



Report of the

**MĀORI PURPOSES
FUND BOARD**

for the year ended
31 March 2002

Presented to the House of Representatives Pursuant to Section 14 of
the Māori Purposes Fund Act 1934- 1935

E. 16



Minister of Māori Affairs

I have the honour to forward to you the annual report of the Māori Purposes Fund Board for the year ended 31 March 2002.

A handwritten signature in cursive script, reading 'Winifred Jardine'.

Winifred Jardine
Secretary

Ki te Minita mō Ngā Take Māori

He hōnore ki ahau te tuku au i Te Pūrongo a Tau a te Māori Purposes Fund Board ki a koe mō te tau i mutu i te 31 o Maehe 2002.

A handwritten signature in cursive script, reading 'Winifred Jardine'.

Winifred Jardine
Hekeretari

MĀORI PURPOSES FUND BOARD 2000**Members***Chairperson*

The Hon. Parekura Horomia, Minister of Māori Affairs

Ex Officio Members

Hon Dover Samuels MP, Tai Tokerau

Hon Tariana Turia MP, Te Tai Hauauru

Hon John Tamihere MP, Tamaki Makaurau

Mahara Okeroa MP, Te Tai Tonga

Mita Rinui MP, Waiariki

Nanaia Mahuta MP, Tainui

Ministry Member

Dr John Tamahori, Representative for the Chief Executive, Te Puni Kōkiri

New Zealand Māori Council Nominee

Mr Jim Nichols

Secretary

Winifred Jardine

E. 16

MĀORI PURPOSES FUND BOARD

The Māori Purposes Fund Board was established by the Māori Purposes Fund Act 1934-1935. The Board incorporates the functions of three former Board organisations namely:

- (a) The Māori Ethnological Research Board, 1923;
- (b) The Māori Purposes Fund Control Board, 1924; and
- (c) The Māori Arts and Crafts Council Board, 1931.

The fund was created to benefit Māori development, particularly in the area of cultural activities. Many of the purposes for which the Board may provide funding are now the responsibility of mainstream agencies. It is for these reasons the Board does not usually assist in cases where alternative sources of finance are available, nor does the Board assist projects that should receive funding from a mainstream government department.

The general objects of the fund are:

- (1) The promotion of the health, education, and social and economic welfare of Māori;
- (2) The encouragement and teaching of Māori arts and crafts;
- (3) Research into and the publication of books and papers on the arts and crafts, language and customs, traditions and history of the Māori and cognate races of the Pacific Ocean;
- (4) The preservation of the Māori language; and
- (5) The financial assistance by grant or otherwise of societies or institutions formed to carry out any such objects as aforesaid on any like object.

The Board is empowered by the Act to grant money for other purposes, however it now has limited funding to do so. It has been a current trend of the Board to grant money for Māori cultural art or literary related projects. These purposes have included providing funds for the publishing of books regarding Māori, and the translation of books of cultural significance or value into Māori.



Audit New Zealand

REPORT OF THE AUDITOR-GENERAL

TO THE READERS OF THE FINANCIAL STATEMENTS OF THE MAORI PURPOSES FUND BOARD FOR THE YEAR ENDED 31 MARCH 2002

We have audited the financial statements on pages 8 to 15. The financial statements provide information about the past financial performance of the Maori Purposes Fund Board ("the Board") and its financial position as at 31 March 2002. This information is stated in accordance with the accounting policies set out on pages 8 to 9.

Responsibilities of the Board members

The Maori Purposes Fund Act 1934-35 requires the Board members to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of the Board as at 31 March 2002 and the results of its operations and cash flows for the year ended on that date.

Auditor's responsibilities

Section 15 of the Public Audit Act 2001 and Section 6 of the Maori Purposes Fund Act 1934-35 require the Auditor-General to audit the financial statements presented by the Board. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed H C Lim, 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 Board members in the preparation of the financial statements; and
- ▲ whether the accounting policies are appropriate to the Board'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 Board.

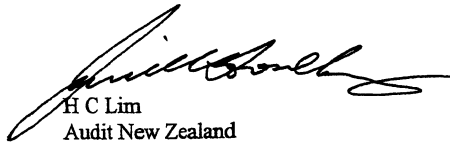
Unqualified opinion

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

In our opinion the financial statements of the Board on pages 8 to 15 :

- ▲ comply with generally accepted accounting practice in New Zealand; and
- ▲ fairly reflect:
 - the Board's financial position as at 31 March 2002; and
 - the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 18 June 2002 and our unqualified opinion is expressed as at that date.



H C Lim
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

MĀORI PURPOSES FUND BOARD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2002

**MAORI PURPOSES FUND BOARD
STATEMENT OF ACCOUNTING POLICIES**

1. Statutory Basis

The financial statements have been prepared in accordance with the Maori Purposes Fund Act 1934-35. The general objects for which money in the Maori Purposes Fund may be applied are for the following:

- a) The promotion of health, education, and social and economic welfare of Maoris:
- b) The encouragement and teaching of Maori arts and crafts:
- c) Research into and publication of books and papers on the arts and crafts, language, customs, traditions, and history of the Maori and cognate races of the Pacific Ocean:
- d) The preservation of the Maori Language:
- e) The financial assistance by grant or otherwise of societies or institutions formed to carry out any such object as aforesaid or any like object.

2. Accounting Policies

The financial statements have been prepared using the historical cost basis of measurement.

2.1 Revenue

The Maori Purposes Fund Board derives revenue predominately through income earned from the investment of capital. Other revenue is derived from the sale of publications, "The Coming of the Maori".

2.2 Grants

Grants are treated as expenditure in the year paid by the Board.

2.3 Investments

Investments are stated at the lower of cost and net realisable value.

2.4 Publications on Hand

These are recorded at the lower of cost, which is determined on a first-in-first-out basis, and net realisable value.

2.5 Sundry Debtors

These are recorded at net value after deducting any amounts that are considered to be doubtful debts.

2.6 Goods and Services Tax (GST)

GST is excluded from the Statement of Financial Performance and the Statement of Financial Position except for Sundry Debtors and Sundry Creditors which are GST inclusive. GST Receivable or Payable is included in Debtors or Creditors whichever is applicable.

2.7 Financial Instruments

The Board is party to financial arrangements in the form of bank accounts, accounts receivable, accounts payable and accruals as part of its everyday operations. These are reflected in the Statement of Financial Position at their fair value.

Revenues and expenses in relation to the financial instruments are recognised in the Statement of Financial Performance in arriving at the operating result.

2.8 Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts and on-call deposits with Auckland Savings Bank.

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

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

3. Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous periods.

MAORI PURPOSES FUND BOARD
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 \$	2001 \$
Revenue			
Interest			
Auckland Savings Bank		11,916	29,380
Hong Kong Shanghai Bank		32,695	4,397
National Bank of New Zealand		4,701	0
Westpac Trust		0	16,954
Total Interest Income		<u>49,312</u>	<u>50,731</u>
Sale of Board Publications	1	720	2,767
Total Other Income		<u>720</u>	<u>2,767</u>
Total Revenue		<u><u>50,032</u></u>	<u><u>53,498</u></u>
Expenditure			
Cost of Goods Sold	1	105	394
Administration	2	1,912	1,500
Audit Fee		1,200	1,200
Complimentary Books		26	18
Books Written Off/(Back)		18	0
Grants Paid		5,000	0
Publications		6,215	0
Total Expenditure		<u>14,476</u>	<u>3,112</u>
Net surplus/(deficit)		<u><u>35,556</u></u>	<u><u>50,386</u></u>


The accounting policies and notes to the accounts form an integral part of the Financial Statements and should be read in conjunction with them.

MAORI PURPOSES FUND BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2002

	Notes	2002 \$	2001 \$
Accumulated Funds			
Opening Balance		858,609	808,223
Surplus		<u>35,556</u>	<u>50,386</u>
Total Accumulated Funds		<u>894,165</u>	<u>858,609</u>
Represented by:			
Current Assets			
Funds held by the Maori Trustee		1	2,877
Sundry Debtors	3	9,184	9,318
Auckland Savings Bank - Call Account		32,053	50,026
Board Publications			
The Coming of the Maori		<u>6,526</u>	<u>6,675</u>
Total Current Assets		<u>47,764</u>	<u>68,896</u>
Non-Current Assets			
Hong Kong Shanghai Bank Term Deposit		650,000	620,000
National Bank of New Zealand		200,000	0
Auckland Savings Bank		<u>0</u>	<u>175,000</u>
Total Non Current Assets		<u>850,000</u>	<u>795,000</u>
Current Liabilities			
Sundry Creditors	4	<u>3,599</u>	<u>5,287</u>
Total Liabilities		<u>3,599</u>	<u>5,287</u>
Net Assets Employed		<u>894,165</u>	<u>858,609</u>


John Paki
Maori Trustee


A. M. Williams
Financial Controller
Maori Trust Office


Winifred Jardine
Secretary
Maori Purposes Fund Board

The accounting policies and notes to the accounts form an integral part of the Financial Statements and should be read in conjunction with them.

**MAORI PURPOSES FUND BOARD
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2002**

	Notes	2002	2001
		\$	\$
Equity as at 1 April		858,609	808,223
Net Surplus/(deficit)		<u>35,556</u>	<u>50,386</u>
Total recognised revenue/expenditure		35,556	50,386
Equity as at 31 March		<u><u>894,165</u></u>	<u><u>858,609</u></u>

The accounting policies and notes to the accounts form an integral part of the Financial Statements and should be read in conjunction with them.

MAORI PURPOSES FUND BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 \$	2001 \$
Cash flows from Operating Activities			
Cash was provided from:			
Interest Received		46,924	66,771
Sale of Board Publications		3,511	123
Total operating cash inflow		<u>50,435</u>	<u>66,894</u>
Cash was disbursed to:			
Other operating Expenses		4,800	2,472
Grants		11,216	0
Net GST		268	(125)
Total operating cash outflow		<u>16,284</u>	<u>2,347</u>
Net Cash inflow /(outflow) from Operating Activities	5	<u>34,151</u>	<u>64,547</u>
Cash flows from Investing Activities			
Cash was provided from:			
Auckland Savings Bank		175,000	480,000
Westpac Bank		0	500,000
Total investing cash inflow		<u>175,000</u>	<u>980,000</u>
Cash was applied to:			
Hong Kong Shanghai Bank		30,000	620,000
National Bank of New Zealand		200,000	0
Westpac Bank		0	500,000
Total investing cash outflow		<u>230,000</u>	<u>1,120,000</u>
Net Cash inflow/ (outflow) from Investing Activities		(55,000)	(140,000)
Cash flows from Financing Activities			
Cash inflow/ (outflow) flow during the year			
		<u>(20,849)</u>	<u>(75,453)</u>
Opening Cash Balance		52,903	128,356
Closing Cash held by the Maori Trustee	6	<u><u>32,054</u></u>	<u><u>52,903</u></u>

The accounting policies and notes to the accounts form an integral part of the Financial Statements and should be read in conjunction with them.

MAORI PURPOSES FUND BOARD**NOTES TO THE ACCOUNTS**

	2002	2001
	\$	\$
1		
Sale of Board Publications		
Sales	720	2,767
Cost of Goods Sold	<u>105</u>	<u>394</u>
	<u>615</u>	<u>2,373</u>
2		
Administration		
Maori Trustee Fee	1,000	1,000
Publication Costs 2000/2001	0	500
Publication Costs 2001/2002	(300)	0
Other expenses	<u>1,212</u>	<u>0</u>
	<u>1,912</u>	<u>1,500</u>
3		
Sundry Debtors Schedule		
Interest Auckland Savings Bank	0	4,394
Interest Hong Kong Shanghai Bank	3,774	1,693
Interest National Bank	4,701	0
GST Receivable	503	257
Sale of Board Publications	<u>206</u>	<u>2,974</u>
	<u>9,184</u>	<u>9,318</u>
4		
Sundry Creditors Schedule		
Audit Fees Payable	1,350	1,350
Publishing Costs Annual Report 1998/1999	0	563
Publishing Costs Annual Report 1999/2000	0	562
Publishing Costs Annual Report 2000/2001	562	562
Publishing Costs Annual Report 2001/2002	562	0
Maori Trust Office Fees Payable 1999/2000	0	1,125
Maori Trust Office Fees Payable 2000/2001	0	1,125
Maori Trust Office Fees Payable 2001/2002	<u>1,125</u>	<u>0</u>
	<u>3,599</u>	<u>5,287</u>

MAORI PURPOSES FUND BOARD

NOTES TO THE ACCOUNTS

	2002	2001
	\$	\$
5		
Reconciliation of the net cash flows from operating activities in the Statement of Cash Flows with the reported operating surplus		
Reported Surplus	35,556	50,386
Add Non-cash items		
(Increase)/ Decrease in Debtors	134	13,493
Decrease in Board Publications	149	411
(Decrease)/Increase in Creditors	<u>(1,688)</u>	<u>257</u>
	<u>34,151</u>	<u>64,547</u>
6		
Closing Cash as per Statement of Cashflows		
Closing cash held is represented by:		
Funds held by the Maori Trustee	1	2,877
Funds held by Auckland Savings Bank Call Account	<u>32,053</u>	<u>50,026</u>
	<u>32,054</u>	<u>52,903</u>

7 **Statement of Commitments**
There are no commitments as at 31 March 2002 (2001:Nil)

8 **Statement of Contingent Liabilities**
There are no contingent liabilities as at 31 March 2002 (2001:Nil)

9 **Financial Instruments**

The Board is party to financial arrangements in the form of bank accounts, accounts receivable, accounts payable and accruals as part of its everyday operations.

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. In the normal course of its business, the Board incurs credit risk from accounts receivable, and transactions with financial institutions.

The Board does not require any collateral or security to support financial instruments with financial institutions that the Board deals with as these entities have high credit ratings. For its other financial instruments, the Board does not have significant concentrations of credit risk.

Fair Value

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

MĀORI PURPOSES FUND BOARD BUDGET
 INCOME AND EXPENDITURE BUDGET
 FOR THE FINANCIAL YEAR ENDING 31 MARCH 2002

INCOME	Notes	2002/2003 BUDGET
INTEREST INCOME		
Funds held by the Māori Trustee	1	0
Auckland Savings Bank	2 & 3	10,362
Hong Kong Shanhai	3	33,284
National Bank	3	7,083
		<u>50,729</u>
OTHER INCOME		
Sale of Board Publications	4	360
Miscellaneous Income	5	0
		<u>51,089</u>
TOTAL INCOME		
EXPENDITURE		
Cost of Goods Sold	6	53
Annual Report	7	500
Administration Fee Maori Trustee	8	1,000
Audit Fee	9	1,200
Members Fees & costs	10	1,000
Complimentary Issues - Coming fo the Maori	11	26
Books unaccounted for/damaged	12	0
Grants		0
Promotion of Education		0
Promotion of Social and Economic Welfare		0
Support Maori Culture		0
Research and Publications	13	35,000
Miscellaneous expenses	14	10,000
		<u>48,779</u>
TOTAL EXPENDITURE		<u>48,779</u>
SURPLUS/DEFICIT INCOME		<u><u>2,310</u></u>