

Report of the

Ngārimu VC and
28th (Māori) Battalion
Memorial Scholarship
Fund Board

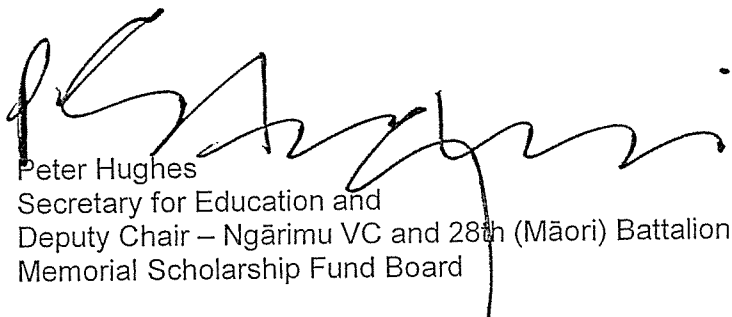
for the year ended
31 December 2014

Presented to the House of Representatives Pursuant to Section 15 of the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945.

Hon Hekia Parata
Minister of Education

Tēnā koe

Pursuant to Section 15 of the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945, the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Board presents the Annual Report for the year ended 31 December 2014.



Peter Hughes
Secretary for Education and
Deputy Chair – Ngārimu VC and 28th (Māori) Battalion
Memorial Scholarship Fund Board

REPORT

ORIGIN OF THE FUND

The Victoria Cross was awarded posthumously to Second Lieutenant Te Moana-nui-ā-Kiwa Ngārimu during the Second World War. He was the first Māori to receive the award. To commemorate this event and the service of the 28th Māori Battalion, the Government established a scholarship fund under the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945. Contributions for the fund were received from public donation and Government subsidy.

FUNCTIONS OF THE BOARD

Under the terms of the Act, the general functions of the Board are to provide assistance to Māori in education. This assistance is currently offered through the following; the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Board Challenge a multi-media competition in both Māori and English for Māori students from Years 7–13; annual scholarships for students attending a recognised tertiary institution at undergraduate, Masters and PhD levels; a triennial Manakura award to an individual who displays leadership skills in their area of interest.

BOARD MEMBERS

Hon H Parata	Minister of Education; Chair
Hon Dr P Sharples (<i>From 2008</i>), Hon T U Flavell (<i>appointed 2014</i>)	} Minister of Māori Affairs Minister for Māori Development
Peter Hughes	Secretary for Education; Deputy Chair
Mr R Tirikatene (<i>from 2011</i>) Hon T Turia (<i>from 2002 – September 2014</i>) Mr A Rurawhe (<i>October 2014</i>) Ms M Whaitiri (<i>from 2013</i>) Hon T U Flavell (<i>from 2005</i>) Hon N Mahuta (<i>from 1999</i>) Hon Dr P Sharples (<i>from 2005 – September 2014</i>) Mr P Henare (<i>October 2014</i>) Mr H Harawira (<i>from 2005 – September 2014</i>) Mr K Davis (<i>October 2014</i>)	} Members of Parliament representing Māori electorates
Prof R Maaka Lt Col (Retd) G Vercoe	} Ex-Armed Forces representatives
Ms A Walker	} Ngārimu Whānau representative
Dr M Soutar	} Past Scholarship recipient
Mrs M G Innes Mr D Snelgar	} Non-Māori Members

APPOINTMENTS TO THE BOARD

No appointments were made to the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Board by the Governor General in 2014. There were two vacant ex-armed forces positions as at 31 December 2014.

NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIPS

Twenty-one Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship payments were made in the 2014 year – eleven existing scholarship payments and ten new scholarship payments. The scholarships were made up of thirteen undergraduate, six Masters and two doctoral scholarships.

The Board agreed that no Manakura award would be awarded in the 2013/2014 year, and instead offered a one off Special Recognition Award to the value of \$50,000. They also agreed that the Manakura award will be nominated by the Board and awarded triennially, starting in 2016.

UNDERGRADUATE SCHOLARSHIPS

In 2014, four new Undergraduate Scholarships were awarded to Māori students undertaking tertiary studies. These scholarships are valued at \$10,000 each per year for up to five years.

A total of 104 scholarship applications were received for the 2013/2014 year. The following applicants were awarded scholarships in 2013/2014:

- Ariana Andrews (Te Whakatōhea and Waikato), studying towards a Bachelor of Medicine and Surgery at the University of Auckland.
- Devon Ruahei Demant (Te Whānau-ā-Apanui), studying towards a Bachelor of Laws and Bachelor of Arts at the University of Auckland.
- Moerangi Tamati (Te Atiawa, Taranaki, Ngāti Mutunga and Ngāti Ranginui) studying towards a Bachelor of Medicine and Bachelor of Surgery at the University of Auckland.
- Aperahama Hurihanganui (Te Arawa, Ngāti Porou and Ngāti Ira) studying towards a Bachelor of Laws and Bachelor of Arts at the University of Waikato.

Existing undergraduate scholarship recipients are:

- 2012/2013 recipient: Pania Newton (Ngāpuhi, Tainui and Ngāti Maniapoto), studying towards a Bachelor of Laws and Health Science at the University of Auckland.
- 2012/2013 recipient: Alan Kiharoa Milroy (Ngāi Tūhoe and Te Arawa), studying towards a Bachelor of Arts and a Bachelor of Education at the University of Waikato.

- 2012/2013 recipient: Ashley Te Rina Popata (Ngāti Kahu, Te Rarawa, Ngāti Hine, Ngāti Maniapoto, Ngāti Whātua and Ngāi Tuhoe), studying towards a Bachelor of Laws at the University of Waikato.
- 2012/2013 recipient: Nikau Hindin (Te Rarawa and Ngāpuhi), is studying towards a Bachelor of Fine Arts, Māori Studies, Film and TV Media Studies at the University of Auckland.
- 2012/2013 recipient: Kohukohurangi Isaac-Sharland (Rangitāne and Ngāti Raukawa), studying towards a Bachelor of Medicine and Bachelor of Surgery at the University of Otago.
- 2011/2012 recipient: Cherie Mangu (Ngāti Porou, Te Āti Haunui ā Pāpārangi, Ngāti Whātua and Ngāpuhi), studying towards a Bachelor of Science and Bachelor of Arts at the University of Auckland.
- 2011/2012 recipient: Ibrahim Soloman (Tūhoe and Ngāi Te Rangi), studying towards a Bachelor of Medicine and Surgery at the University of Otago.
- 2010/2011 recipient: Apirana Pewhairangi (Ngāti Porou), studying towards a Bachelor of Arts extramurally at Massey University (part-time).
- 2010/2011 recipient: Te Rua Reihana Tipoki (Ngāti Porou), studying towards a Bachelor of Arts at Massey University (part-time).

MASTERS SCHOLARSHIPS

Three new Masters scholarships were awarded in the 2013/2014 year. The Scholarship is worth \$15,000 each for one year of study.

Twenty two applications were received for the 2013/2014 masters scholarship. The Board agreed that the 2013/2014 Masters Scholarships be awarded to the following applicants:

- Jamie Rolleston (Ngāti Whakaue) studying towards a Master of Arts in Te Reo Māori at the University of Waikato.
- Kristin Ross (Ngāti Kahu) studying towards a Master of Arts in Te Reo Māori at the University of Waikato.
- Kawiti Waetford (Ngāti Wai, Ngāti Hine and Ngāpuhi) studying towards a Master of Advanced Vocal Studies at the University of Wales Trinity Saint David.
- 2014/15 recipient: Te Rerekohu Tūterangiwhui (Ngāpuhi, Taranaki, Ngāti Porou) studying towards a Master of Applied Sciences at Auckland University of Technology. Due to early payment made.

Existing Masters Scholarships:

- 2012/2013 recipient: Horiaana Irwin, (Rongowhakaata and Ngāti Kahungunu) studying a Master of Laws at Harvard University.
- 2011/2012 recipient: Erena Wikaire (Ngāpuhi, Ngāti Hine and Te Kapotai) studying a Masters in Public Health at the University of Auckland.

DOCTORAL SCHOLARSHIP

Four applications were received for the 2013/2014 doctoral scholarship. The scholarship is worth \$25,000 for one year.

Due to the high calibre of shortlisted candidates, the Board agreed that 2013/2014 doctoral scholarships be awarded to the following two recipients for one year each.

- Dr Elana Curtis (Te Arawa) completing her Doctorate in Medicine at the University of Auckland.
- Inez Awatere Walker (Ngāti Porou) completing her Doctorate in Health Science at the Auckland University of Technology.

LEADERSHIP (MANAKURA) AWARD

No Manakura was awarded for the 2013/2014.

SPECIAL RECOGNITION AWARD

The Board agreed to present a one-off special recognition award to Corporal (Retd) Bill (Willie) Apiata VC for leadership, citizenship and his contribution to Aotearoa New Zealand.

2014 NGĀRIMU VC AND 28th (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD CHALLENGE

The Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Board Challenge (the Challenge) is designed to encourage more students and schools to participate by enabling the use of 21st century tools and technology. The competition is open to all New Zealand school students of Māori descent from Years 7–13. Students are able to enter individually or as a group (of up to five).

Fifteen schools participated in the Challenge with the calibre of the winning entries being of high quality. A total of 57 entries were received for the 2013/2014 Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Board Challenge. Challenge winners were approved in October and announced in November 2014. A summary of the prize values are listed in Table 1.

Some prizes were not awarded in all categories due to the low number of entries which allowed the Board to grant an additional supreme award of \$1,500.

Prizes for the Challenge were awarded as follows:

Category	Name	School	Award	Prize
Jnr English	Sasha Quinn	Rangikura School	1 st	\$600
	Kaiwhiri Pita-Grey	Tauranga Intermediate	2 nd	\$350
	Sasha Brown, Janaya Leef, Britney Emery and Shani Henara	Tauranga Intermediate	3 rd	\$150
Int Māori	Rongomai Callaghan and Atareta Smith-Taumata	Gisborne Girls' High School	1 st	\$800
Int English	Wiremu Leef, Tahuriwakanui Durie, Anaru Palmer and Ryan Collier	Tauranga Boys' College	1 st	\$800
	Rongomai Callaghan and Atareta Smith-Taumata	Gisborne Girls' High School	2 nd	\$500
Snr Māori	Te Aramoana Brady	Te Kura o Te Koutu	1 st	\$1000
	Hine Kawana	Te Kura Kaupapa Māori o Mana Tamariki	2 nd	\$700
	Tumanako Bidios	Te Kura o Te Koutu	3 rd	\$350
Snr English	Hariata Dalton-Reedy	Te Kura Kaupapa Māori o Te Waiū	1 st	\$1000
	Caleb Bird	Te Awamutu College	2 nd	\$700
Supreme Award	Rongomai Callaghan and Atareta Smith-Taumata	Gisborne Girls' High School	Supreme	\$1,500
	Hariata Dalton-Reedy	Te Kura Kaupapa Māori o Te Waiū	Supreme	\$1,500

FINANCIAL STATEMENTS

The financial year ended 31 December 2014 finished with a net deficit of \$112,469. The deficit was a result of additional travel aid provided to students for Pilgrimage (\$50,000) and a one off special recognition award (\$50,000) during the year.

Independent Auditor's Report

**To the readers of
Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund's
financial statements
for the year ended 31 December 2014**

The Auditor-General is the auditor of Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund (the Fund). The Auditor-General has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Fund on her behalf.

We have audited the financial statements of the Fund on pages 2 to 10, that comprise the statement of financial position as at 31 December 2014, the statement of financial performance, statement of movements in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

In our opinion the financial statements of the Fund on pages 2 to 10:

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

Our audit was completed on 30 April 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. If we had found material misstatements that were not corrected, we would have referred to them 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 Fund'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 Fund'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;
- 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 have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board are responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Fund's financial position, financial performance and cash flows.

The Board are 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 are also responsible for the publication of the financial statements, whether in printed or electronic form.

The Board's responsibilities arise from the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945.

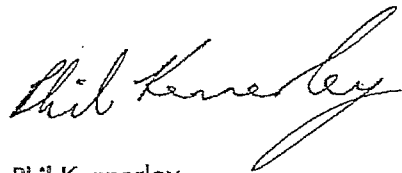
Responsibilities of the Auditor

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 the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945.

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 Fund.

A handwritten signature in black ink, appearing to read 'Phil Kennerley', with a stylized, flowing script.

Phil Kennerley
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

**NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL
SCHOLARSHIP FUND BOARD**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Revenue			
Interest		50,519	50,191
Government grant	1	217,000	467,000
Distributable income	2	11,945	4,507
Total revenue		<u>279,464</u>	<u>521,698</u>
Expenditure			
Administration	3	61,356	58,659
Special awards		59,950	-
Total expenditure		<u>121,306</u>	<u>58,659</u>
Net surplus before assistance to students		<u>158,158</u>	<u>463,039</u>
Assistance to students	4	270,627	160,120
Net surplus		<u>(112,469)</u>	<u>302,919</u>

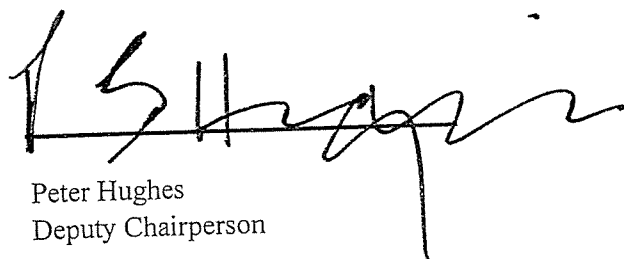
NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

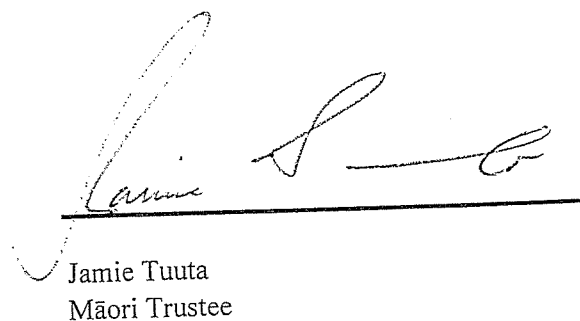
	Notes	2014 \$	2013 \$
Equity at beginning of year			
Capital	5	394,634	394,634
Accumulated Funds		1,056,281	753,362
Total Equity at beginning of year		<u>1,450,915</u>	<u>1,147,996</u>
Net surplus		(112,469)	302,919
Equity at end of year			
Capital		394,634	394,634
Accumulated Funds		943,812	1,056,281
Total Equity at end of year		<u>1,338,446</u>	<u>1,450,915</u>

The accompanying notes form part of these financial statements.

NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
 STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Assets			
Cash at Bank	6	131,176	108,435
Term deposits	6	1,220,214	1,359,246
Accrued interest	6	19,792	18,931
Prepayments		5,000	-
Total current assets		<u>1,376,182</u>	<u>1,486,612</u>
Current liabilities			
Creditors and accruals		<u>37,736</u>	<u>35,697</u>
Total current liabilities		<u>37,736</u>	<u>35,697</u>
Equity			
Scholarship Fund		1,338,446	1,450,915
Total liabilities and equity		<u>1,376,182</u>	<u>1,486,612</u>


 Peter Hughes
 Deputy Chairperson


 Jamie Tuuta
 Māori Trustee

NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Cash was provided from:			
Interest		50,055	45,538
Government grants		217,000	467,000
Distributable income		11,548	4,451
		<u>278,603</u>	<u>516,989</u>
 Cash was applied to:			
Assistance to students		(266,460)	(164,742)
Administration		(68,484)	(67,551)
Special awards		(59,950)	-
		<u>394,894</u>	<u>232,293</u>
 Net cash flows from operating activities	8	<u>(116,291)</u>	<u>284,696</u>
 Cash flows from investing activities			
Net Cash flow from investing activities		139,032	(234,707)
 Cash and cash equivalents at beginning of year		108,435	58,446
Cash and cash equivalents at end of year	6	<u><u>131,176</u></u>	<u><u>108,435</u></u>

NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of Accounting Policies

Reporting entity

These are the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Board's (the Board) financial statements. These statements are prepared subject to S14 of the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945. The purpose of the Fund is to assist Māori education in New Zealand and promote the study and encourage the maintenance of the Māori language, history, tradition and culture.

The Board is a qualifying entity within the New Zealand Institute of Chartered Accountants Differential Reporting Framework. The Board qualifies under the public accountability and size criteria. The Board has taken advantage of all exemptions available, with the exception of FRS 10 Statement of Cashflows, which has been complied with.

Basis of preparation

Measurement base

These financial statements have been prepared on the basis of historical cost.

Functional and presentation currency

The financial statements are presented in New Zealand dollars, which is the Board's functional currency.

Statement of Compliance

In November 2004 the Accounting Standards Review Board (ASRB) approved the adoption of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). At that time, the ASRB announced the adoption of NZ IFRS would be mandatory for reporting entities with accounting periods beginning on or after 1 January 2007.

In September 2007 the ASRB announced that for certain small to medium size entities the mandatory adoption of NZ IFRS had been delayed. These entities can continue to apply New Zealand Generally Accepted Accounting Principles (NZ GAAP) as prescribed by New Zealand Financial Reporting Standards and Statements of Standard Accounting Practice.

The Board meets the criteria for deferral of NZ IFRS due to not being publicly accountable and its size. The financial statements have been prepared in accordance with NZ GAAP, consistent with previous periods. The Board does not intend to adopt NZ IFRS for the year ended 31 December 2014.

The Board will adopt the new Public Benefit Entity accounting standards for the year ending 31 December 2015.

Accounting policies

Income recognition

The grant from the Ministry of Education is recognised as revenue on receipt.

Goods and Services Tax

The financial statements are prepared inclusive of GST because the Board is not registered for GST.

Financial instruments

The Board is party to financial instrument arrangements as part of its normal operations which have been recognised in these financial statements. These financial instruments include cash and cash equivalents, interest receivable, term deposits and accounts payable.

On initial recognition, financial assets are measured at cost. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

Financial instruments are subject to credit risk, whereby a third party will default on its obligations to the Board, causing a loss to be incurred.

All financial instruments are recognised in the statement of financial position on the basis of the Board's accounting policies. Financial assets are recorded at the expected net realisable value and financial liabilities are recognised at the obligation incurred.

Statement of Cash flows

Cash and cash equivalents comprise cash on hand, cash at bank and short term deposits with an original maturity of three months or less.

Operating activities include cash received from all income sources of the Board and cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets and other investments not included in cash equivalents.

Financing activities are those activities that result in changes in equity and debt capital structure.

Income taxation

The Board is a charitable trust and is registered with the Charities Commission (registration number CC35725) and is therefore exempt from income tax.

Changes in Accounting Policies

There has been no changes in accounting policies. All policies have been applied on a basis consistent with previous years.

NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2014	2013
\$	\$

1. Government Grant

Government grant received of \$217,000 (2013 \$467,000). The 2013 year income includes an additional \$250,000 received as a one-off payment in recognition of the 70th anniversary of the Victoria Cross being awarded to Lieutenant Te Moana-nui-a-Kiwi Ngarimu. As per note 11, \$195,000 (2013 \$40,000) in relation to this one-off payment was committed as at 31 December 2014 to be paid in the 2015 financial year.

2. Māori Trustee distributable income

From 1 July 2009 distributable income is paid on Māori Trustee Common Fund account balances, in accordance with the Māori Trustee Amendment Act 2009.

Share of Common Fund investment income	14,499	5,520
Share of Common Fund management fee	(2,027)	(790)
Share of Common Fund supplementary fee	(527)	(223)
	<u>11,945</u>	<u>4,507</u>

3. Administration

Audit fees	15,289	14,682
Advertising	-	3,628
Board fees, travel and expenses	29,370	32,511
Alumni Fund launch and awards ceremony expenses	10,790	-
Māori Trustee fees	5,750	5,750
Other expenses	157	2,088
	<u>61,356</u>	<u>58,659</u>

4. Assistance to students

Scholarships	215,000	153,333
Recipient travel	5,627	6,787
Travel grants	50,000	-
	<u>270,627</u>	<u>160,120</u>

5. Scholarship Fund

Under Section 8(2) of the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945, the capital of the Scholarship Fund is not available for distribution.

NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

6. Credit risk

Credit risk is the risk that a third party will default on its obligations to the Board, causing the Board to incur a loss.

Financial instruments which potentially subject the Board to credit risk principally consist of debtors, bank balances and term deposits.

Maximum exposures to credit risk are:

	2014	2013
	\$	\$
Current account	131,176	108,435
Call account	-	-
Total cash and cash equivalents	131,176	108,435
Term deposits	1,220,214	1,359,246
Accrued interest	19,792	18,931
Total financial assets	1,371,182	1,486,612

Security

Security for the financial instruments is either unobtainable, due to the nature of the instrument, or is not sought due to the instrument being invested in high credit quality organisations.

Significant concentrations of credit risk

There are no significant concentrations of credit risk with respect to accounts receivable. Investments are governed by the Board, which aims to minimise exposure to risks. No provisions are necessary to meet any known credit risk due to the high quality of the investments.

7. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. This could impact on the return on investments or the cost of borrowing.

	2014	2013
<i>Interest rates</i>	%	%
Auckland Savings Bank call account	-	2.00
Auckland Savings Bank term deposit	-	4.00 - 4.50
ANZ Bank New Zealand Limited term deposit	4.05 - 4.62	-
 <i>Repricing Maturities < 6 months</i>	 \$	 \$
Auckland Savings Bank term deposit	-	1,359,246
ANZ Bank New Zealand Limited	1,220,214	-
	1,220,214	1,359,246

NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2014

8. Reconciliation of net surplus with net cash flows from operating activities

	2014 \$	2013 \$
Net surplus	(112,469)	302,919
Add/(deduct) movements in working capital items		
(Increase)/decrease in accrued interest	(464)	(4,653)
(Increase)/decrease in distributable income receivable	(397)	(56)
(Increase)/decrease in prepayments	(5,000)	-
Increase/(decrease) in creditors and accruals	2,039	(13,514)
Net cash inflow from operating activities	<u>(116,291)</u>	<u>284,696</u>

9. Related parties

A family member of Denis Snelgar, one of the board members, applied for a post-graduate scholarship during the 2014 year. Denis Snelgar abstained from the voting process due to his declared conflict of interest.

10. Contingent liabilities

There were no contingent liabilities as at 31 December 2014 (2013 \$0).

11. Commitments

There were following grant commitments as at 31 December 2014 (2013 \$391,667).

	2014 \$	2013 \$
Less than 1 year	158,334	231,667
1 year to 2 years	115,000	90,000
2 years to 5 years	110,000	70,000
	<u>383,334</u>	<u>391,667</u>

In addition, the Board has committed to support the four companies of the Maori Battalion to compose their histories, and will pay \$50,000 to each Company. An amount of \$5,000 has been paid in the 2014 financial year as a deposit, as such, other commitments at 31 December 2014 are \$195,000 (2013 \$40,000).