
Annual Financial Statements

Of

Ngāi Tahu Ancillary Claims Trust

For the Year Ended 30 June 2014

*Presented to the House of Representatives
pursuant to the Public Finance Act 1989*

NGĀI TAHU ANCILLARY CLAIMS TRUST

THE MINISTER IN CHARGE OF TREATY OF WAITANGI SETTLEMENTS

In accordance with the Public Finance Act 1989, I present, on behalf of the Ngāi Tahu Ancillary Claims Trust Trustees, the annual financial statements of the operations of the Ngāi Tahu Ancillary Claims Trust for the year ended 30 June 2014.

In August 2014, The Trustees sent a letter to the office of Treaty Settlements claiming for arrears of Trustee Fees and reimbursement of time spent by Chairperson since 1 July 2007 to 30 June 2014. It was the first time such a letter was sent. The letter has been acknowledged but the claim has not been accepted to date.

The financial Statements of the Trust do not reflect this claim. All prior year financial statements disclosed nil fees incurred or paid to the Trustees.



G Grant
Chairperson

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NGĀI TAHU ANCILLARY CLAIMS TRUST DIRECTORY

Postal Address

c/- Graham Grant
223 East Coast Road
Campbells Bay
Auckland 0620

Accountants

BDO Christchurch Limited
PO Box 246
Christchurch

Auditor

Audit New Zealand
PO Box 2
Christchurch
On behalf of the Auditor-General

Bankers

Westpac – a division of Westpac Banking Corporation Limited
PO Box 13113
Christchurch

NGĀI TAHU ANCILLARY CLAIMS TRUST STATEMENT OF RESPONSIBILITY

In the financial year ended 30 June 2014, the Trustees and management of the Ngāi Tahu Ancillary Claims Trust were responsible for:

- The preparation of the financial statements and the judgements used therein.
- Establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Trustees and management of the Ngāi Tahu Ancillary Claims Trust, the financial statements for the financial year reflect fairly the financial position and operations of the Ngāi Tahu Ancillary Claims Trust.



G Grant
Chairperson

Date: 9/12/14



D Couch
Trustee

Date: 9/12/14

Independent Auditor's Report

**To the readers of
The Ngāi Tahu Ancillary Claims Trust's
financial statements
for the year ended 30 June 2014**

The Auditor-General is the auditor of the Ngāi Tahu Ancillary Claims Trust (the Trust). The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust, on her behalf.

We have audited the financial statements of the Trust on pages 9 to 19, that comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of movements in equity, statement of cash flows and statement of accounting policies for the year ended on that date and the notes to the financial statements that include explanatory information.

Opinion

In our opinion, the financial statements of the Trust on pages 9 to 19 that are prepared on a disestablishment basis:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Trust's:
 - financial position as at 30 June 2014; and
 - financial performance and cash flows for the year ended on that date.

Emphasis of matter - the financial statements are appropriately prepared on a disestablishment basis

Without modifying our opinion, we draw your attention to the accounting policy on page 9 about the financial statements being prepared on a disestablishment basis. We consider the disestablishment basis to be appropriate as the Trust will cease to operate following the transfer of the remaining claim property.

Our audit was completed on 9 December 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 Trustees 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 Trust'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'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 Trustees;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We 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 Trustees

The Trustees are responsible for preparing financial statements that:

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

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

The Trustees' responsibilities arise from the Public Finance Act 1989 and clause 7 of the Trust Deed of the Trust.

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, the Public Finance Act 1989 and clause 7.5 of the Trust Deed of the Trust.

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.



Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

NGĀI TAHU ANCILLARY CLAIMS TRUST STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2014

Reporting Entity

The Ngāi Tahu Ancillary Claims Trust was established by section 342 of the Ngāi Tahu Claims Settlements Act 1998. Section 348 defines the Trust as a Crown Entity for the purposes of the Public Finance Act 1989.

The Trust was established on the 30 November 1998. The Trustees have received the Minister's consent to extend the life of the Trust until the transfer of the one outstanding claim properties.

These financial statements have been prepared in accordance with the Public Finance Act 1989 on a disestablishment basis.

Basis of Preparation

As at 30 June 2014 the Trust has one claim property to vest. The responsibility to action the requirements, to enable the trust to vest this property, Taiaroa Head Site 1 lie with the Ministers of Maori affairs and Treaty of Waitangi negotiations. Pending vesting the trust is required to remain as a legal entity and undertake the minimal requirements as set out under the Public Finance Act 1989 namely to maintain a bank account and provide annual, audited financial statements for tabling in the House of Representatives.

Measurement System

The financial statements have been prepared on an historical cost basis, adjusted for the revaluation of certain fixed assets.

Accounting Policies

The following particular accounting policies which materially affect the measurement of financial results and financial position have been applied.

Revenue

The Trust derives any revenue requirements pursuant to a services agreement with the Office of Treaty Settlements.

Fixed Assets

The valuation for the remaining Taiaroa Head Site land, was determined by an independent registered valuer as at 30 June 2004. As permitted under the accounting standard FRS 3, Accounting for Property, Plant and Equipment, paragraph 7.2, the Trust will not be performing regular valuations of this asset.

Receivables and Advances

Accounts receivable are stated at their estimated realisable value after providing for doubtful and uncollectable debts.

Goods and Services Tax (GST)

Revenues and expenses have been recognised in the financial statements inclusive of GST.

The Trust was deregistered for GST purposes from February 2007.

Taxation

The Trust is a public authority in terms of the Income Tax Act 2007 and consequently is exempt from income tax.

Financial instruments

The Trust is party to financial instruments as part of its normal operations. These financial instruments include a bank account, debtors, and creditors. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to the financial instruments are recognised in the statement of financial performance at fair value.

Statement of Cash Flows

Cash means cash balances on hand and held in bank accounts.

Operating activities include cash received from all income sources of the Trust and records the 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.

Changes in Accounting Policy

All policies have been applied on bases consistent with those used in the previous year.

**NGĀI TAHU ANCILLARY CLAIMS TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2014**

Actual 2013 \$		Notes	Actual 2014 \$
5,145	Crown Revenue		5,491
-	Other Revenue		-
-	Interest		-
<u>5,145</u>	Total operating revenue		<u>5,491</u>
5,145	Less Cost of Services	1	5,491
-	Transfer Other Revenue to Beneficiaries		-
-	Transfer Interest to Beneficiaries		-
<u>5,145</u>	Net operating expenditure		<u>5,491</u>
<u>-</u>	Net operating surplus/(deficit)		<u>-</u>

The accompanying accounting policies and notes form an integral part of these financial statements

**NGĀI TAHU ANCILLARY CLAIMS TRUST
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

Actual 2013 \$		Notes	Actual 2014 \$
25,000	Trust Funds as at 1 July		25,000
-	Net operating surplus (deficit)		-
-	Property Revaluation		-
-	Total recognised revenues and expenses for the Period		-
-	Capital Distribution to Beneficiaries		-
-	Movement in Equity for the Year		-
<u>25,000</u>	Trust Funds as at 30 June		<u>25,000</u>

The accompanying accounting policies and notes form an integral part of these financial statements

**NGĀI TAHU ANCILLARY CLAIMS TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

Actual 2013 \$		Notes	Actual 2014 \$
	Trust Funds		
25,000	Properties held in Trust	3	25,000
<u>25,000</u>	TOTAL TRUST FUNDS		<u>25,000</u>
	Represented by:		
	Current Assets		
203	Bank		138
4,834	Receivables & Advances	2	5,186
25,000	Properties held in Trust	3	25,000
<u>30,037</u>	Total Current Assets		<u>30,324</u>
<u>30,037</u>	Total Assets		<u>30,324</u>
	Current Liabilities		
5,037	Payables & Provisions	4	5,324
<u>5,037</u>	Total Current Liabilities		<u>5,324</u>
<u>25,000</u>	NET ASSETS		<u>25,000</u>

The accompanying accounting policies and notes form an integral part of these financial statements

**NGĀI TAHU ANCILLARY CLAIMS TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

Actual 2013 \$		Actual 2014 \$
	CASHFLOWS FROM OPERATING ACTIVITIES	
	Cash was provided from:	
4,247	Government appropriation	5,138
-	Income Tax Refund	-
-	Interest received	-
<u>4,247</u>		<u>5,138</u>
	Cash was applied to:	
-	Payments to Trustees	-
4,247	Payments to Suppliers	5,204
-	Net Goods and Services Tax	-
<u>4,247</u>		<u>5,204</u>
-	Net cash flows from Operating Activities	(65)
	CASHFLOWS FROM INVESTING ACTIVITIES	
	Cash was provided from:	
-	Sale of Fixed Assets	-
<u>-</u>	Net Cash Flows from Investing Activities	<u>-</u>
-	Net increase (decrease) in cash held	(65)
203	Plus Opening Cash	203
<u>203</u>	Closing Cash	<u>138</u>
	Cash comprises:	
203	Bank	138
<u>203</u>	Closing Cash Balance	<u>138</u>

The accompanying accounting policies and notes form an integral part of these financial statements

**NGĀI TAHU ANCILLARY CLAIMS TRUST
RECONCILIATION OF THE NET SURPLUS FROM
OPERATIONS WITH THE NET CASH FLOWS FROM
OPERATING ACTIVITIES**

Actual 2013 \$	Actual 2014 \$
- Net Surplus (Deficit) from Operations	-
- Add Loss on Sale of Fixed Assets	-
- Add (Less) Fixed Assets in Accounts Receivables	-
- Increase (Decrease) in Funds Held on Account of Beneficiaries	-
(897) (Increase) Decrease in Receivables	(352)
897 Increase (Decrease) in Payables	287
(Increase) Decrease in GST	
<u>- Net Cash Flows from Operating Activities</u>	<u>(65)</u>

The accompanying accounting policies and notes form an integral part of these financial statements

NGĀI TAHU ANCILLARY CLAIMS TRUST STATEMENT OF COMMITMENTS

The Trust had no commitments at 30 June 2014. (2013: Nil)

NGĀI TAHU ANCILLARY CLAIMS TRUST STATEMENT OF CONTINGENCIES

The Trust had no contingent liabilities at 30 June 2014. (2013: Nil)

The accompanying accounting policies and notes form an integral part of these financial statements

**NGĀI TAHU ANCILLARY CLAIMS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Note 1: Statement of financial performance

Actual 2013 \$		Actual 2014 \$
	The net surplus is after charging for:	
2,852	Fees paid to auditors - external audit	2,916
58	Trustee & travel expenses	101
2,235	General trust expenses	2,473
<u>5,145</u>		<u>5,491</u>

Note 2: Receivables and advances

Actual 2013 \$		Actual 2014 \$
4,834	Crown Funding	5,186
<u>4,834</u>	Total	<u>5,186</u>

Note 3: Property held in Trust

Taiaroa Head Site 1 has not vested as at balance date. The Trust is awaiting the vesting to the beneficiaries which is the responsibility of the Ministers of Māori Affairs and Treaty of Waitangi Negotiations.

Actual 2013 \$	Name of Property	Actual 2014 \$
25,000	Taiaroa Head Site 1	25,000
<u>25,000</u>	Total	<u>25,000</u>

Note 4: Payables and provisions

Actual 2013 \$		Actual 2014 \$
5,037	Other	5,324
<u>5,037</u>	Total	<u>5,324</u>

Note 5: Financial instruments

Ngāi Tahu Ancillary Claims Trust is party to financial instrument arrangements as part of its everyday operations. These financial instruments include bank accounts, bank deposits, accounts receivable and accounts payable.

Credit risk

Credit risk is the risk that a third party will default on its obligations to Ngāi Tahu Ancillary Claims Trust, causing Ngāi Tahu Ancillary Claims Trust to incur a loss.

Ngāi Tahu Ancillary Claims Trust has a minimal credit risk in its holdings of various financial instruments. These instruments include cash, bank deposits, and accounts receivable.

The Trustees place investments with institutions that have a high credit rating. Ngāi Tahu Ancillary Claims Trust believes that this policy reduce the risk of any loss which could arise from its investment activities. Ngāi Tahu Ancillary Claims Trust does not require any collateral or security to support financial instruments.

The Ngāi Tahu Ancillary Claims Trust has significant concentration of credit in respect of the Crown. The credit risk is considered to be very low.

Fair value

The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Currency risk and interest rate risk

Ngāi Tahu Ancillary Claims Trust has no exposure to currency risk. The Trustees do not consider that there is any significant interest exposure on the Trust's cash or debtor balances.

Note 6: Post balance date events

No significant events have occurred between the period end and the signing of the financial statements.

Note 7: Related Party Transactions

No related party transactions. (2013: Nil)

Note 8: Remuneration

Total value of remuneration paid to the Trustees during this financial year:

G Grant	-
R Carruthers	-
D Couch	-
T Nicholas	-
K Were	-
	<u>-</u>

(2013: Nil)

The accounts were signed on 9 December 2014, which is outside the statutory deadline of 31 October 2014.

NGĀI TAHU ANCILLARY CLAIMS TRUST
List of Trustees as at 30 June 2014

Mr Graham Grant
Chairperson
(Crown – appointed Trustee)

Mr Donald Couch
(Ngāi Tahu – appointed Trustee)

Mr Terry Nicholas
(Ngāi Tahu – appointed Trustee)

Mr Kevin Were
(Crown – appointed Trustee)

Ms Rosemary Carruthers
(Crown – appointed Trustee)