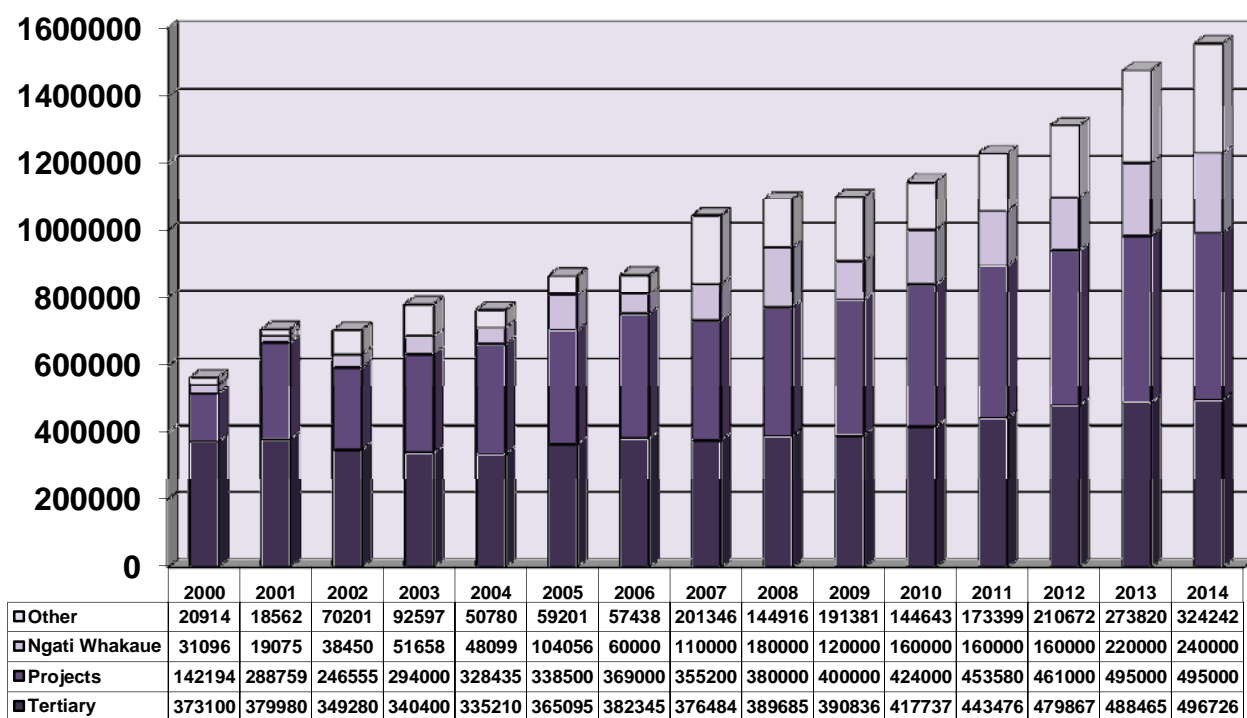
Board members are paid meeting attendance fees at the following rates:

Board and subcommittee meetings:

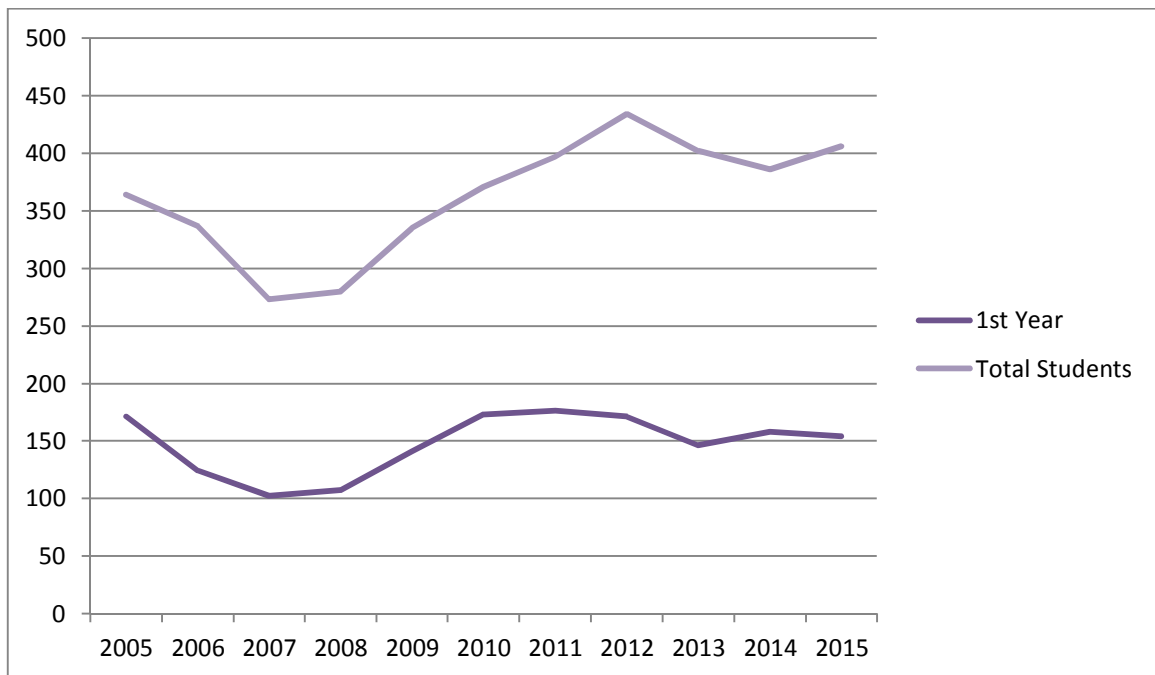
Chairman	\$500.00
Deputy Chair	\$400.00
Board members	\$350.00

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
31.12.12	479,867	461,000	160,000	210,672
31.12.13	488,465	495,000	220,000	273,820
31.12.14	496,726	509,850	240,000	324,242
TOTALS	6,595,366	6,126,020	1,715,558	2,050,286

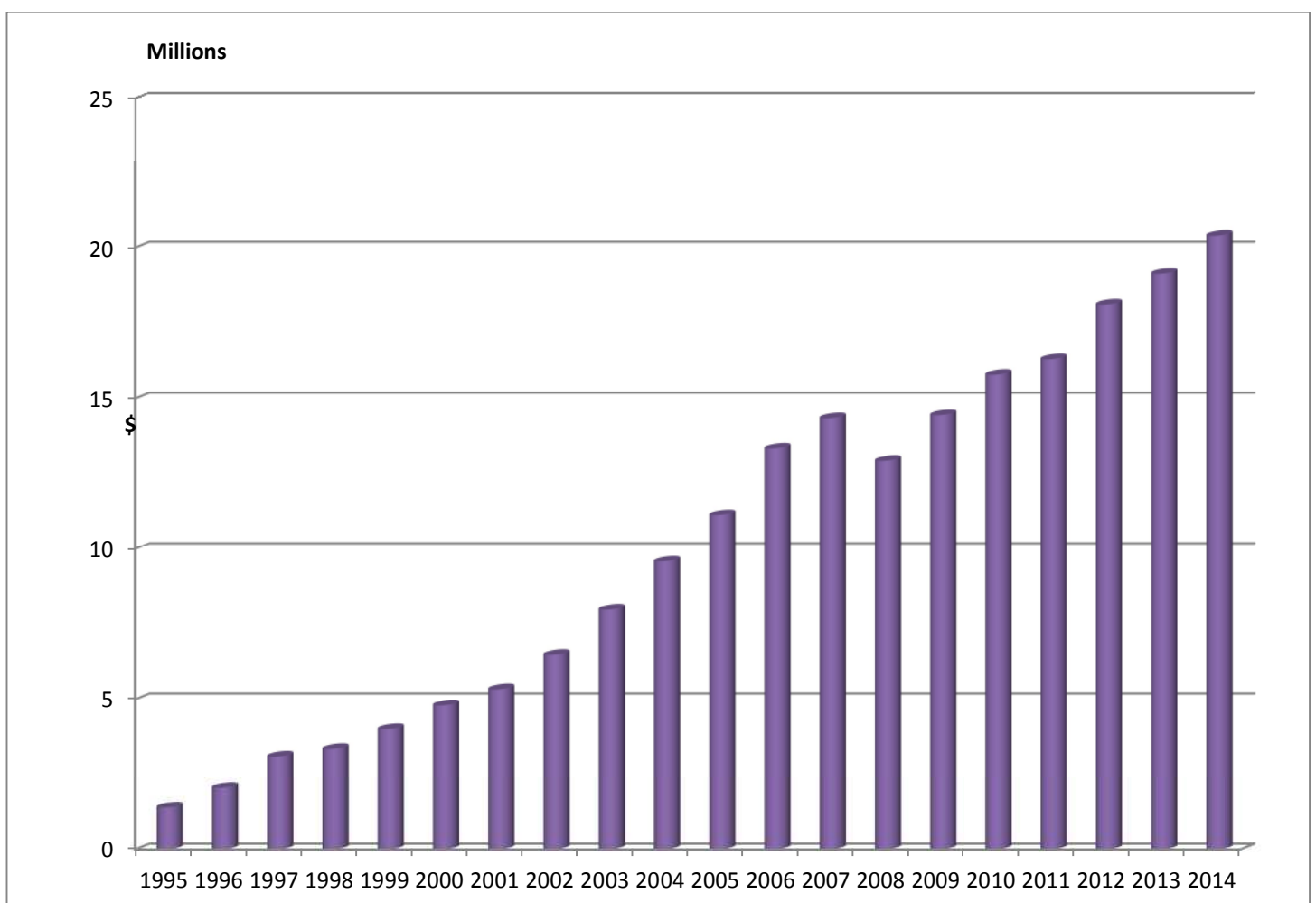
Total Distributions to 31 December 2014 = \$16,487,230



TERTIARY STUDENTS - FIRST YEAR AND TOTAL STUDENTS TREND



VALUE OF INVESTMENTS (Excluding Land)



Education Consultants Annual Report

Projects 2014-2015

Schools from all sectors of education within the Rotorua district and including Maketu, can apply for the Ngati Whakaue Education Endowment Trust Board (NWEETB) allocated funding. In 2014-2015 the funding allocated to three sectors of education were from decile 1-3 schools. Evidence suggests that Maori learners are the majority that are in the lower levels of achievement especially in literacy and numeracy. Schools are expected to design projects/programmes to include under achievers or at risk learners in groups that are targeted, with a literacy and numeracy component. The goal is to ensure any descendants of Ngati Whakaue have the ultimate opportunity to raise their level of achievement in these areas which are still a government priority. Evidence also suggests that this outside funding combined with public moneys allows these intervention projects to happen.



It is the schools responsibility to ensure good teaching practice, sound self-review, the inquiry of teaching and purposeful professional learning is implemented. Using nationally referenced assessment tools to enable quantitative and qualitative data to be collated, analysed and compared, informs teachers on next learning steps, thinking, planning and action.

In 2014-2015 26 schools throughout the Rotorua district were successful in securing NWEETB allocated funding. The projects/programmes were a range from literacy to literacy/numeracy combined, literacy/Te Reo combined, foundation and transition classes (preparing children for school) and numeracy.



An ongoing simple but very successful initiative funded by NWEETB is the Museum Bus. The provision of this bus which enables learners from funded and surrounding schools to access the excellent programmes and exhibitions

promoted by the competent Education Officers of the Rotorua Museum has been the 'point of difference' in all schools. The use of this bus is very much appreciated and fully utilised.

Engaging with whanau still continues to be a challenge. In my observations because of the effort of schools and teachers this is slowly gathering momentum. Schools have developed different strategies to help sustain whanau engagement and this starts with the learner, the whanau, the teacher and the community. Simple strategies like building positive relationships, providing places for homework, ensuring homework is marked and signed, using culturally appropriate contexts in teaching, being good role models and consistent communication has improved attendance and participation.

The Transition and Foundation programmes develop a community of learning by involving parents and include other early childhood organisations that are contributors to these classes. These classes vary in numbers but are well supported. It is noted by all teachers that because of the focus on routines, early basic reading skills and social skills, the majority of preschool learners make a confident transition to school.



In my observations schools continue to target appropriate professional learning for staff involved with implementing these programmes. While the programmes remain the same, for instance: multi lit, phonics, paused prompt praise, quick write, early words, rainbow reading, tape assisted reading, reciprocal reading, toe by toe, new entrant literacy

initiative,(NELI)accelerated maths, He Puawai O Te Reo, Whakapiki I Te reo,Ara Matauranga, the change happens in the way the teachers self-review, look at the way their teaching impacts on the learning(pedagogy), and reflect and discuss data and progress together. It is these rigorous discussions that identify the strength of the programmes, focus on the learning needs, and therefore develop the next learning steps, allowing suitable resources and personnel to be accessed.



Technology continues to support the learning. Online programmes have their place in the schools. These online programmes funded by NWEETB include Reading Eggs, Lexia, Success Maker and Maths Wiz. These programmes focus on building basic reading skills, listening and comprehension skills and mathematics skills. As well as developing safe digital

citizenship they also focus on self-management. It must be emphasised that these online programmes are only a support to literacy and mathematics.

Two schools have a mathematics focus. It is really pleasing to see the intensive use of mathematical equipment in these programmes an absolute must when working with under achieving learners. It is through the use of this equipment that learners are able to visually focus on the work in hand, solve the problems and observe and fix their mistakes. The intense instruction implemented in these programmes is excellent and has given the learners a better attitude towards Mathematics.



There is a flow on effect with Ngati Whakaue, Tikanga and Te Reo. The Te Rangi Haka Haka Initiative introduced and directed by Te Taumata O Ngati Whakaue Iho Ake Trust in 2014 has embedded cultural responsiveness and awareness in the schools, and staff that have participated in it. The strength of this culture is evident when observing in all schools.

There were four professional learning days provided in 2014 and 2015. Two for all schools that access the NWEETB project funding and two in partnership with Te Taumata O Ngati Whakaue Iho Ake Trust targeted all schools in the Rotorua district. The organisation of these mini conferences attracted over 50 participants. Key note speakers and workshops were sourced from NWEETB personnel, (where the historical background of Ngati Whakaue was shared along with expertise in waiata and Te Reo) project schools, and experts and

researchers in education. The commitment to these conferences demonstrated collegiality, and the enthusiasm and eagerness to share information and learn with others.

In March –April 2015 an extremely successful World War 1-100 Celebration research competition was promoted throughout all Rotorua Schools targeting Y7&8 learners. This competition was hosted by The Rotorua Museum, supported by library research workshops. Magnificent prizes (technology devices) were sponsored by NWEETB. The presentation to the four winners of these prizes were delivered by Pita Anaru (Deputy Chairperson NWEETB) and Monty Morrison (Chairperson of NWEETB education subcommittee). This was a well organised, rigorous, and professional process.



All schools continue to meet the criteria of the milestone reports. However schools should review their systems of identifying the whakapapa of Ngati Whakaue learners so that NWEETB can clearly see who the Ngati Whakaue learners are. Schools have also been asked to report comparative data that is: comparing the progress of NW Learners with others in the targeted groups.

In my view through my regular observations in all schools that have been allocated NWEETB funding 2014-2015, it is evident that professionals and support staff implementing these initiatives on raising Maori learners achievement, regularly conduct a robust self-review process that ensures there is a continuous progress of achievement.

With all the components of good shared effective practice as mentioned throughout this report it is clear that what is happening in our project schools is a good investment of NWEETB money.

Jacqueline Woodland
Dip Tchng. B Tchng, PGrad Dip Ed Leadership.
Education Consultant

2015 PROJECT GRANTS

Organisation name	Project Title	GRANT APPROVED
Aorangi School	A) Reception Class B) Pre-Entry Class	\$19,000
Glenholme School	GLiFE - Glenholme Literacy in Fortification & Enhancement	\$28,000
Horohoro School	New Entrant Learning Initiative (NELI)	\$11,000
John Paul College	Ngati Whakaue Kaiawhina Maori	\$7,000
Kaitao Middle School	Adventure Learning Academy	\$19,000
Kawaha Point	Maori Student Achievement and Enhancement Initiative	\$25,000
Maketu School	Maketu School Literacy Project (MSLP)	\$10,000
Malfroy School	1.Aratika Literacy - 2. Transition to school	\$17,000
Mokoia Intermediate	Me Rata i Te Tatai e Noho Tahi me Nga Panui Pukapuka	\$24,000
Ngongotaha Primary School	•He pūāwai Te Reo	\$24,000
Owhata Primary School	Ngati Whakaue Junior Literacy & Pre Entry/Transition programme.	\$19,000
Rotokawa School	2015 Literacy Initiative	\$16,000
Rotorua Boys High School	Raukura Literacy Project	\$30,000
Rotorua Girls High School	Ngati Whakaue Multi Lit Programme	\$34,000
Rotorua Intermediate	Literacy Special Needs Programme	\$14,000
Rotorua Lakes High School	Junior Numeracy Development	\$25,000
Rotorua Primary School	Oral Language and Writing Programme	\$24,000
Selwyn	Ngati Whakaue Literacy Programme.	\$22,000
St Marys School	Manaakitanga	\$11,000
St Michaels Rotorua	Raising Achievement in Literacy and Numeracy Across the School.	\$11,000
Sunset Primary	Te Putaketanga o Te Arawa	\$13,000
Te Kura Kaupapa Maori o Te Rotoiti	Whakapiki i te Reo Matatini	\$5,000
Te Kura o te Whakarewarewa	WW Write the world	\$7,000
Western Heights High School	Manaaki Tangata	\$40,000
Western Heights Primary	Ara Matauranga - Priority Learners	\$40,000
Whangamarino School	Programme 1) Multi Lit Programme 2) One to One Writing Programme 3) Te Huinga Raukura Rumaki (Years 1-3)	\$5,000
		\$500,000

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

GRANT POLICY INDEX

<i>Policy</i>	<i>Policy Number</i>
Group Discretionary Grant To support recognised Educational Organisations to develop, implement and deliver innovative educational programmes that: <ul style="list-style-type: none"> • Are outside mainstream funding sources • Promote vocational and further learning opportunities, and outcomes and personal development of participants. • Encourage group study and participation 	601
Individual Discretionary Grant <ul style="list-style-type: none"> • To further develop the educational and development opportunities for individuals. • Assist individuals in obtaining qualifications and skills/knowledge for vocational purposes. • To engage individuals in educational endeavours that benefit Ngati Whakaue (including research). 	602
Nga Mahi a Rehia (Maori Performing Arts) Grant <ul style="list-style-type: none"> • To support the retention of all forms of Ngati Whakaue Waiata and Haka and consider applications from any Kapahaka Group, School, Marae or hapu. • The Board also supports the development and performance of contemporary song embodied in a Kapahaka performance. • 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. 	603
Taumata Funding Grant <ul style="list-style-type: none"> • 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. • 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. 	604
Tertiary Grant <ul style="list-style-type: none"> • To provide individual tertiary grants to assist with tertiary education and encourage academic achievement. • To set out procedures for annual tertiary grant applications and checking processes. 	605
Sponsorships <ul style="list-style-type: none"> • 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. 	606
Haane Manahi Memorial Scholarship <ul style="list-style-type: none"> • To acknowledge the significance, efforts and heroism of Lance Sergeant Haane Manahi during the Second World War. • 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. 	607

Marae Based Wananga Grants <ul style="list-style-type: none"> To support ngā hapū o Ngati Whakaue to convene Maraе 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 To provide support for Wānanga that preserve and maintain Ngati Whakaue and Te Arawa cultural continuity. 	608
Project Grant <ul style="list-style-type: none"> To identify under-achievement in the general areas of literacy and numeracy and promote programmes to address these areas targeting junior levels of schooling. 	609
Post-graduate Scholarship <ul style="list-style-type: none"> To provide individual post graduate scholarships to assist with post graduate education and encourage academic achievement. 	610
Whakapapa Panel Policy <ul style="list-style-type: none"> 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 	611
Emergency/Disaster Discretionary grant <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"> Stabilise their lives and the lives of their whanau; through assistance for educational needs and stress relief; Supplement non-means tested assistance received from Work and Income New Zealand and other organisations; Assistance could include repatriation of Te Arawa whanau out of the Christchurch earthquake affected area. 	612
Support of Rangahau (Research) <ul style="list-style-type: none"> The Trust Board's Research Fund has been established to support emerging and established Ngati Whakaue and Te Arawa researchers. 	613
Support of Ngati Whakaue-Te Arawa Writers <ul style="list-style-type: none"> To support, develop and nurture Ngati Whakaue-Te Arawa writers. 	614
Swimming programme sponsorship (RDC Swimation) <ul style="list-style-type: none"> The aim of Kia Maanu Kia Ora is to increase the safety of Ngati Whakaue children in and around water. 	615
NWEE- Sudima Hotel Joint Hospitality Scholarship <ul style="list-style-type: none"> Ngati Whakaue Education Endowment Trust Board and Sudima Lake Rotorua are Landlord and Tenant respectively of the site known and operated as Sudima Lake Rotorua Hotel. The Board and Sudima wish to develop and promote in partnership opportunities for Ngati Whakaue descendants for vocational development and educational qualifications in the Hospitality Industry. 	616
Hinemoa Swim School sponsorship <ul style="list-style-type: none"> To increase the safety of Ngati Whakaue children in and around water. 	617

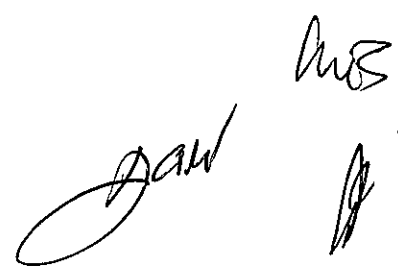
NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2014

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	3/9	Notes to the Financial Statements
	10/11	Statement of Financial Performance
	12	Statement of Movements in Equity
	13	Statement of Financial Position

Handwritten signatures in black ink, including a large signature that appears to be 'Daw' and another signature that appears to be 'MS'.

Independent Auditor's Report

To the readers of Ngāti Whakaue Education Endowment Trust's financial statements for the year ended 31 December 2014

The Auditor-General is the auditor of Ngāti Whakaue Education Endowment Trust (the Trust 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 Trust Board on her behalf.

We have audited the financial statements of the Trust Board on pages 3 to 13 that comprise the statement of financial position as at 31 December 2014, 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 at 1 July 2014 of \$28,824,000 (2013 \$33,824,000) is recorded at the value used for rating purposes. This is a departure from applicable Statement of Standard Accounting Practice No. 17 *Accounting for Investment Properties and Properties Intended for Sale* (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

In our 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 13:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Trust Board's:
 - financial position as at 31 December 2014; and
 - financial performance for the year ended on that date.

Our audit was completed on 8 June 2015. 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 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 our 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, in our judgement, are likely to influence readers' overall understanding of the financial statements. We are unable to determine whether there are material misstatements because the scope of our work was limited in relation to the valuation of investment property, 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 our 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 preparation of the Trust Board's 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 Trust Board'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 Board;
- 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. Also we did not evaluate the security and controls over the electronic publication of the financial statements.

We did not receive all the information and explanations we required although believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our qualified opinion.

Responsibilities of the Board

The Board is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Trust Board's financial position and financial performance.

The Board is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due

to fraud or error. The Board is also responsible for the publication of the financial statements, whether in printed or electronic form.

The Board'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 External Reporting Board.

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



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

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

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 2014, 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.

Plant and Equipment is depreciated on a diminishing value basis.

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 2014. 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.



NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

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.

CHANGES IN FINANCIAL REPORTING

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Ngati Whakaue Education Endowment Trust Board is classified as a Tier 2 reporting entity and is required to apply full public sector Public Benefit Entity Accounting Standards (PAS). These standards have been developed by the XRB and are mainly based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. This means Ngati Whakaue Education Endowment Trust Board will transition to the new standards in preparing its 31 December 2015 financial statements.

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
Closing Balance	\$22,418,108	\$22,418,108

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

Note 3 CAPITAL RESERVE

Opening Balance	1,478,903	1,478,903
Closing Balance	\$ 1,478,903	\$ 1,478,903

This reserve is the capital gain on sale of shares.

Note 4 ASSET REVALUATION RESERVE

	This Year	Last Year
Opening Balance	15,857,047	15,581,895
Increase/(Decrease) in Investments	661,640	335,152
Decrease in Land Valuation	(5,000,000)	(60,000)
Closing Balance	\$11,518,687	\$15,857,047
Represented by:		
Land	9,279,496	14,279,496
Investments	2,239,191	1,577,551
	\$11,518,687	\$15,857,047

Note 5 RETAINED EARNINGS

Opening Balance	13,224,112	12,561,726
Net Surplus before Grants	2,187,042	2,139,671
	15,411,154	14,701,397
Less		
Grants	1,570,818	1,477,285
Closing Balance	\$ 13,840,336	\$ 13,224,112

Note 6 COMMITMENTS & CONTINGENT LIABILITIES

At balance date there was a contingent liability of \$250,000 for the payment of project grants. (Last Year \$509,850).

At balance date the Trust had \$111,310 of writers grant commitments outstanding. The grants are made by way of instalments and are dependent upon the recipient reaching the next milestone as agreed with the Trust. (Last year: \$130,200).

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

Note 7 PROPERTY - LAND

Opening Land Value	33,824,000	33,884,000
less decrease to Market Value	(5,000,000)	(60,000)
Closing Land Value	\$28,824,000	\$33,824,000

At balance date Land has been revalued to 1 July 2014 rating valuations. These rating valuations are being objected to. The Trust is seeking a 15% reduction in the rating valuation issued at 1 July 2014. The length of the objection process is unknown along with the amount of the liability.

Note 8 RELATED PARTY TRANSACTIONS

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

		This Year	Last Year
Board Member	School		
Jane McQuilkan	John Paul College	\$ 1,000	\$ 11,000
Aramoana Mohi	Rotorua Girls High School	\$ 37,000	\$ 36,000
Beatrice Yates	Rotorua Lakes High School	\$ 27,000	\$ 26,000
Violet Pelham-Waerea	Western Heights High School	\$ 42,000	\$ 40,000
Fred Whata	Rotorua Boys High School	\$ 35,850	\$ 33,000

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

Malcolm Short and Alec Wilson are Trustees of the Ngati Whakaue Education Endowment Trust and are also directors of Pukeroa Oruawhata Holdings Limited. Pukeroa Oruawhata Holdings holds the title for three ground leases. During the year Rental Income of \$24,280 was received. (2013: \$18,817) There are no outstanding amounts payable at balance date, with all transactions completed on an arm's length basis.

Beatrice Yates is a Trustee of the Ngati Whakaue Education Endowment Trust and has also been a recipient of writers grant payments. During the year writers grant expenditure of \$18,000 (2013: \$6,000) was paid to Beatrice Yates. The Trust has a contingency at balance date of \$26,000 to be paid to Beatrice Yates in instalments, dependent on agreed upon milestones being achieved.

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

Note 9 INVESTMENTS

	Cost	Market Value	Interest & Dividends Received
NZ Bonds			
Air New Zealand	150,000	156,775	10,350
ANZ	1,091,538	1,129,890	67,178
ASB	448,724	461,860	12,120
Auckland Council	505,345	528,233	33,240
AMP Group Finance	-	-	4,900
BNZ	714,800	721,586	52,005
Contact Energy Ltd	100,000	103,865	6,867
Fletcher Building Industries	202,400	213,783	14,300
Fonterra	-	-	10,290
Fonterra bonds	150,000	151,800	11,625
Genesis Energy	200,000	211,850	24,363
GMT Bond Issuer Ltd	300,000	305,085	23,250
Goodman Fielder NZ Ltd	-	-	12,121
Insurance Australia Bonds	150,000	157,388	11,250
Kiwibank	150,000	151,614	8,700
Kiwi Capital Funding Ltd	150,000	160,272	1,467
Kiwi Income Property	-	-	20,764
Mighty River Power	100,000	106,952	2,009
NZ Government	200,727	202,459	1,628
NZ Post Group	200,000	206,243	15,000
Rabobank MTN	150,758	158,600	-
Rabobank Nederland	552,660	555,514	33,025
Spark	100,500	105,127	3,520
Tauranga City Council	252,455	259,691	15,625
TCNZ Finance Ltd	-	-	3,520
Trustpower Ltd	240,000	247,822	20,160
Vector Ltd	214,595	208,381	14,000
Watercare Services Ltd	-	-	5,089
Westpac NZ Ltd	201,008	207,846	9,923
Z Energy Bonds	240,907	254,972	16,450
NZ Shares			
Air New Zealand	45,003	66,690	5,400
Argosay Property Ltd	152,759	172,028	-
Auckland International Airport Ltd	72,012	309,425	24,382
Contact Energy Ltd	-	-	49
DNZ Property Fund Ltd	128,838	150,890	-
Delegat Group Ltd	77,401	78,200	1,870
Diligent Board Member Services	34,323	44,710	-
EBOS Group	59,028	78,800	5,024
Fisher & Paykel Healthcare	56,544	237,500	4,864
Fletcher Building	166,778	169,453	7,350
Freightways	77,531	116,000	3,550
Genesis Energy	34,720	48,608	1,478
Goodman Property Trust	111,588	127,338	-
ikeGPS Group Ltd	50,050	38,675	-
Kiwi Property Group Ltd	232,000	245,966	-
Mainfreight	43,488	71,550	1,485
Maui Capital Indigo Fund	79,245	75,000	4,816
Meridian Energy Ltd	124,853	211,200	14,355

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NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

Mighty River Power	-	-	863
NZ Social Infrastructure	56,196	53,000	3,108
NZX Ltd	102,381	61,523	2,419
Orion Health Group Ltd	35,910	36,540	-
Partstrader Markets Ltd	134,008	133,000	-
Pohutukawa Private Equity	33,200	70,000	-
Pohutukawa Private Equity II	94,645	112,500	6,225
Port of Tauranga Ltd	73,724	375,755	11,150
Precinct Properties	97,350	131,494	-
Property for Industry	98,231	142,107	-
Ryman Healthcare	28,956	224,076	3,579
Scales Corporation Ltd	87,804	78,474	1,646
Scott Technology	5,400	68,850	3,600
Skellerup Ltd	37,337	29,820	1,050
Sky Network Television	58,429	70,064	4,204
Steel & Tube Holdings	72,835	101,850	5,600
Summerset Group Holdings	35,280	69,804	1,360
Synlait Milk Ltd	48,400	70,400	-
Teamtalk	-	-	2,500
Templeton Emerging Markets	50,274	67,788	873
The Warehouse Group Ltd	59,755	57,720	1,110
Trademe Group Ltd	27,000	36,500	2,400
Trustpower Ltd	45,722	50,560	2,560
Vector Ltd	49,623	47,430	2,593
Vital Medical	112,695	152,290	-
Willis Bond Capital Partners	88,024	84,384	-
Xero Ltd	18,826	57,333	-
Z Energy Ltd	119,998	158,740	7,543
Aust. Shares			
Adelaide Brighton Ltd	-	-	2,282
AGL Energy Ltd	209,458	176,360	7,287
Amcor	52,479	99,591	3,303
AMP Ltd	-	-	2,504
Ansell Ltd	44,605	47,187	-
APA Group	191,916	343,426	-
Asciano Ltd	44,317	38,664	-
Australian Pipeline	-	-	14,871
Australia & NZ Banking Group	158,142	161,375	9,107
Brambles Ltd	49,340	55,684	750
Brickworks Ltd	73,739	62,168	1,489
BHP Billiton Ltd	-	-	1,490
Coca Cola Amatil Ltd	-	-	1,761
Cochlear Ltd	65,383	81,404	2,616
Coinvestor No. 3 Pipe Fund	197,913	173,787	-
Commonwealth Bank	39,342	214,013	10,521
Computershare Ltd	133,642	127,334	3,233
CSL Ltd	10,201	156,197	2,615
Estia Health Ltd	54,375	43,204	-
Lend Lease Group	43,337	46,391	-
Medibank Private Ltd	39,323	45,448	-
Orica Ltd	-	-	2,188
Orora Ltd	38,526	55,160	961
Ramsay Healthcare	41,466	197,652	3,077
Santos Ltd	110,879	51,860	2,308

John D
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NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

Seek	88,021	168,267	3,039
Shopping Centres Australasia	-	-	36
Spark Infrastructure Group	101,487	111,577	6,092
Sydney Airport	100,003	123,363	5,744
Transurban Group	98,642	94,384	-
Woodside Petroleum Ltd	-	-	2,480
Woolworths	143,298	146,248	6,847
British Shares			
Aberdeen Asian Smaller Cos	57,755	57,261	828
Bankers Investment Trust	124,989	186,496	4,645
BHP Billiton Ltd	147,645	83,210	4,377
BlackRock Smaller Companies	59,630	53,765	895
British Empire Securities	80,824	129,047	3,220
Diego PLC	78,813	70,159	1,970
GlaxoSmithkline PLC	54,495	45,354	2,596
HSBC Holdings PLC	96,359	75,984	6,547
Murray International Trust PLC	160,597	172,161	9,225
Rio Tinto	156,880	107,271	2,757
RIT Capital Partners	70,749	122,091	2,579
Templeton Emerging Markets	136,296	147,783	1,940
The City of London Investment Trust	136,680	140,210	5,474
Scottish Mortgage	62,957	66,880	375
Unilever PLC	62,165	65,621	2,245
Worldwide Healthcare Trust	-	-	734
US Shares			
Apple Inc	50,007	138,736	1,524
Berkshire-Hathaway-"B"	80,043	90,510	-
Cummins Inc	69,142	66,566	-
General Electric Co	80,522	84,266	1,940
International Business Machines	60,485	57,616	1,008
Market Vectors Agribusiness	60,006	61,309	2,181
Nestle	87,166	93,562	1,196
Roche Holdings Ltd	102,032	107,894	1,548
SPDR	124,514	179,390	4,473
Syngenta AG ADR's	60,896	46,963	948
United Technologies Corp	80,920	88,496	1,199
Vanguard Emerging Market	207,911	170,664	3,227
Visa Inc Class A	119,123	196,726	809
Wells Fargo & Company	90,454	112,495	1,442
Worldwide Healthcare Trust	56,579	85,572	-
International Shares			
Cavotec	52,742	46,978	702
TR Property INV Tr	98,301	96,614	-
Cash			
Cash	387,787	387,540	23,859
Total	\$15,469,879	\$18,207,577	\$796,807
Last year Total	\$14,577,154	\$16,881,437	\$810,131

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NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER 2014

	This Year \$	Last Year \$
INCOME		
Rental Received	1,669,078	1,641,435
Consent Fees	783	1,304
Dividends Received	308,211	298,502
Interest Received	587,261	603,358
PIE Income	97,284	-
Sundry Income	105	-
	<hr/>	<hr/>
	2,662,722	2,544,599
LESS OPERATING EXPENSES		
ADMINISTRATION		
Accident Compensation Levy	50	31
Advertising	8,539	9,441
Audit Fees	12,444	12,152
Bank Charges	209	188
Consultancy Fees	23,408	-
Education Consultant Salary & Travel	40,251	42,381
Entertainment	1,490	3,279
General Expenses	2,012	2,683
Insurance	1,010	3,920
Education Grant Expenses	47,222	36,223
Interest	3	1
Legal Costs	3,238	1,644
Portfolio Management Fee	86,476	55,710
Printing, Stationery & Postage	9,337	8,445
Repairs & Maintenance - Website	30,965	43,013
Secretarial & Accounting	66,821	70,720
Property Management	19,247	17,953
Travel Expenses	-	1,038
Trustees Fees & Expenses	80,293	72,150
Valuation Fees	1,760	1,205
	<hr/>	<hr/>
	434,775	382,177
DEPRECIATION		
Depreciation on Assets	16	35
	<hr/>	<hr/>
	16	35
TOTAL OPERATING EXPENSES	<hr/>	<hr/>
	434,791	382,212
OPERATING SURPLUS	<hr/>	<hr/>
	2,227,931	2,162,387
Net Gain/(Loss) on Disposal of Shares		
	(44,951)	(22,716)
Profit/(Loss) on Currency Exchange	4,062	-
	<hr/>	<hr/>
NET SURPLUS BEFORE GRANTS	2,187,042	2,139,671

The attached Notes form part of these Financial Statements.

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NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER 2014

	This Year \$	Last Year \$
LESS GRANTS		
Grants	-	2,000
Ngati Whakaue Education Taumata	240,000	220,000
Discretionary Grants	60,621	71,182
Tertiary Education Grants	496,726	488,465
Writers Grants	96,200	103,000
Rangahau (Research) Grant	44,000	13,000
Project Grants	509,850	495,000
Rotorua Young Achievers Awards	5,000	2,609
Kapahaka Grants	7,000	13,000
Postgraduate Scholarships	22,601	14,000
Haane Manahi Scholarship	4,000	11,005
Sponsorship	41,778	14,980
Swimsation	43,042	29,044
	<hr/> 1,570,818	<hr/> 1,477,285
NET SURPLUS	<hr/> 616,224	<hr/> 662,386

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2014

	This Year \$	Last Year \$
Net Surplus for the Year	616,224	662,386
Increase/(Decrease) in Asset Revaluation Reserve	(4,338,360)	275,152
TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR	(3,722,136)	937,538
Equity at Start of Year	52,978,170	52,040,632
EQUITY AT END OF YEAR	49,256,034	52,978,170

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2014

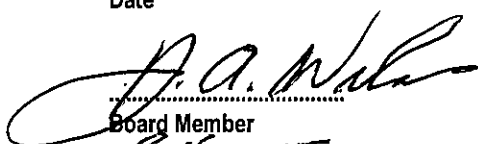
		This Year \$	Last Year \$
EQUITY			
Capital	(Note 2)	22,418,108	22,418,108
Capital Reserves	(Note 3)	1,478,903	1,478,903
Asset Revaluation Reserve	(Note 4)	11,518,687	15,857,047
Retained Earnings	(Note 5)	13,840,336	13,224,112
TOTAL EQUITY		49,256,034	52,978,170
REPRESENTED BY			
CURRENT ASSETS			
Accounts Receivable		70,452	33,596
BNZ - Current Account		90,464	183,147
BNZ - Investment Accounts		337,535	90,830
ASB Term Deposits		1,617,378	1,570,097
ANZ Term Deposit		-	752,959
BNZ Term Deposit		300,000	-
Prepayments		4,500	-
		2,420,329	2,630,629
NON-CURRENT ASSETS			
Investments	(Note 9)	18,207,577	16,881,437
Land	(Note 7)	28,824,000	33,824,000
Office Equipment		12	28
		47,031,589	50,705,465
TOTAL ASSETS		49,451,918	53,336,094
LESS			
CURRENT LIABILITIES			
Accounts Payable		19,906	87,796
GST Holding Account		25,506	23,328
Rents Received in Advance		150,472	246,800
TOTAL LIABILITIES		195,884	357,924
EXCESS ASSETS OVER LIABILITIES		49,256,034	52,978,170



Chairman

8.6.15

Date


Board Member
8.6.15

The attached Notes form part of these Financial Statements.

