



NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

Te Toroihi Matauranga



A
N
N
U
A
L

R
E
P
O
R
T

2
0
1
4



NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

Te Toroihi Matauranga



DIRECTORY – JULY 2014

BOARD MEMBERS

**Malcolm Short
Pita Anaru
Jane Savage
Aramoana Mohi
Monty Morrison
Violet Pelham
Fred Whata
Alec Wilson
Beatrice Yates
Greg Allen
Bella Tait
Fred McRae
John Murray**

**(Chairman)
(Deputy Chairman)**

**From 1 July 2014
From 1 July 2014
Ceased 30 June 2014
Ceased 30 June 2014**

SECRETARY

Murray Patchell

ACCOUNTANTS

Deloitte

AUDITORS

Audit New Zealand

SOLICITORS

Davys Burton (Richard Pryce)

BANKERS

Bank of New Zealand

REGISTERED OFFICE

Deloitte
Chartered Accountants
2/1176 Amohau Street
ROTORUA

PO Box 12003
ROTORUA

Phone (07) 343 1050
Fax (07) 343 1051

WEBSITE

www.ngatiwhakaue-eetb.org.nz

C O N T E N T S

PAGE

1.	Chairman's report
3.	Board attendance
4.	Distributions & Statistics
6.	Education Consultant's report
10.	2014 Project Grants
11.	Grant Policies
13.	Annual Accounts to 31.12.13.

2014 CHAIRMAN'S REPORT

The Minister of Education
NZ Government
Wellington

Tena koe Minister

ANNUAL REPORT

It gives me great pleasure to present my 18th Annual Report on the operations of the Ngati Whakaue Education Endowment Trust Board. The Board continues to manage the Endowment responsibly and prudently and is making a significant contribution to the educational needs of many in our community. We are very proud of our achievements since the Endowment was returned to the Ngati Whakaue control in 1996.

The Board and advisors work well together in a professional and responsible manner. The 3 yearly terms of the Pukeroa Oruawhata Trust appointees were reviewed on 30 June 2014. In order to ensure some rotation long term Trustees Fred McRae and John Murray were replaced by Greg Allen and Bella Tait. The Board wishes to recognise the valuable contributions made by Fred and John over many years of service. The terms of office of Pita Anaru, Alec Wilson and myself were extended for a further 3 years.

The Board has provided a wide range of support of educational needs to the value of \$1,477,285 in the financial year ended 31 December 2013. A total of \$14,916,412 has been distributed since grants commenced in 1998. Current grant policies are scheduled on page 11. New policies introduced during the year were for the Sudima Hotel management cadetship and the Hinemoa Swim school.

Under the writers and research policies introduced in 2012, last year saw the publication of the following important tribal works recognising key Ngati Whakaue Kaumatua:

Ngati Whakaue : A History by Hamuera Walker Mitchell

Kepa Ehau and his affiliations by Darrell Guy Rangitihi Pene

Mitai Rolleston He Kanohi o Ngati Whakaue by Toni Cummins

Te Pātaka Kōrero a Te Hiko o te Rangi Hohepa by Te Kapua Hohepa-Watene

These productions will be valuable educational aids. Further significant books and research are currently underway.

Earlier this year the Board obtained a risk assessment on its land, leases and management that identified areas that the Board can address to mitigate against a Christchurch type or similar disaster. Those recommendations are currently being reviewed and appropriate actions will follow.

The Board has a good track record of rent collection although evidence exists that some lessees are under pressure given the flat local retail economy in the Rotorua CBD. Some lessees such as KFC have shown a positive lead by investing in new buildings and more building owners need to look at redevelopment options to attract good quality tenants and businesses. Leasing activity remained quiet with only 3 leases transferred and 5 subleases consented to. The portfolio contains 94 leases.

Net operating surplus for the year ended 31 December 2013 before investment gains was \$2,162,387 (\$2,139,824 2012) and after investment gains/losses on disposal and currency fluctuation was \$2,139,671 (\$2,221,880 in 2012). Net equity as at 31 December 2013 was \$52,978,170 (\$52,040,631 in 2012). The value of investment reserves of \$18,156,568 grew by 5.5% as at 31 December 2013 (11.17% in 2012) through a combination of income retention and investment growth.

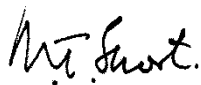
The annual audit by Audit New Zealand did not raise any new issues. The audit qualification remains due to the Board policy of not undertaking market valuation of the land due to the nature of the perpetually renewable leases.

Full audited financial statements are included in this report.

No progress has been made with amending the Endowment legislation and this will followed up with officials post the 2014 general election.

I thank all 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. Short'.

Malcolm Tukino Short, ONZM

CHAIRMAN

BOARD ATTENDANCE 12 MONTHS TO 30th JUNE 2014

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

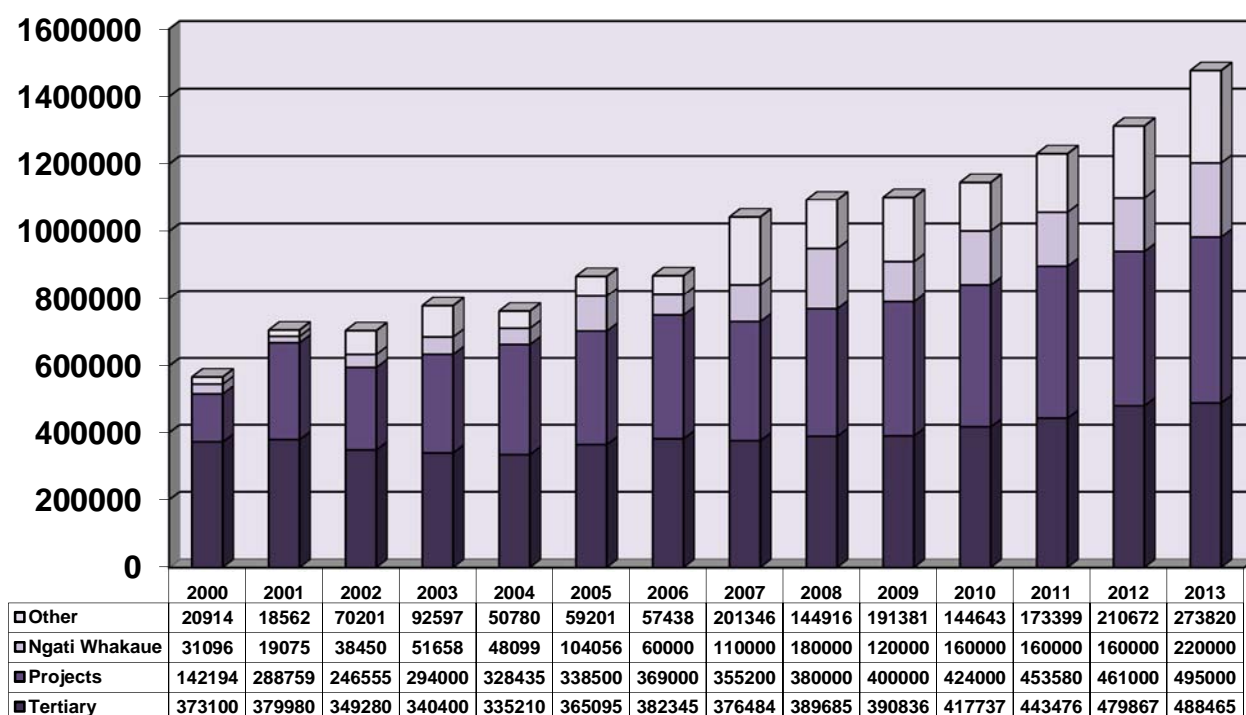
Board members are paid meeting attendance fees at the following rates:

Board and subcommittee meetings:

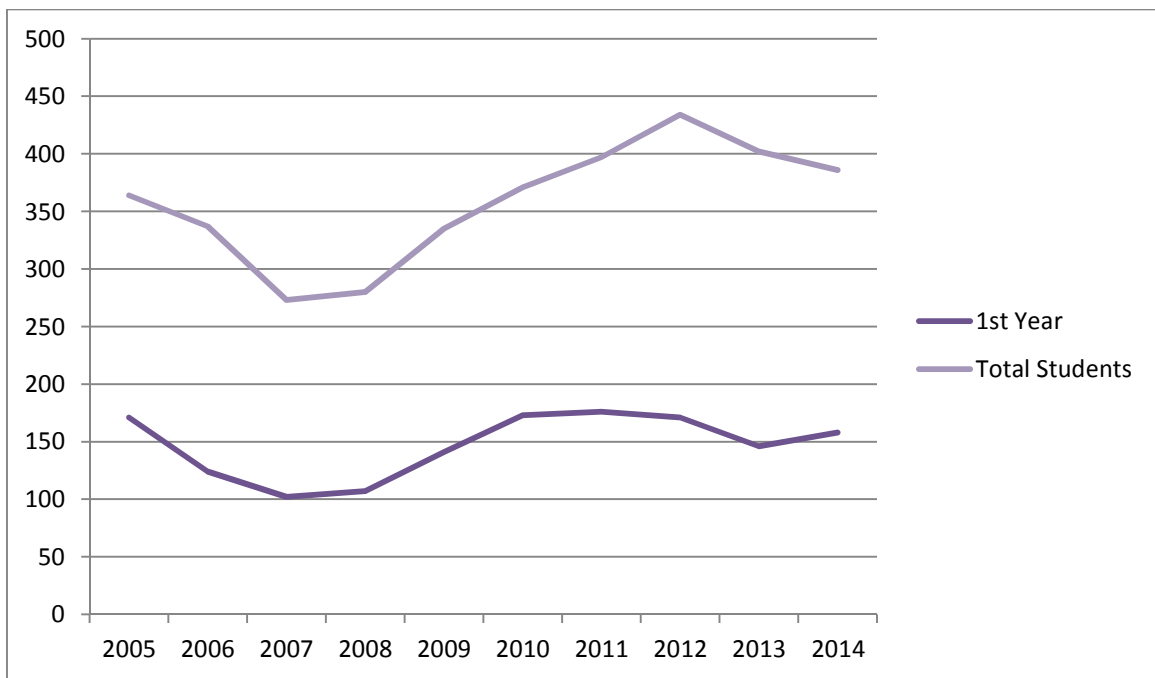
Chairman	\$500.00
Deputy Chair	\$400.00
Board members	\$350.00

	DISTRIBUTIONS			
YEAR	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
TOTALS	6,098,640	5,616,170	1,475,558	1,726,044

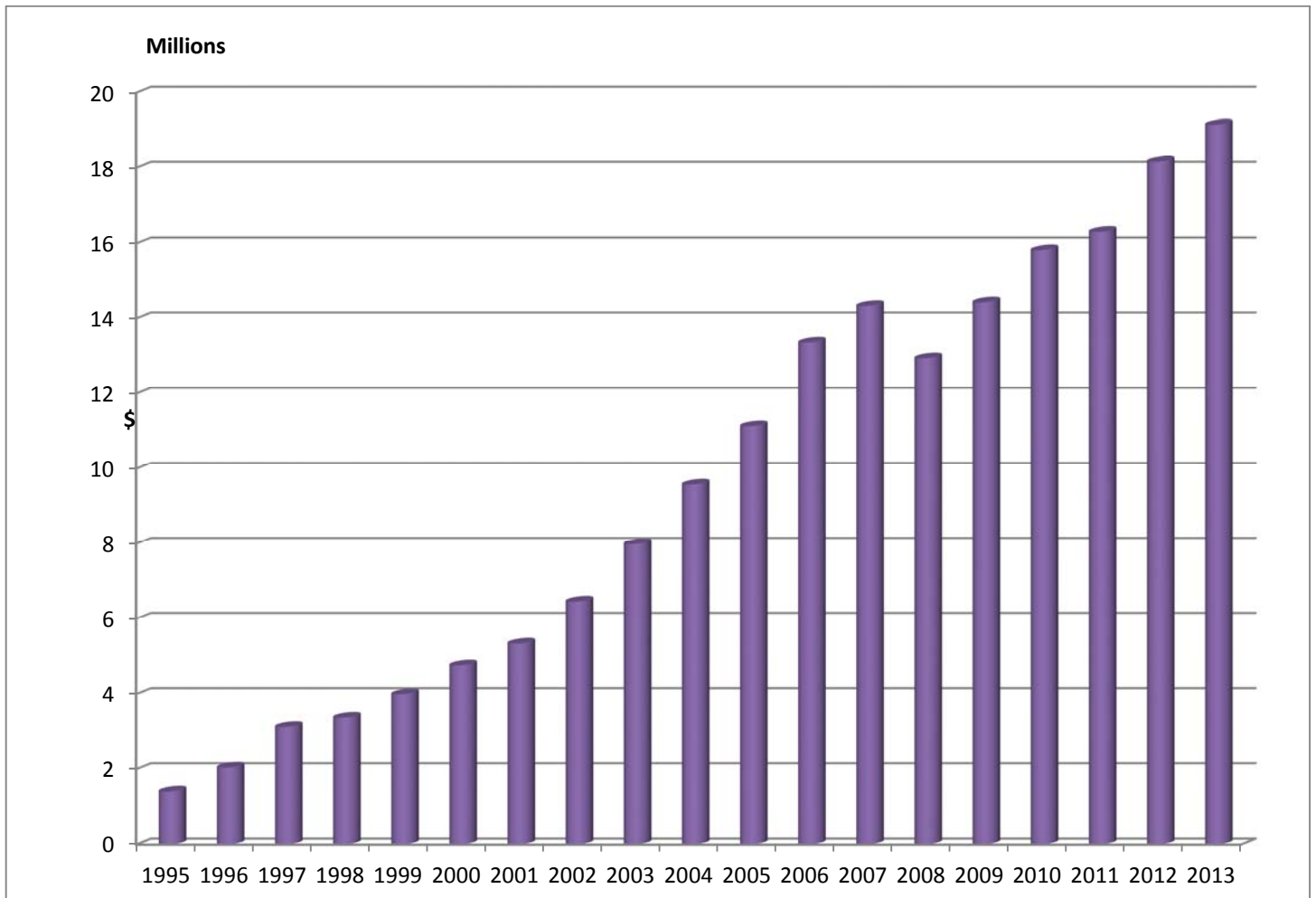
Total Distributions to 31 December 2013 = \$14,916,412



TERTIARY STUDENTS - FIRST YEAR AND TOTAL STUDENTS TREND



VALUE OF INVESTMENTS (Excluding Land)



Education Consultant's Annual Report

Projects 2013-2014

With the statistics showing a continued gap in the underachievement of Maori



learners throughout New Zealand, it is clearly evident that the generous contribution of funding from the Ngati Whakaue Education Endowment Trust Board (NWEETB) to eligible schools in the Rotorua district supports and enhances the learners in all targeted groups.

Self-review, sound teaching practice, teaching as inquiry, professional learning and the collaboration of Principals, Facilitators, Teachers, and Support Staff help identify learning needs of particular groups whether it be in reading, writing, or mathematics, so they can design suitable robust programmes that have positive impacts on Maori learners.

In 2014 25 Schools throughout all sectors including one Kura Kaupapa, and the museum bus were successful in accessing



NWEETB project funding. When completing their strategic planning for 2014 these schools collected their data using a variety of appropriate assessment tools and introduced new revised assessment tools. It enabled them to think creatively and shape programmes to suit the needs of individuals and groups.

Engaging with whanau is an increasing need. Foundation classes, Transition classes and Pre entry classes encourage all whanau to attend and share the learning of their learners before they enter school, and to enjoy the welcoming environment. The focus on routines and basic learning skills such as letter knowledge, letter sounds, left to right, predicting, and number are examples of what is being implemented in these targeted groups. The added value of having home work is appreciated and positively received from parents.



It has been a struggle in one school to maintain useful engagement with whanau but by consistently requesting that comments from parents are required on homework books, and informally keeping them informed, the feedback to the teacher is being seen as an important part of their child's learning and the whanau see this as them being responsible.



The strength of the programmes relies on the professional learning that is promoted throughout all schools, the exchanging of ideas, and the techniques of the support staff and teachers. These programmes, Multi lit, theTape Assisted Reading Programme(TARP),Toe by Toe, Alpha to Omega, Rainbow Reading, Early Words, Phonics, Quick Write, Reciprocal Reading and New Entrant literacy Initiative(NELI) build listening skills, banks of basic words, and develop sound comprehension and writing skills.Trained personnel deliver these skills in an intensive way ensuring that the learning is embedded before the learners progress to the next level or are discontinued from the programme.

The fact that technology will support learning has encouraged schools to invest in online programmes that as well as developing online digital citizenship will also look at the desired needs of the learner and challenge them to explore a way of learning to learn that may be easier for them. Schools have invested in online programmes such as Lexia, Reading Eggs, and Success Maker. These programmes focus on, Spelling, Building of Basic words, Listening and Comprehension.



There have been continued developments in one on line programme Hononga Ki Te Whanau (into the home) where they are getting closer to achieving their goal of accessing programmes at home and eventually in the public arena.

Two schools have a Mathematics focus. The NWEETB funding has allowed these schools to make the Accelerated Learning in Mathematics (ALIM) programme an added focus. Emphasis has been placed on addition, subtraction, multiplication/division and proportion strategies.

He Puawai O Te Reo is a new programme being implemented in a large primary school. This school has identified that learners come to school with low oral language skills this in turn affects their reading and writing progress. These learners are targeted in an oral language programme which incorporates quality enriched vocab, sentence structures and grammar.

Ngati Whakaue Tikanga and Te reo has been observed in the majority of schools and is being especially supported by the introduction of Te Rangi Haka Haka a Ministry of Education funded programme administered by Te Taumata o Ngati



Whakaue Iho Ake Trust, a service arm of Ngati Whakaue.

There is continued appreciation for the funding of the museum bus. Ongoing communication with schools strongly indicates this. The museum education officers promote their exhibitions and liaise with schools to ensure the bus is fairly utilised.

Learners with special education needs who apply for funding are supported by NWEETB provided they meet the criteria of the policy. This year one learner is being supported with SPELD tutoring a programme for all underachieving learners in literacy but especially for dyslexic learners.

Partnership relationships, knowledgeable personnel, appropriate resources and reliable and valid assessment data supported by best practice, is the essence to establishing supportive learning environments. There is visual and documented evidence in the present projects being monitored that funding allocated has allowed scope and flexibility to create robust and quality programmes that result in quality outcomes.

All schools strive to meet the milestone reporting requirements of the NWEETB. These milestones show data that indicates realistic shifts in progress from pre-tests to mid-year. Attendance at a Professional Learning afternoon held last year was an indication that all personnel demonstrate commitment to sharing and learning. Schools shared their programmes and learnt more about Ngati Whakaue historical background.



In communication with leaders in schools, funding allocated is very much appreciated.

Through my consultation and regular observation of all projects, I can see that sound decisions are making a positive effect on Ngati Whakaue learners.

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

2014 PROJECT GRANTS

School Name	Project Title	Grant
Aorangi School	A)Ngati Whakaue Pre Entry Programme B)Ngati Whakaue Foundation Programme	\$20,000
Glenholme School	GLiFEGlenholme Literacy in Fortification & Enhancement	\$28,000
Horohoro School	NELI Programme (New Entrant Learning Initiative)	\$10,000
Kaitao Middle School	Adventure Academy	\$20,000
Kawaha Point School	Maori student achievement and enhancement initiative (MSAEI)	\$25,000
Maketu School	Maketu School Literacy Project which comprises of a Remedial Literacy Intervention programme.	\$10,000
Malfroy School	1. Aratika Literacy 2. Transition to school.	\$18,000
Mokoia Intermediate School	Me Rata i Te Tatai e Noho Tahi me Nga Panui Pukapuka	\$30,000
Ngongotaha Primary School	Mainstream – Te Ara Totika- Literacy He puawai Te Reo	\$25,000
Owhata Primary School	Ngati Whakaue Junior Literacy & Pre Entry Transition Programmes	\$19,000
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.	\$17,000
Rotorua Boys High School	Raukura Literacy Project	\$35,850
Rotorua Girls High School	Ngāti Whakaue Multi-Literacy Programme	\$35,000
Rotorua Intermediate	Rotorua Intermediate Literacy Programme	\$10,000
Rotorua Lakes High School	Junior Numeracy and Senior Mentoring Development	\$25,000
Rotorua Primary School	Oral Language and Writing Program	\$25,000
Selwyn School	Ngati Whakaue Literacy Programme	\$23,000
St Marys School	Manaakitanga	\$10,000
St Michaels Rotorua	Enhancing Literacy Skills (using Early Words and LeXia)	\$12,000
Sunset Primary School	Te Putaketanga o Te Arawa	\$10,000
Te Kura Kaupapa Maori o Te Rotoiti	Whakapiki i te reo Matatini	\$10,000
Te Kura o te Whakarewarewa	Kia u ki te pai	\$5,000
Western Heights High School	Manaaki Tangata	\$40,000
Western Heights Primary School	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) Programme 4) English Transition Rumaki (Years 7-8)	\$7,000
		\$509,850

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 2013

INDEX

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

Independent Auditor's Report

To the readers of Ngāti Whakaue Education Endowment Trust's financial statements for the year ended 31 December 2013

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 2013, 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 (\$33,824,000) is recorded at 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

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 2013; and
 - financial performance for the year ended on that date.

Our audit was completed on 9 June 2014. 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, 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 2013

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.

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 2013. 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 2013

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

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.

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2013

Note 4 ASSET REVALUATION RESERVE

	This Year	Last Year
Opening Balance	15,581,895	14,764,399
Increase/(Decrease) in Investments	335,152	917,496
Decrease in Land Valuation	(60,000)	(100,000)
Closing Balance	\$15,857,047	\$15,581,895
Represented by:		
Land	14,279,496	14,339,496
Investments	1,577,551	1,242,399
	\$15,857,047	\$15,581,895

Note 5 RETAINED EARNINGS

Opening Balance	12,561,726	11,651,384
Net Surplus before Grants	2,139,671	2,221,880
	14,701,397	13,873,264
Less		
Grants	1,477,285	1,311,539
Closing Balance	\$ 13,224,112	\$ 12,561,725

Note 6 COMMITMENTS & CONTINGENT LIABILITIES

At balance date there was a contingent liability of \$509,850 for the payment of project grants. (Last Year \$495,000).

During the year the Trust approved payment of \$130,200 for writers grants which are due to be paid in instalments after balance date to the recipients. The payment of the instalments is dependent upon the recipient reaching the next milestone as agreed with the Trust. (Last year: \$103,200).

Note 7 PROPERTY - LAND

Opening Land Value	33,884,000	33,984,000
less decrease to Market Value	(60,000)	(100,000)
Closing Land Value	\$33,824,000	\$33,884,000

During the financial year a successful challenge of the 1 July 2011 rating valuations was finalised. This resulted in the land value being adjusted downwards by \$60,000. (Last year: \$100,000).

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2013

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	\$ 11,000	\$ 8,000
Aiamoana Mohi	Rotorua Girls High School	\$ 36,000	\$ 30,000
Beatrice Yates	Rotorua Lakes High School	\$ 26,000	\$ 25,000
Violet Pelham-Waerea	Western Heights High School	\$ 40,000	\$ 40,000
Fred Whata	Rotorua Boys High School	\$ 33,000	\$ 33,000

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

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2013

Note 9 INVESTMENTS

	Cost	Market Value	Interest & Dividends Received
NZ Bonds			
Air New Zealand	150,000	158,509	10,350
ANZ	1,088,730	1,113,434	63,165
ASB	208,724	207,446	-
Auckland Council	505,345	533,298	26,840
AMP Group Finance	100,000	102,757	9,800
BNZ	714,800	732,760	73,405
Contact Energy Ltd	100,000	102,702	16,000
Fletcher Building Industries	202,400	210,796	14,300
Fonterra	282,900	307,624	20,580
Fonterra bonds	150,000	157,417	11,625
Genesis Energy	450,000	473,232	33,425
GMT Bond Issuer Ltd	300,000	314,035	23,250
Goodman Fielder NZ Ltd	150,000	157,722	11,310
Insurance Australia Bonds	150,000	157,004	11,250
Kiwibank	150,000	147,802	8,700
Kiwi Income Property	232,000	238,960	20,762
Mighty River Power	-	-	3,344
NZ Post Group	200,000	205,804	15,000
PINS Securities	150,000	147,000	-
Rabobank MTN	150,758	155,815	-
Rabobank Nederland	400,000	391,206	28,220
Tauranga City Council	252,455	262,539	26,600
TCNZ Finance Ltd	100,500	107,099	3,520
Telecom NZ Ltd	-	-	10,440
Trustpower Ltd	240,000	255,263	20,160
Vector Ltd	214,595	209,382	14,000
Watercare Services Ltd	151,800	153,386	10,178
Westpac NZ Ltd	201,008	208,506	9,087
Z Energy Bonds	240,907	248,405	13,850
NZ Shares			
Air New Zealand	45,003	44,280	-
Argosay Property Ltd	123,022	119,211	7,329
Auckland International Airport Ltd	95,651	330,055	11,220
Chorus Ltd	-	-	2,700
Contact Energy Ltd	-	2,303	112
DNZ Property Fund Ltd	99,750	95,625	5,625
Diligent Board Member Services	34,323	32,300	-
EBOS Group	114,937	160,137	7,917
Fisher & Paykel Healthcare	56,544	146,300	4,712
Fletcher Building	166,778	173,740	6,941
Fonterra	-	-	1,767
Freightways	41,171	61,360	2,438
Goodman Property Trust	111,588	110,025	6,981
Hellaby Holdings	-	-	3,060
Mainfreight	43,488	53,865	1,260
Maui Capital Indigo Fund	79,245	73,745	3,829
Meridian Energy Ltd	90,000	93,600	-
Mighty River Power	41,500	35,358	1,195

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2013

NZ Social Infrastructure	37,196	34,000	1,269
NZX Ltd	102,381	65,204	2,761
Opus International Consultants	-	-	2,499
Partstrader Markets Ltd	101,008	100,000	-
Pohutukawa Private Equity	33,200	90,000	-
Pohutukawa Private Equity II	109,372	130,000	6,161
Port of Tauranga Ltd	73,724	305,510	10,258
Precinct Properties	97,350	109,394	5,735
Property for Industry	69,741	95,202	5,196
Ryman Healthcare	40,737	290,450	4,826
Scott Technology	5,400	85,500	4,500
Sky Network Television	88,651	102,784	4,224
Steel & Tube Holdings	72,835	106,750	5,250
Summerset Group Holdings	43,400	100,750	1,250
Synlait Milk Ltd	48,400	86,680	0
Teamtalk	50,625	55,000	5,000
Telecom	-	-	6,560
Trademe Group Ltd	40,500	60,900	2,370
Trustpower Ltd	90,729	82,677	5,080
Vector Ltd	49,623	43,690	2,550
Vital Medical	83,195	98,560	5,852
Willis Bond Capital Partners	122,225	121,433	-
Xero Ltd	26,780	163,115	-
Z Energy Ltd	119,998	126,855	2,640
Aust. Shares			
Adelaide Brighton Ltd	80,653	69,666	1,498
AGL Energy Ltd	180,640	171,185	7,766
Amcor	52,479	80,106	3,328
AMP Ltd	64,717	45,238	1,240
Australian Pipeline	191,916	286,365	16,025
Australia & NZ Banking Group	158,142	167,810	6,422
BHP Billiton Ltd	17,393	43,269	1,416
Coca Cola Amatil Ltd	78,514	66,551	5,263
Cochlear Ltd	65,383	63,911	2,844
Coinvestor No. 3 Pipe Fund	197,913	177,742	-
Commonwealth Bank	39,342	201,272	12,542
Computershare Ltd	133,642	127,144	3,444
CSL Ltd	12,693	160,076	2,665
Orica Ltd	44,455	55,386	4,460
Orora Ltd	8,735	8,808	-
Ramsay Healthcare	41,466	155,040	3,240
Santos Ltd	110,879	95,216	2,139
SCA Property Group	1,283	1,190	43
Seek	88,021	135,278	2,952
Spark Infrastructure Group	101,487	88,133	3,135
Sydney Airport	105,708	103,048	5,700
Woodside Petroleum Ltd	54,417	41,141	2,503
Woolworths	143,298	167,065	7,076
British Shares			
Aberdeen Asian Smaller Cos	57,755	55,549	-
Bankers Investment Trust	124,989	187,941	4,315
BHP Billiton Ltd	147,645	113,067	5,282

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2013

BlackRock Smaller Companies	59,630	64,615	-
British Empire Securities	80,824	122,741	3,149
Diego PLC	78,813	76,628	1,079
GlaxoSmithkline PLC	54,495	53,619	576
HSBC Holdings PLC	192,717	166,969	7,267
Murray International Trust PLC	215,085	238,657	8,859
Rio Tinto	115,697	79,067	2,474
RIT Capital Partners	70,749	111,162	5,654
Templeton Emerging Markets	186,570	211,106	2,371
The City of London Investment Trust	136,680	141,016	-
Unilever PLC	62,165	62,563	-
US Shares			
Apple Inc	50,007	95,621	1,406
Cavotec	52,742	65,268	742
General Electric Co	80,522	88,724	419
International Business Machines	60,485	63,939	-
Market Vectors Agribusiness	60,006	60,368	-
Nestle	55,756	58,234	-
Roche Holdings Ltd	81,822	85,464	-
SPDR	124,514	156,928	1,648
Syngenta AG ADR's	60,896	55,473	936
United Technologies Corp	80,920	83,126	576
Vanguard Emerging Market	207,911	166,533	4,521
Visa Inc Class A	98,864	135,549	460
Worldwide Healthcare Trust	56,579	62,462	-
Cash			
Cash	62,148	62,147	2,468
Total	\$14,577,154	\$16,881,437	\$810,131
Last year Total			
	\$14,026,300	\$16,377,672	\$841,170

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER 2013

	This Year \$	Last Year \$
INCOME		
Rental Received	1,641,435	1,590,997
Consent Fees	1,304	1,435
Dividends Received	298,502	274,270
Interest Received	603,358	641,849
	<hr/>	<hr/>
	2,544,599	2,508,551
LESS OPERATING EXPENSES		
ADMINISTRATION		
Accident Compensation Levy	31	172
Advertising	9,441	10,428
Audit Fees	12,152	11,347
Bank Charges	188	236
Consultancy Fees	-	300
Education Consultant Salary & Travel	42,381	28,748
Entertainment	3,279	1,038
General Expenses	2,683	3,383
Insurance	3,920	4,240
Education Grant Expenses	36,223	4,756
Interest	1	18
Legal Costs	1,644	3,836
Portfolio Management Fee	55,710	39,521
Printing, Stationery & Postage	8,445	7,605
Repairs & Maintenance - Website	43,013	51,953
Secretarial & Accounting	70,720	101,905
Property Management	17,953	21,456
Travel Expenses	1,038	605
Trustees Fees & Expenses	72,150	74,984
Valuation Fees	1,205	2,113
	<hr/>	<hr/>
	382,177	368,644
DEPRECIATION		
Depreciation on Assets	35	83
	<hr/>	<hr/>
	35	83
TOTAL OPERATING EXPENSES	<hr/>	<hr/>
	382,212	368,727
OPERATING SURPLUS	<hr/>	<hr/>
	2,162,387	2,139,824
Net Gain/(Loss) on Disposal of Shares		
	(22,716)	86,152
Profit/(Loss) on Currency Exchange	-	(4,096)
	<hr/>	<hr/>
NET SURPLUS BEFORE GRANTS	2,139,671	2,221,880

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 2013

	This Year \$	Last Year \$
LESS GRANTS		
Grants	2,000	30,984
Ngati Whakaue Education Taumata	220,000	160,000
Discretionary Grants	71,182	46,329
Emergency Disaster Grants	-	1,525
Tertiary Education Grants	488,465	479,867
Writers Grants	103,000	42,000
Rangahau (Research) Grant	13,000	26,000
Project Grants	495,000	461,000
Rotorua Young Achievers Awards	2,609	2,609
Kapahaka Grants	13,000	10,000
Postgraduate Scholarships	14,000	19,000
Haane Manahi Scholarship	11,005	3,139
Sponsorship	14,980	10,240
Swimsation	29,044	18,846
	<u>1,477,285</u>	<u>1,311,539</u>
NET SURPLUS	<u>662,386</u>	<u>910,341</u>

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2013

	This Year \$	Last Year \$
Net Surplus for the Year	662,386	910,341
Increase/(Decrease) in Asset Revaluation Reserve	275,152	817,496
TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR	937,538	1,727,837
Equity at Start of Year	52,040,631	50,312,794
EQUITY AT END OF YEAR	52,978,169	52,040,631

NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2013

		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)	15,857,047	15,581,895
Retained Earnings	(Note 5)	13,224,112	12,561,725
TOTAL EQUITY		52,978,170	52,040,631
REPRESENTED BY			
CURRENT ASSETS			
Accounts Receivable		33,596	78,784
BNZ - Current Account		183,147	190,438
BNZ - Investment Accounts		90,830	917,666
ASB Term Deposits		1,570,097	800,000
ANZ Term Deposit		752,959	-
Prepayments		-	40,000
		2,630,629	2,026,888
NON-CURRENT ASSETS			
Investments	(Note 9)	16,881,437	16,377,672
Land	(Note 7)	33,824,000	33,884,000
Office Equipment		28	63
		50,705,465	50,261,735
TOTAL ASSETS		53,336,094	52,288,623
LESS			
CURRENT LIABILITIES			
Accounts Payable		87,796	8,752
GST Holding Account		23,328	25,655
Rents Received in Advance		246,800	213,585
TOTAL LIABILITIES		357,924	247,992
EXCESS ASSETS OVER LIABILITIES		52,978,170	52,040,631



Chairman

9.6.14

Date



Board Member

9.6.14

Date