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**Annual Report**  
**Of**  
**Ngāi Tahu Ancillary Claims Trust**  
**For the Period Ended 30 June 2002**

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*Presented to the House of Representatives  
pursuant to section 44A of the Public Finance Act 1989*

## THE MINISTER IN CHARGE OF TREATY OF WAITANGI SETTLEMENTS

In accordance with section 44A of the Public Finance Act 1989, I present, on behalf of the Ngāi Tahu Ancillary Claims Trust Board, the annual report on the operations of the Ngāi Tahu Ancillary Claims Trust for the period ended 30 June 2002.



G Grant  
Chairperson

## TABLE OF CONTENTS

	<b>Page</b>
Directory	4
Statement of Purpose	5
Chairperson's Report	6
Statement of Responsibility	7
Report of the Audit Office	8
Statement of Accounting Policies	10
Statement Specifying Financial Performance	12
Statement of Financial Performance	13
Statement of Movement in Equity	14
Statement of Financial Position	15
Statement of Cash Flows	16
Reconciliation of the Net Surplus from Operations with the Net Cash Flows from Operating Activities	17
Statement of Commitments	18
Statement of Contingent Liabilities	18
Notes to the Financial Statements	19
Other Information	23
Glossary of Terms	23

# DIRECTORY

## **Physical Location**

76 Peterborough Street  
Christchurch

## **Postal Address**

PO Box 13433  
Armagh Street  
Christchurch  
Ph: (03) 379 4213  
Fax: (03) 379 2530

## **Accountants**

Polson Higgs & Co  
PO Box 4449  
Christchurch

## **Auditor**

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

## **Bankers**

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

## **Solicitors**

Duncan Cotterill  
PO Box 5  
Christchurch

# STATEMENT OF PURPOSE

## **Mission Statement**

The Mission Statement of the Trust is:

Kia whakaritea kā kaweka o Te Poari Kaitiaki mo kā Kerēme Āpiti o Ngāi Tahu, kia pono, kia mārama te whakakahoki i kā pāka whenua ki kā tākata e tika ana.

To perform the responsibilities of the Ngāi Tahu Ancillary Claims Trust in a fair and transparent manner to achieve timely vesting in the rightful owners.

## **Objectives**

The objective of the Trust is to vest relevant properties with beneficiaries of Ngāi Tahu Ancillary Claims before 30 June 2003. This deadline will give the Trust time to wind up its activities consistent with the termination of its mandate on 30 November 2003.

## **Primary Responsibilities**

The responsibilities of the Trust are to identify the current-day beneficiaries who are successors of the original beneficiaries; and make application to the Māori Land Court for Claim Properties to be vested with current-day beneficiaries in accordance with their entitlements.

This involves identifying the date of the original harm; identifying the original beneficiaries as at the date of harm; and determining the entitlements (share) for each beneficiary.

The Trust's role is completed when the Māori Land Court makes a vesting order vesting the properties with the beneficiaries.

## CHAIRPERSON'S REPORT

This year has seen the completion of the Trust's research identification and notification phases. Provisional lists of owners have been issued for eight of the 32 claim properties. The remaining provisional lists are expected to be issued by December 2002.

The first of the applications to the Māori Land Court to confirm the owners will be lodged during October 2002, with an objective of having all applications lodged by May 2003. The Trust has been in close dialogue with the Court for several months to ensure this final phase and the vesting of the claim properties run as smoothly as possible.

The financial result has again come in under budget. In part, this is due to timing issues but we remain confident that the total cost will be well within the estimated \$3.2M.

The Trust remains on target to complete its work by 30 November 2003, which is the termination date as set out in the Deed of Trust.

A handwritten signature in black ink, appearing to read 'Graham Grant', with a small cross-like mark at the end of the signature.

Graham Grant  
Chairperson

## STATEMENT OF RESPONSIBILITY

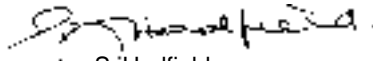
In the financial year ended 30 June 2002, the Board and management of the Ngāi Tahu Ancillary Claims Trust were responsible for:

- 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 Board 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



S Hadfield  
General Manager



# Audit New Zealand

## REPORT OF THE AUDITOR-GENERAL

### TO THE READERS OF THE FINANCIAL STATEMENTS OF THE NGĀI TAHU ANCILLARY CLAIMS TRUST FOR THE YEAR ENDED 30 JUNE 2002

We have audited the financial statements on pages 10 to 22. The financial statements provide information about the past financial performance of the Ngāi Tahu Ancillary Claims Trust and its financial position as at 30 June 2002. This information is stated in accordance with the accounting policies set out on pages 10 and 11.

#### RESPONSIBILITIES OF THE TRUSTEES

The Public Finance Act 1989 requires the Trustees to prepare financial statements in accordance with generally accepted accounting practice which fairly reflect the financial position of the Ngāi Tahu Ancillary Claims Trust as at 30 June 2002 and the results of its operations and cash flows for the year ended 30 June 2002.

#### AUDITOR'S RESPONSIBILITIES

Section 15 of the Public Audit Act 2001 and section 43(1) of the Public Finance Act 1989 require the Auditor-General to audit the financial statements presented by the Trustees. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report its opinion to you.

The Auditor-General has appointed Bede Kearney, of Audit New Zealand, to undertake the audit.

#### BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- ▲ the significant estimates and judgements made by the Trustees in the preparation of the financial statements; and
- ▲ whether the accounting policies are appropriate to the Ngāi Tahu Ancillary Claims Trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute

of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in the Ngāi Tahu Ancillary Claims Trust.

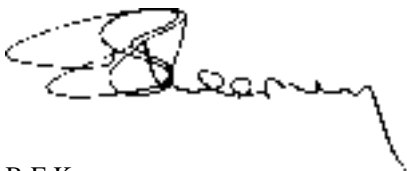
## **UNQUALIFIED OPINION**

We have obtained all the information and explanations we have required.

In our opinion, the financial statements of the Ngāi Tahu Ancillary Claims Trust on pages 10 to 22:

- ▲ comply with generally accepted accounting practice in New Zealand; and
- ▲ fairly reflect:
  - the Ngāi Tahu Ancillary Claims Trust's financial position as at 30 June 2002; and
  - the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 30 September 2002 and our unqualified opinion is expressed as at that date.



B F Kearney  
Audit New Zealand  
On behalf of the Controller and Auditor-General  
Christchurch, New Zealand

# STATEMENT OF ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 JUNE 2002

## 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 30 November 1998.

These financial statements have been prepared in accordance with section 41 of the Public Finance Act 1989.

## 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.

### Budget figures

The budget figures are those submitted to Cabinet.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

### Revenue

The Trust derives revenue through the services to third parties and the rental of properties held in Trust.

### Fixed Assets

Land is stated at net current values as determined by an independent registered valuer – Quotable Value New Zealand Ltd. The valuations were obtained for all properties in 1997. The valuation methodology was on the basis of limited market property definition.

### Depreciation

Depreciation is provided on a diminishing value basis on all assets other than land, at rates that will write off the cost of the assets over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Office Equipment	2 - 5 years	18 - 48%
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## **Receivables and Advances**

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

## **Goods and Services Tax (GST)**

The financial statements are prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable, which are stated with GST included. Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense.

## **Taxation**

The Trust is a public authority in terms of the Income Tax Act 1994 and consequently is exempt from income tax except for Rental Activities.

## **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.

*Financing activities* comprise the change in equity and debt capital structure of the Trust.

## **Changes in Accounting Policy**

There have been no changes in Accounting Policies. All policies have been applied on bases consistent with those used in the previous year.

## STATEMENT SPECIFYING FINANCIAL PERFORMANCE

The Board agreed the following financial targets with the Minister at the beginning of the period:

<b>Achievement 2000/01 \$</b>	<b>Specified financial performance</b>	<b>Target 2002 \$</b>	<b>Achievement 2002 \$</b>
<b>298,637</b>	Expenditure to be within budget	1,203,000	707,114

(Refer **Note 1** for an explanation of variance)

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

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2002**

<b>Actual 2000/01 \$</b>		<b>Notes</b>	<b>Actual 2002 \$</b>	<b>Budget 2002 \$</b>
1,466,667	Crown Revenue		-	-
9,093	Other Revenue		8,559	-
51,497	Interest		57,577	-
1,527,257	<b>Total operating revenue</b>		66,136	-
298,637	Cost of Services	<b>1</b>	707,114	1,203,000
<b>1,228,620</b>	<b>Net operating surplus before property transfer</b>		<b>(640,978)</b>	<b>(1,203,000)</b>

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

## STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 30 JUNE 2002

Actual 2000/01 \$	Notes	Actual 2002 \$	Budget 2002 \$
1,439,932	Trust Funds as at 1 July 2001	2,668,552	1,189,200
1,228,620	Net operating surplus	(640,978)	-
1,228,620	Total recognised revenues and expenses for the period	(640,978)	7,934
<u>2,668,552</u>	<b>Trust Funds as at 30 June 2002</b>	<u>2,027,574</u>	<u>1,189,200</u>

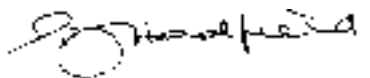
*The accompanying accounting policies and notes form an integral part of these financial statements*

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2002

Actual 2000/01 \$	Notes	Actual 2002 \$	Budget 2002 \$
<b>Trust Funds</b>			
1,479,352		838,374	-
1,189,200	4	1,189,200	1,189,200
<b>2,668,552</b>		<b>2,027,574</b>	1,189,200
<b>Represented by:</b>			
<b>Current Assets</b>			
1,507,762	2	861,948	-
15,905	3	9,267	-
12,037		9,344	-
<b>1,535,704</b>		<b>880,559</b>	-
<b>Fixed Assets</b>			
1,189,200	4	1,189,200	1,189,200
7,844	9	6,632	-
<b>1,197,044</b>		1,195,832	1,189,200
<b>2,732,748</b>		<b>2,076,391</b>	1,189,200
<b>Liabilities</b>			
64,196	5	48,817	-
<b>64,196</b>		<b>48,817</b>	-
<b>2,668,552</b>		<b>2,027,574</b>	<b>1,189,200</b>



G Grant  
Chairperson



S Hadfield  
General Manager

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

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2002

Actual 2000/01 \$		Actual 2002 \$	Budget 2002 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
1,466,667	Government appropriation	-	-
11,640	Revenue from services provided	9,686	-
37,179	Interest received	63,473	-
-	Net Goods and Services Tax	1,475	-
<b>1,515,486</b>		<b>74,634</b>	<b>-</b>
<b>Cash was applied to:</b>			
45,402	Payments to Trustees	40,944	45,000
239,902	Payments to Suppliers	679,085	1,158,000
4,296	Net Goods and Services Tax	-	-
<b>289,600</b>		<b>720,029</b>	<b>1,203,000</b>
<b>1,225,886</b>	<b>Net Cash Flows from Operating Activities</b>	<b>(645,395)</b>	<b>1,203,000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
9,779	Purchase of Fixed Assets	419	-
<b>(9,779)</b>	<b>Net Cash Flows from Investing Activities</b>	<b>(419)</b>	<b>-</b>
1,216,107	Net increase (decrease) in cash held	(645,814)	1,203,000
291,655	Plus Opening Cash	1,507,762	1,507,762
<b>1,507,762</b>	<b>Closing Cash</b>	<b>861,948</b>	<b>304,762</b>
<b>Cash comprises:</b>			
<b>213,365</b>	Bank	28,235	-
<b>1,294,397</b>	Short Term Deposits	833,713	-
<b>1,507,762</b>	Closing Cash Balance	<b>861,948</b>	<b>304,762</b>

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

**RECONCILIATION OF THE NET SURPLUS FROM  
OPERATIONS WITH THE NET CASH FLOWS FROM  
OPERATING ACTIVITIES**

<b>Actual 2000/01 \$</b>		<b>Actual 2002 \$</b>	<b>Budget 2002 \$</b>
<b>1,228,620</b>	Net Surplus from Operations	<b>(640,978)</b>	<b>(1,203,000)</b>
1,935	Add non-cash items	3,454	-
	Add (less) movements in working capital	(1,824)	-
	Rental Income received in Advance	356	-
(11,302)	(Increase) Decrease in Receivables	6,638	-
15,289	Increase (Decrease) in Payables	(15,734)	-
(8,656)	(Increase) Decrease in GST	2,693	-
<b><u>1,225,886</u></b>	<b>Net Cash Flows from Operating Activities</b>	<b><u>(645,395)</u></b>	<b><u>(1,203,000)</u></b>

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

## **STATEMENT OF COMMITMENTS**

The Trust had no commitments at 30 June 2002. (2001: Nil)

## **STATEMENT OF CONTINGENCIES**

The Trust had no contingent liabilities at 30 June 2002. (2001: Nil)

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

### Note 1: Statement of financial performance

Actual 2000/01 \$		Actual 2002 \$	Budget 2002 \$
	The net surplus is after charging for:		
(956)	Fees paid to auditors - external audit	3,044	4,000
40,538	Trustees fees	40,944	45,000
17,174	Travel expenses	17,611	28,000
102,617	General trust expenses	179,116	155,000
128,178	Identification contract expenses	463,271	956,000
11,086	Property expenses	3,128	15,000

The variance between actual and budgeted expenditure in the category 'Identification contract expenses' is primarily due to timing issues.

### Note 2: Bank

The current interest rate receivable on WestpacTrust cheque account is 2.65% per annum. Interest on the term deposit is earned at 5.54 - 5.62%.

### Note 3: Receivables and advances

Actual 2000/01 \$		Actual 2002 \$
1,004	Rental income	263
14,901	Other	9,004
<b>15,905</b>	<b>Total</b>	<b>9,267</b>

## Note 4: Properties held in Trust

The Trust considers the latest Quotable Value New Zealand valuations at 1 October 1997 are an indication of fair value. These values were used as the basis for transferring the properties to the Trust.

There are 32 claim properties to be transferred to the Trust. Properties transferred to the Trust as at 30 June 2002 are listed as follows:

<b>Actual 2000/01</b>	<b>Name of Property</b>	<b>Actual 2002</b>
\$		\$
25,000	Ahuriri-Te Waihora	25,000
80,000	Aparima 1	80,000
16,000	Aparima 2	16,000
60,000	Arawhata Site 1	60,000
75,000	Arawhata Site 2	75,000
40,000	Awarua Site	40,000
12,000	Bruce Bay Site 5	12,000
12,000	Bruce Bay Site 6	12,000
12,000	Bruce Bay Site 2	12,000
56,000	Bruce Bay 1,3 & 4	56,000
24,000	Bushy Point	24,000
10,000	Hawea Lakeside 1,2 & 3	10,000
37,000	Invercargill	37,000
128,000	Kaikoura Suburban	128,000
51,000	Kaikoura Town	51,000
10,000	Maranuku	10,000
125,000	Okahu Replacement Site	125,000
35,000	Okahu Site	35,000
25,000	Paringa River	25,000
135,000	Substitute Maranuku	135,000
2,000	Taiaroa Head No 1	2,000
36,000	Tatawai Replacement	36,000
70,000	Te Ihutai	70,000
85,000	Waimumu No 1	85,000
5,000	Waimumu No 2	5,000
-	Waimumu No 3	-
5,200	Wainono	5,200
18,000	Whakapohai	18,000
<hr/> <b>1,189,200</b>	<b>Total</b>	<hr/> <b>1,189,200</b>

The other four sites are waterbeds for fishing rights and have no monetary value.

## Note 5: Payables and provisions

Actual 2000/01	Name of Property	Actual 2002
\$		\$
1,126	Trustee fees	1,126
-	Rental Income received in Advance	356
63,070	Other	47,335
<hr/>		<hr/>
<b>64,196</b>	<b>Total</b>	<b>48,817</b>

## Note 6: Financial instruments

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

The Ngāi Tahu Ancillary Claims Trust has a series of policies providing risk management for interest rates and the concentration of credit. The Ngāi Tahu Ancillary Claims Trust is risk-averse and seeks to minimise its exposure from its treasury activities. Its policies do not allow any transactions which are speculative in nature to be entered into.

### Credit risk

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

The 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. The Trust also reduces its exposure to risk by limiting the amount that can be invested in any one institution. The Ngāi Tahu Ancillary Claims Trust believes that these policies reduce the risk of any loss which could arise from its investment activities. The Ngāi Tahu Ancillary Claims Trust does not require any collateral or security to support financial instruments.

There is no significant concentration of credit risk.

### 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

The 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 7: Post balance date events

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

## Note 8: Related Party Transactions

No related party transactions.

## Note 9: Fixed Assets and Accumulated Depreciation

<b>Asset</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Book Value 30/06/02</b>	<b>Book Value 30/06/01</b>
<b><i>Office Equipment</i></b>				
Office Furniture	1,771	406	1,365	1,184
Computers & Programme	10,000	4,828	5,172	6,501
Office Equipment	251	156	95	159
	<b>\$12,022</b>	<b>\$5,390</b>	<b>\$6,632</b>	<b>\$7,844</b>

## OTHER INFORMATION

### List of Trustees as at 30 June 2002

Mr G Grant  
Chairperson  
(Crown-appointed Trustee)

Mr K Were  
(Crown-appointed Trustee)

Mr Te Pura Parata  
(Ngāi Tahu-appointed Trustee)

Ms R Carruthers  
(Crown-appointed Trustee)

Mr D Couch  
(Ngāi Tahu-appointed Trustee)

## GLOSSARY OF TERMS

### *Ancillary Claims*

Ancillary Claims are the private claims of individual Ngāi Tahu beneficial owners or groups of beneficial owners which were tabled at the Waitangi Tribunal at the same time as the Wai 27 hearings were held. Associated with the Ancillary Claims are 32 Claim Properties.

### *Claim Property*

These are the land, interest in land, Fenton Entitlement or Customary Fishing Entitlement to be provided by the Crown as redress for the Ancillary Claim and which will vest in the Trust pending vesting with current day beneficiaries.

### *Fenton Entitlement*

An entitlement granted pursuant to the Ngāi Tahu Claims Settlement Act to temporarily occupy land close to waterways so as to allow for access for fishing and gathering of other natural resources.

### *Customary Fishing Entitlement*

An entitlement granted pursuant to the Ngāi Tahu Claims Settlement Act to temporarily and exclusively occupy an area of the bed of the waterway for fishing and gathering of natural resources.

### *Deed of Settlement*

An agreement between the Crown and Ngāi Tahu. Section 14 of the Deed of Settlement deals with Ancillary Claims.

### *Date of Harm*

The date or period in which actions by the Crown gave rise to breach of its Treaty obligations.

### *Original Beneficiary*

A person who suffered a loss as at the date of harm.

### *Beneficiaries*

The successors of the original beneficiaries relating to each Ancillary Claim.

