



2014
ANNUAL REPORT



Rangitane

Te Runanga a Rangitane o Wairau





TE RUI NANGA A RANGITANE O



Rangitane

Te Runanga a Rangitane o Wairau

	Page
CONTENTS	
Chairperson's Report	3
Audit Report	10
Consolidated Group Financial Statements	11
Statement of Financial Performance	11
Statement of Movements in Members Equity	12
Statement of Financial Position	12
Notes to the Financial Statements	13 - 17
Directory	17





CHAIRPERSON'S REPORT

Whāia te iti kahurangi ki te tūohu koe me he maunga teitei.

Tena koutou oku Rangatira, tenei te mihi mahana kia koutou haere mai nei tenei ata e kawē ana i nga take, nga kaupapa huhua noa o tou koutou whanau, tou koutou hapu, i roto i a koutou rohe.

Ka mihi hoki ki a ratou te hunga mate, a kia koutou, tatau nga kanohi ora o ratou ma kia tatau.

Tena koutou, tena koutou, tena koutou katoa.

Welcome to the 2014 Annual Report of Te Runanga a Rangitane o Wairau. It is with pleasure that I can once again report on a successful year and in particular, the investments that we have made to continue building a strong foundation for the future.

One of the challenges we face every year is to provide a report for our members that assures them that we have been managing the Iwi assets efficiently, effectively and at the same time providing meaningful support to the development of our whanau members aspirations. While we don't like to appear boastful there have been some significant decisions made that have changed the way in which we can enhance the future potential of our members. If imitation is the highest form of flattery, then we only have to look at our neighbours to see that the Trustees investment in our members has paid off. Many of the developmental innovations first offered by Rangitane have now become standard programs across Te Tau Ihu.

Knowing that the balance sheet is not the bottom line for performance, our Trustees are also keen to use this Annual Report to outline the benefits that have been made available to members over the past 12 months.

In anticipation of the eventual transfer of the commercial and cultural redress properties from the Crown into our ownership, we have spent much of the past year implementing the recommendations of an organisational review. This work has seen us engage advice on how we make positive changes to the way we will operate in the future.

In that regard I am pleased to draw members' attention to the unqualified audit certificate from our auditors, Deloitte. While we continue to develop our potential to manage our own business and democratic processes, retaining the services of an external auditor will ensure that our practices are consistent with other leading businesses of relative size.

Managing the expectations of a socio-cultural entity within a commercial context is not difficult provided that we remember that our goal is to operate in a business-like manner rather than solely focus on commercial objectives. Your Trustees have managed to put aside their own personal aspirations and concentrate their energy on addressing the consistent feedback from the wider Iwi membership. You will see that the key programs for our membership have focused around supporting the development of a Rangitane Cultural identity, supporting our members to access higher levels of education and providing support for individuals and whanau groups to promote Maori wellbeing within their communities.



The Rangitane Kaumatua Council has been re-activated.

Our Culture and Language group have completed four Marae based Wananga programmes, attracting members from as far away as Auckland, Wanganui, Wellington and Dunedin. Based at Omaka Marae and Ukaipo. These wananga were designed to introduce our Iwi members to our Waiata, Haka, wahi Tupuna and pakiwaitara that are unique to our rohe. The program was a success and plans are under way to commence the program again over the summer season.

Our Scholarships Program got off to a slow start but due to an unexpected windfall from our commercial trading activities we were able to provide two programmes within the same year. This resulted in 14 applications for tertiary study from our members receiving support. Again this program is now confirmed as one of our perennial investments in our members.

The challenge of meeting the needs of our sports men and women, our Kapa Haka teams, and our Manu Korero aspirants did not fit comfortably within the wananga or scholarship programmes. Those achievements were viewed by the Trustees as worthy of consideration and warranting support where possible through the establishment of a fund that supports wider Maori wellbeing amongst our members. Again the participation rate has been conservative but we are confident that this program will grow significantly in the future.

Perhaps the most significant achievement during this time has been the reactivation of our Kaumatua Council. In past years the Kaumatua Council were often the vanguard for the activism that separated Rangitane from the other Iwi of the region. Our problem has been less that we don't have enough Kaumatua and more that some of them are a bit shy about revealing their age. However a small core group has provided valuable advice and support for the events that have been held over the past year.

In summary I can assure you that it has been a busy year with lots of positive things happening for Rangitane o Wairau. I am certain that you will support in the annual accounts for the current Trustees to be considered as effective Kaitiaki for the Iwi assets. I am also confident that despite the wide ranging aspirations of our members, the Trustees have ensured that a program is operating that will enhance the social and cultural identity of the present and future generations of Rangitane.

PERFORMANCE OF PROGRAMS AND SERVICES TO MEMBERS

Over the past 5 years the Trustees have strived to develop the capacity of the Runanga to provide more for the members than merely representation and advocacy services. Looking at what other Iwi provide to their members to enable them to provide leadership within their iwi rohe has formed the basis of our delivery program. The feedback received from our own members has enabled us to make a start on programs and events which we believed they would find meaningful and valuable.

Rangitane o Wairau Wananga - \$34,000

Of the five strategic objectives identified in our strategic Plan Te Pae Tawhiti, our priority over the past 12 months has been providing opportunities for our Iwi members to develop their future leadership potential. Perhaps our most significant activity has been the establishment of a Rangitane Culture and Language Wananga Program, with the goal of increasing the knowledge, confidence and participation of our members in Kaupapa Maori.

There were four Wananga held at either Omaka Marae or Ukaipo covering subjects such as Rangitane Marae Tikanga, Waiata, Karanga, Whaikoroero and visits to sites of historic and cultural significance. About 140 Iwi members attended the four Wananga ranging from Auckland, Wanganui, Wellington and Christchurch. Aside from travel costs, the 4 weekend Wananga were provided free of charge to the 144 people who attended.



Rangitane o Wairau Education Scholarships - \$20,000

Our members long awaited educational achievement aspirations were finally realised with the launch of the Rangitane o Wairau Educational Scholarship program this year. Fourteen applications for tertiary study were supported in some of this country's leading universities across a wide range of studies, including: Business and Information Technology, Maori Studies, Archaeology, Law and Finance.

This program will continue to grow as relationships with universities, Technical Institutes, Wananga and other tertiary providers and industry are explored. Areas for obvious development in the next 12 months are internships for our students with key Rangitane business partners and of course employment opportunities for graduates.

Whanau Health and Wellbeing- \$20,000

We are an Iwi whose members have a diverse social and cultural heritage that often attains regional and national recognition. We have representative sportsmen and women, artists, writers and cultural performers all of whom require assistance from time to time.

We are also aware of times when some Iwi members merely require some discrete assistance to get a whanau reunion or community initiative up and running. We have assisted numerous members with a number of these events, all of which have contributed to the wider and positive recognition of Rangitane across the Marlborough region.

Macdonald Reunion - \$40,000

It was envisaged that we could always provide discrete financial support for whanau-focused activities, however the arrival of 500 provided a challenge for both the organisers and our Trustees. The Macdonald's are one of our principal Rangitane whanau and can claim many national and international sportsmen and women amongst their membership.

That the Reunion was being held in Marlborough the birthplace of this large Rangitane whanau, attracting visitors from Australia and the United States warranted special consideration from the Runanga. Financial support was provided for the event from the Trustees, along with Customary Permits to harvest Kaimoana. After a lapse of some years, the reunion was adjudged by all who attended as a huge success with plans already afoot to host another event in the North Island in the not too distant future.



RANGITANE HOUSE

The refurbished Rangitane House has attracted a very professional calibre of tenant and lifted the occupancy to above budget levels. This investment is one of the top performing assets in the Rangitane portfolio currently returning over 9% per annum. The extensive refurbishment has significantly modernised the appearance of the building which now has a reputation as one of the 'locations of choice' in the Marlborough Business Community.

TE UKAIPO

Opened in December 2012 Te Ukaipo was the realisation of a dream by the leadership of Rangitane over half a century ago to have a Rangitane Marae at Grovetown. The loss of Puketea to the Crown in exchange for two small pieces of land at Grovetown and Waikawa formed part of the evidence for the Waitangi Tribunal hearings for Rangitane on this very site in 2003. It was therefore not surprising the site of the old Grovetown Hall was returned as part of the settlement and provided an opportunity to develop a place for Rangitane o Wairau to celebrate their cultural aspirations.

The challenge to erect a meeting place, marae or church for the benefit of the Rangitane tribe was finally realised in 2012 and I am pleased to report that Te Ukaipo continues to grow and provide service as first envisaged by our Iwi leadership of that time. It has surpassed expectations with almost 3000 people coming through the doors in the first year and continues to attract events with an average of 200 people attending hui, wananga, weddings, fundraisers and all manner of cultural events and celebrations every month.

Fully-booked most weekends, more than half the bookings are made by Rangitane members, the remainder coming from the local community. Te Ukaipo continues to make a conservative but very important profit.

RANGITANE FISHERIES ASSETS

Our fisheries profitability is dependent on export prices to foreign markets and continue to operate in a highly volatile environment. This is particularly true for Rock Lobster and Paua which are strongly influenced by both the exchange rate and the health of the Chinese economy. Despite this we have traded reasonably well considering the high NZ dollar and the lessening number of buyers. We have not yet completed the negotiations for coastline agreements with all our Iwi neighbours, consequently we do not have our Quota allocation from Te Ohu.

As in previous years, Rangitane's ACE for both the April and October fishing seasons was sold on the open-market using a competitive tender process in order to achieve the highest possible returns. A wide range of fishing companies and individuals fishers including Maori-owned fishing companies and Rangitane fishers were provided with opportunities to participate in the tenders.

The main April fishstocks are Southern Blue Whiting (SBW) and Rock Lobster (CRA5), and the October fishstocks include a wide range of inshore and deepwater wetfish stocks plus Paua (PAU7).



Figure 1 shows the sales revenue and the contribution of the different categories of ACE in 2013-14 along with the trend in total ACE returns over the last five years.

FIGURE 1.

ANNUAL RETURNS FROM ACE SALES
(Before Te Ohu charges)

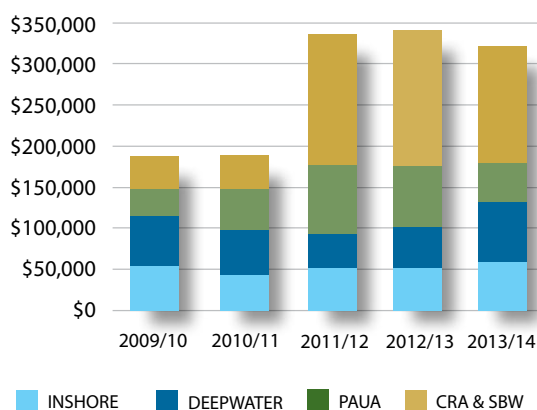


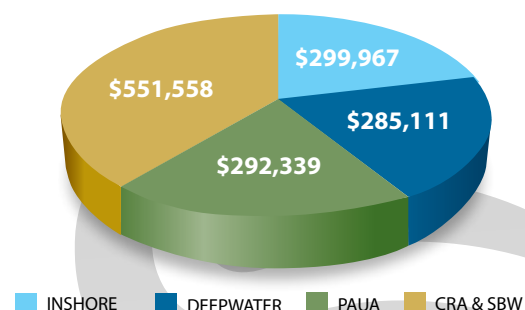
Fig 1 shows that our total ACE sales returns in 2013-14 were just over \$332,000 (excl GST), which is a drop of 5% compared to the previous year.

Much of the drop in the return was due to lower prices received for both Rock Lobster and Paua ACE. However Rock Lobster (CRA) still accounted for 42% of total revenue with our deepwater stocks contributing 22%, inshore 21% and paua 16% of total revenue.

Figure 2 shows the contribution of different sectors to total returns from the sale of Rangitāne quota/ACE over the last five years.

FIGURE 2.

CONTRIBUTION OF EACH SECTOR OVER LAST 5 YEARS OF ACE SALES



Over the past five years revenue from the sale of Rangitāne's ACE has totalled more than \$1.4 million. Rock lobster & southern blue whiting (CRA & SBW) have been the largest contributor to total ACE sales revenue (39%) followed by inshore (21%), deepwater (21%) and paua (20%).

Overall, with the exception of Paua, market trading conditions for seafood products generally are expected to remain largely unchanged in the next 12 months. As there are no market issues of significance on the horizon, the direction of quota/ACE returns will largely be determined by the direction of exchange rate movements in 2014-15.



Te Hokinga Mai – In January 2014, the Macdonald Whānau came together in Blenheim for a long awaited 4 day reunion.

APPOINTMENT OF TRUSTEES

In line with our Trust Deed, two Trustees were required to retire annually by rotation and those Trustees were Rata Andrell (who did not seek reappointment) and Lawrence MacDonald.

At the close of nominations at 12 noon on the 6th of November 2014 only two nominations had been received for the two vacancies to the Rangitane O Wairau Trust. On that basis it would be proper to declare the appointment of Wendy Hynes and Lawrence MacDonald to the Board of Trustees for the Rangitane o Wairau Settlement Trust.

APPOINTMENT OF EXECUTIVE KOMITI

The Executive Committee of Te Runanga a Rangitane o Wairau Incorporated Society comprises six elected officers, Kaumatua representatives and portfolio convenors.

Two elected officers are required annually to retire by rotation. Four nominations were received this year from Richard Andrell, Jeanine Sadd, Jeffrey Hynes and Wendy Hynes.

There were only five elected officers on current Executive Komiti, and under normal circumstances this number of nominations would require an election by postal ballot. After some discussion with the nominees, Jeanine Sadd has agreed to fill one of the vacancies for a 12 month term at which time she will retire by rotation and seek re-election for a three year term. Richard Andrell has withdrawn his nomination in order to focus his attention on portfolio development.

As there were only two nominations for the two remaining vacancies, the nominations from Wendy Hynes and Jeffrey Hynes are able to be confirmed for appointment, all of the nominees have been able to be appointed and the expense of a postal ballot has been avoided.

I would like to take this opportunity to thank Rata Andrell for her strong support and service to both the Trust and as Chairperson of our Runanga Incorporated Society over the past three years. In wishing her well for the future, I am sure we will continue to benefit from Rata's support across the organisation.



LOOKING FORWARD – MA TE HURUHURU TE MANU KA RERE

Our Settlement properties are in the process of being transferred from the Crown to Rangitane and work is underway to identify opportunities to exploit these for the best returns for our Iwi. Negotiations continue to develop between Kurahaupo and the Crown regarding Base Woodbourne.

A significant amount of effort has been invested by your Trustees in reviewing the organisation and positioning the structure of the Runanga to ensure the best returns culturally, economically, politically and socially. Our Strategic Plan Te Pae Tawhiti is being reviewed with the Trustees, our company Directors and Executive Komiti to ensure its objectives are relevant and able to frame the pathway for building a better future for our people.

While the focus has been on the review and development of the Runanga governance and management it is apparent that our communications and reporting has not been as strong as in previous years. This will be rectified in the coming year and you can expect to see a stronger focus on programs that support cultural and social outcomes. Significant investment in wananga and cultural activities over the next year will greatly enhance our wellbeing and ensure that our cultural values of Whanaungatanga, Kaitiakitanga, Rangatiratanga, Manaakitanga and Rangitanetanga continue to shape who we are.

Our most significant resource and potential are our Iwi members. How we plan for our future will have a major impact on what we can achieve for current and future generations. Iwi members continue to achieve in many diverse fields: sports, music, arts, business and many more. The challenge for the future will be to ensure our values and cultural practices are valued not only within our own membership but within the wider community.

No reira oku Rangatira oku Whanaunga -
Tini whetu ki te rangi ko nga uri o Rangitane
ki te whenua – Kei puta te Wairau.

Judith MacDonald
Chairperson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TE RUNANGA A RANGITANE O WAIRAU TRUST

Report on the Financial Statements

We have audited the financial statements of Te Runanga A Rangitane O Wairau Trust and Group (the 'Group') on pages 11 to 17, which comprise the statement of financial position as at 31 March 2014, and the statement of financial performance and statement of movements in members equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Members, as a body, in accordance with the Trust Deed. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of financial statements, in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the Group.

Opinion

In our opinion, the financial statements on pages 11 to 17 present fairly, in all material respects, the financial position of Te Runanga a Rangitane o Wairau Trust as at 31 March 2014, and its financial performance for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.



Chartered Accountants
20 October 2014
Wellington, New Zealand

TE RUNANGA A RANGITANE O WAIRAU TRUST & GROUP

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2014

	Note	Group 2014 \$	Trust 2014 \$	Group 2013 \$	Trust 2013 \$
REVENUE					
Fish Quota Revenue		332,623	332,622	342,463	342,463
Rental Income		511,849	-	462,982	-
Management Fees		-	42,000	-	42,000
Interest Received		1,589,308	1,597,982	327,613	324,297
Dividend Income		41,333	-	266,267	-
Other Revenue		182,264	154,141	780,400	745,400
Total Revenue		2,657,377	2,126,745	2,179,725	1,454,160
EXPENSES					
Fish & Quota Expenses		74,589	74,589	61,760	61,760
Rental Operating Expenses		279,492	-	239,510	-
Social Services		3,602	3,602	14,064	14,064
Tua Matene		5,390	5,390	11,872	11,872
Salaries, Wages & Contractors		384,077	384,077	337,638	293,674
Depreciation	3	178,210	90,983	120,144	49,483
Loss on Write-off Grovetown Hall		-	-	354	354
Honoraria and Fees		160,446	77,946	161,750	71,750
Legal Fees		17,998	16,052	33,696	16,393
Occupancy Expenses		62,291	65,568	63,206	65,071
Change in Fair value of Fish Quota		42,152	58,330	20,922	40,554
Change in Fair value of Shares		850	-	17,915	-
Audit Fees		15,876	10,876	13,046	13,046
Other Expenses		361,326	326,986	287,995	268,236
Total Expenses		1,586,299	1,114,399	1,383,872	906,257
Operating Surplus / (Deficit) For the Period		1,071,078	1,012,346	795,853	547,903
Rangitane Treaty Settlement		1,241,519	1,241,519	22,321,402	22,321,402
Taxation Expense	4	17,007	-	51,132	-
Surplus / (Deficit) For the Period, After Tax		2,295,590	2,253,865	23,066,123	22,869,305

These financial statements should be read in conjunction with the notes to the financial statements on pages 13 to 17.

STATEMENT OF MOVEMENTS IN MEMBERS EQUITY

FOR THE YEAR ENDED 31 MARCH 2014

	Note	Group 2014 \$	Trust 2014 \$	Group 2013 \$	Trust 2013 \$
Opening balance 1 April		33,505,544	32,945,309	10,439,421	10,076,004
Net Surplus / (Deficit) for the Year		2,295,590	2,253,865	23,066,123	22,869,305
Funds Settled During the Year		-	-	-	-
Total Recognised Revenue & Expenses		2,295,590	2,253,865	23,066,123	22,869,305
Closing Balance 31 March		35,801,134	35,199,174	33,505,544	32,945,309

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2014

	Note	Group 2014 \$	Trust 2014 \$	Group 2013 \$	Trust 2013 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		24,952,773	24,910,548	868,226	811,533
Short term deposits		-	-	23,468,177	23,468,177
Accounts receivable		105,531	75,197	165,708	146,838
Prepayments		82,639	-	73,514	-
GST Receivable		-	-	2,183	-
Total Current Assets		25,140,943	24,985,745	24,577,808	24,426,548
Non-Current Investments	5	2,561,638	7,377,755	1,504,144	5,662,085
Property, Plant and Equipment	3	8,161,991	2,901,750	7,563,450	2,924,923
TOTAL ASSETS		35,864,572	35,265,250	33,645,402	33,013,556
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable		60,574	56,263	139,858	51,738
GST Payable		2,864	9,813	-	16,509
TOTAL LIABILITIES		63,438	66,076	139,858	68,247
NET ASSETS		35,801,134	35,199,174	33,505,544	32,945,309
TRUST FUNDS					
Funds Settled		2,082,129	2,082,129	2,082,129	2,082,129
Retained Earnings		33,719,005	33,117,045	31,423,415	30,863,180
TOTAL TRUST FUNDS		35,801,134	35,199,174	33,505,544	32,945,309

These financial statements should be read in conjunction with the notes to the financial statements on pages 13 to 17.

The financial statements were approved for issue by:



Trust Chair - Judith MacDonald



Trustee – Viveyan Tuhimata-Weke

Dated 20 October 2014

TE RUNANGA A RANGITANE O WAIRAU TRUST & GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entities

Te Runanga A Rangitane O Wairau Trust (the Trust) is a Mandated Iwi Organisation. The Trust is a charitable organisation responsible for the cultural and social aspects of iwi related matters. The Trust has a wholly owned subsidiary, Rangitane Holdings Limited that is responsible for the commercial development and investment of iwi assets. The Rangitane O Wairau Settlement Trust is a holding Trust for the Iwi settlement from the Crown. The consolidated financial statements comprise of all three of the operations of the Trust, Rangitane Holdings Limited and the Settlement Trust.

Basis for Preparation

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Trust and Group.

The financial statements of the Trust and Group have been prepared in accordance with New Zealand Generally Accepted Accounting Principles on an historical cost basis, except as noted below regard fish quota, and are presented in New Zealand Dollars. They comply with approved Financial Reporting Standards (FRSs) and Statements of Standard Accounting Practice (SSAPs) as appropriate, under New Zealand GAAP.

These financial statements have been prepared in accordance with the Framework for Differential Reporting issued by the Institute of Chartered Accountants of New Zealand since the Trust and Group has no public accountability and does not qualify as large.

2. SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

2.1 Consolidation Accounting Policy

The Group financial statements are prepared by combining the financial statements of all the entities that comprise the Group, on a line by line basis. The Group consists of the Trust (the "Parent"), Rangitane Holdings Limited and the Rangitane O Wairau Settlement Trust. Consistent accounting policies are employed in the preparation and presentation of the Group financial statements. In preparing the Group financial statements, all inter-entity balances and transactions are eliminated in full.

2.2 Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and short term deposits with an original maturity of less than three months that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.3 Investments

Fish Quota

Fish Quota is initially recorded at assessed fair value. The annual valuation is independently performed based upon assessed net realisable value using current market information.

Other Investments

Other investments are valued at the lower of cost or net realisable value except for the shares held in Foley Family Wines Ltd, Meridian Energy Ltd and Mighty River Power Ltd. These shares have been included at Fair Value. Where the carrying amount of an investment exceeds its recoverable amount it is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2.4 Foreign Currencies

Transactions in foreign currencies are recorded in New Zealand dollars by applying the exchange rates ruling at the date of the transaction. Balance sheet amounts are revealed annually to the current rate and all differences taken to the statement of financial performance.

2.5 Property Plant and Equipment

All items of Property Plant and Equipment are shown at cost less accumulated depreciation to date. Cost includes the value of consideration exchanged, or fair value in the case of donated or subsidised assets, and the costs directly attributable to bringing the item to working condition for its intended use.

Subsequent expenditure relating to an item of Property Plant and Equipment is capitalised to the initial costs of the item when the expenditure increases the economic life of the item or where expenditure was necessarily incurred to enable future economic benefits to be obtained. All other subsequent expenditure is expensed in the period in which it is incurred.

2.6 Depreciation

The annual rates of depreciation applicable are based on the estimated useful lives as follows:

- | | |
|--------------------------------|-------------|
| • Buildings | 33-50 years |
| • Plant, equipment & furniture | 2 - 8 years |
| • Motor Vehicles | 4 - 5 years |

Land and capital work in progress is not depreciated.

2.7 Accounts Receivable

Accounts receivable are recognised at the original invoice amount less any doubtful debts that are not considered recoverable. Bad debts are written off in the period in which they are identified.

2.8 Taxation

The Trust is a registered Charity is therefore exempt from income taxation.

Rangitane Holdings Limited is taxable as a Maori Authority and taxed at the rate of 17.5%.

The Rangitane O Wairau Settlement Trust is taxable as a normal qualifying trust at the rate of 33%. Current Group Policy is that this Trust will not be a Trading Trust.

Income tax is calculated on the taxes payable method and no account is taken of deferred tax implications.

2.9 Goods and Services Tax (GST)

These financial statements have been prepared on a GST exclusive basis except that accounts receivable, accounts payable and accrued expenses where applicable include GST.

2.10 Leases

The Trust and Group leases buildings both as lessee and lessor. Operating lease payments, where the lessors effectively retain all the risks and benefits of ownership of the leased items, are included in the Statement of Financial Performance in equal installments over the lease term.

2.11 Accounts Payable

Trade and other payables represent the liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid. These amounts are usually settled within 30 days.

2.12 Employee Entitlements

All employee benefits of the Trust are expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, plus annual leave earned and accrued to, but not taken at balance date.

2.13 Revenue Recognition

Revenue is recognised on the following bases:

(i) Treaty Settlements

Treaty settlements and all amounts relating thereto are normally accounted for on a cash basis as the amounts are received to iwi.

(ii) Contractual and Lease Revenues

Contract revenue is recognised by reference to the stage of completion of service by the Trust and Group. Amounts received in advance of the service being provided are deferred and recognised as Income in Advance.

Operating lease revenue is recognised evenly over the expected period of benefit to the Trust and Group.

(iii) Interest Income

Interest income is recognised in the period in which the interest is earned on an effective interest rate basis.

2.14 Financial Instruments

The Trust and Group do not have any off-balance sheet financial instruments. Financial instruments purchased with the intention of being held for longer than one year or until maturity are recorded at cost which is adjusted for the amortisation of premiums and accretion of discounts to maturity.

2.15 Change in Accounting Policies

The accounting policies have been applied on a consistent basis with those of the previous year.

3. PROPERTY, PLANT AND EQUIPMENT

Group 2014	Group 2014 Cost \$	Group 2014 Depreciation Expense \$	Group 2014 Accumulated Depreciation \$	Group 2014 Book Value \$
Land	2,189,950	-	-	2,189,950
Buildings	6,019,584	133,612	280,536	5,739,048
Plant, Equipment & Furniture	295,467	40,173	72,798	222,669
Motor Vehicles	35,416	4,425	25,091	10,325
Total Fixed Assets	8,540,417	178,210	378,425	8,161,992

Group 2013	Group 2013 Cost \$	Group 2013 Depreciation Expense \$	Group 2013 Accumulated Depreciation \$	Group 2013 Book Value \$
Land	1,929,950	-	-	1,929,950
Buildings	5,449,344	90,942	146,924	5,302,420
Plant, Equipment & Furniture	278,507	22,880	32,625	245,882
Motor Vehicles	35,416	6,322	20,666	14,750
Capital Work in Progress	70,448	-	-	70,448
Total Property, Plant and Equipment	7,763,665	120,144	200,215	7,563,450

Parent 2014	Parent 2014 Cost \$	Parent 2014 Depreciation Expense \$	Parent 2014 Accumulated Depreciation \$	Parent 2014 Book Value \$
Land	413,000	-	-	413,000
Buildings	2,335,863	47,120	71,362	2,264,501
Plant, Equipment & Furniture	285,675	39,438	71,751	213,924
Motor Vehicles	35,416	4,425	25,091	10,325
Total Fixed Assets	3,069,954	90,983	168,204	2,901,750

Parent 2013	Parent 2013 Cost \$	Parent 2013 Depreciation Expense \$	Parent 2013 Accumulated Depreciation \$	Parent 2013 Book Value \$
Land	413,000	-	-	413,000
Buildings	2,274,978	20,580	24,242	2,250,736
Plant, Equipment & Furniture	276,087	22,581	32,313	243,774
Motor Vehicles	35,416	6,322	20,666	14,750
Capital Work in Progress	2,663	-	-	2,663
Total Property, Plant and Equipment	3,002,144	49,483	77,221	2,924,923

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

4. TAXATION EXPENSE	Group 2014 \$	Parent 2014 \$	Group 2013 \$	Parent 2013 \$
Operating Surplus / (Deficit)	1,071,078	1,012,346	795,853	547,903
Non-taxable Trust Income	(1,012,346)	(1,012,346)	(547,903)	(547,903)
Income Adjustments	38,457	-	44,235	-
Taxable Earnings for the Year	97,189	-	292,185	-
Prima facie tax (@ 17.5%)	17,007	-	51,132	-
Tax Expense for the Year	17,007	-	51,132	-

5. INVESTMENTS	Group 2014 \$	Parent 2014 \$	Group 2013 \$	Parent 2013 \$
Shares Aotearoa Fisheries Ltd	425,394	-	425,394	-
Shares Foley Family Wines Ltd	18,935	-	-	-
Shares Meridian Energy Ltd	496,093	-	-	-
Shares Mighty River Power Ltd	525,600	-	-	-
Fish Quota	709,137	314,154	751,289	372,484
Rangitane Holdings Limited Shares	-	500,000	-	500,000
Loans to Rangitane Holdings Limited	-	6,300,648	-	4,789,301
Loans to Rangitane Settlement Trust	-	259,990	-	-
Rahotia Marine Advances & Shares	313,349	-	313,349	-
Other Investments	73,130	2,963	14,112	300
Total Investments	2,561,638	7,377,755	1,504,144	5,662,085

6. FINANCIAL INSTRUMENTS**Credit Risk**

Financial instruments which potentially subject the Trust to credit risk consist of bank balances, short term bank deposits and accounts receivable. The Trust does not require collateral or security to support financial instruments. The Trust's bank and short term deposit accounts are with the BNZ bank, Westpac and ASB.

Interest Rate Risk

Financial instruments which potentially subject the Trust to interest rate risk consist of bank balances and short term bank deposits. Interest rates received are the rates prevailing on the money market at the time of investment.

Fair Value

The carrying value of the Trust's financial assets and liabilities are equivalent to their fair value.

7. CONTINGENCIES & CAPITAL COMMITMENTS

Apart from the second installment on the Meridian Energy Ltd share purchase, the Parent and Group have no contingent liabilities as at 31 March 2014 (2013: Nil).

8. RELATED PARTIES

The Trust undertakes various administrative tasks for Rangitane Holdings Limited and received management fees of \$42,000 (2013 \$42,000). Rangitane Holdings Limited charged the Trust rent of \$44,335 (2013: \$43,922). Interest is charged by the parent on the loans made to the company amounting to \$11,374 (2013: \$Nil).

The Trust has advanced \$6,300,647 (2013: \$4,789,301) to Rangitane Holdings Limited made up of various loans, some of which are interest bearing. The Trust has sub-ordinated the loan such that repayments will not negatively impact the solvency of the subsidiary over this period.

The Trust has advanced \$259,990 (2013: \$Nil) to Rangitane O Wairau Settlement Trust which is to complete the purchase of two settlement properties which in the 2015 Financial Year will be transferred to one of the other Group entities.

Rangitane Holdings Limited has accounts payable of \$4,025 (2013: \$4025) owing to the Trust as at 31 March 2014.

Rangitane Holdings Limited owns 2,000 shares (\$2,000) representing a 50% ownership interest in Rahotia Marine Farms (2011) Limited. Rangitane Holdings Limited has advanced \$305,900 to Rahotia Marine Farms (2011) Limited.

No related party amounts were written off in the year.

Peters Doig Limited has been paid a total of \$22,745 by the Group for the year for accountancy services. Of this, \$14,235 was paid by the Parent.

9. SUBSEQUENT EVENTS

There were no material subsequent events after the balance date that require adjustment to these financial statements.

At Balance Date final legislation enactment by the Crown was awaited in respect of various properties agreed to be purchased from the Crown (under Treaty Settlement Agreement) at a total cost approximately of \$22m.

On 1 August 2014, \$21,720,000 was paid to Hardy-Jones Clark Trust Account for the settlement of 15 properties. These properties have been transferred to Rangitane Investments Limited (formerly Rangitane Developments Limited).

DIRECTORY

Patron:	Taane MacDonald
Trustees:	Judith MacDonald David Proctor Rata Andrell Richard Andrell Viveyan Tuhimata-Weke Lawrence MacDonald Tarina MacDonald
Accountants:	Peters Doig - Blenheim
Auditor:	Deloitte - Wellington
Bankers:	ASB and BNZ
Solicitors:	Hardy, Jones & Clark - Blenheim

TE RUNANGA A RANGITANE O WAIRAU INCORPORATED

Chair:	Rata Andrell
Komiti Members:	Judith MacDonald, Richard Andrell, Lawrence MacDonald, Tarina MacDonald

RANGITANE HOLDINGS LIMITED

Chair:	Mark Peters
Directors:	Judith MacDonald, Richard Bradley, Richard Olliver



Rangitane

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