



2011/12 >>>  
ANNUAL REPORT

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PARE HAURAKI FISHING TRUST



# ANNUAL REPORT >>> CONTENTS

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# FOREWORD >>> FROM THE CHAIR



*Ko te kupu tuatahi, ki tō tātou kaihangā, nāna nei te mauri,  
te ihi, te mana, te tapu, nāna anō te kākano i ruia mai i  
Rangiātea, mutunga kore rā e te wehi ki a ia.*

*Ngā mihi ki a Kīngi Tūheitia, e noho nei i te taumata tiketike  
i ahu mai ai i ōna tūpuna, i tōna whaea. Ki Te Whare Kāhui  
Āriki, pai mārire.*

*Ki ō tātou tini aituā, kia mihiā, kia tangihia ki a rātou  
mā kua whetūrangitia; haere koutou, haere koutou, okioki atu rā.*

*Ngā poroporoaki ki te māngai nō Ngāi Tai, ki a Lewis i hinga nei i  
te tau kua hemo, kia tere tonu rā te kārohirohi māu; haere atu rā e  
te rangatira;*

*Kā nui te aroha hoki ki Te Whare Ngāi Tai e rū ana i tēnei wā.*

*Nō reira, rātou te hunga wairua, rātou ki a rātou; tātou ngā kanohi  
ora, tātou ki a tātou.*

*Tātou te hunga oranga pūmautanga, tau atu rā, tau mai nei, e tau  
ana nei i runga i te pepeha e paiheretia e tātou.*

*E ngā maunga whakaruruhau, e ngā kōawa whakatere taniwha, e  
ngā whare kāwai rangatira katoa o Hauraki, tēnā rā koutou katoa.*

*Tēnā rā koutou katoa.*

I am very pleased to be able to present the Chairman's report for the 2011-2012 reporting period of the Pare Hauraki Fishing Trust. I was elected as Chairperson of the Hauraki Māori Trust Board in June 2012 and at that time I also assumed the role of Chairperson of the Trust given that the Board is the corporate trustee of the Trust. I take my responsibility as Chair very seriously and it is a privilege to have succeeded Toko Renata Te Taniwha.

Regrettably, Toko retired in this period as the representative for Ngāti Whanaunga, having served as Chairperson of the Trust since its inception. I would like to acknowledge the significant contribution Toko has made over the last 25 years in the area of fisheries and aquaculture settlement matters at a local, regional and national level. His work has laid a firm foundation for the Iwi of Hauraki to grow economically and ensure the sustainable use of our tribal waters. I would also like to recognise the sacrifice that Auntie Bonnie has made over the many years that she has supported Toko in his endeavors for the people.

The very sad passing of Mr Lewis Maxwell during this period is also acknowledged. He has been the Ngāi Tai trustee for the past three years and was about to commence a second term, before his untimely death. He was an asset to the Trust and will indeed be missed. Our thoughts have been with the whānau and Ngāi Tai since their loss.

I would also take this opportunity to thank Ms Amelia Williams for her time spent on the Trust as the trustee representative for Ngāti Tara Tokanui. Amelia did not seek re-election on to the Board thereby vacating her position from 27 April 2012. She is replaced by Mr Sonny Te Karu and Toko is replaced by Ms Pongarauhine Renata.

The Board, during this period, has acknowledged and agreed to support the Hauraki Collective to undertake treaty negotiations. This may assist the Iwi of Hauraki to consider their fisheries & aquaculture assets along with other settlement assets currently being negotiated.

In the meantime, the Trust has continued its programme for distribution of benefits to Hauraki marae, our tertiary students, our sports-people, and the Hauraki Kapahaka Festival which is in its 39th year. We have maintained a distribution of \$20K to each of the Iwi and/or groups within the Iwi, as determined by the Iwi members on the Trust, for their own purpose. We also provided a final grant of \$20K, being a total contribution of \$113, 775 to the Tainui Waka Alliance for the Tai Timu Tai Pari Tainui Exhibition at Te Papa, Wellington. The exhibition opening was held in early December 2011, to which the Trust contributed further funds to ensure a Hauraki presence.

Through its long-standing commercial relationship with the Sealords Group and Aotearoa Fisheries Limited, the Trust maintained the Pātaka Kai initiative whereby fish and mussels are provided for tangi, hurakohatu and other significant events, at minimum cost. Under this arrangement, 55 requests were met in this period, equating to 1 tonne each of fish and mussels. These were primarily for tangi and hurakohatu held on Marae. I hope access to our seafood resources increases since our cultural obligations are important.

We have made an adjustment to have all settlement assets brought into the consolidated accounts of the Group. Although \$16M of fisheries settlement assets have been returned to Hauraki there remains quota shares, cash and water space requiring to be returned home under the fisheries and aquaculture settlements. This is subject to ongoing negotiations with Waikato-Tainui, Ngāti Wai and Ngāti Whātua regarding the coastline area stretching from Miranda to Cape Rodney. The positive conclusion of these negotiations is a key focus area for the Trust.

Considered a good quality outcome for the Trust and the PHAHL in this period has been the confirmation of its strategic direction and the approval of documents which formalise the relationship between the Trust and the Company and outlines parameters within which PHAHL will operate. We expect there will be more effective positioning by PHAHL once capital is available to underpin the Trust's aspirations which have been embedded into the strategic

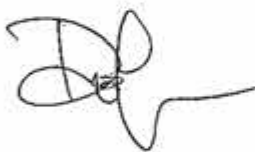
documents prepared. In this period, therefore, the key activities of PHAHL has been to trade ACE and do no more than explore business proposals which align to a strategy of consolidating the fisheries and aquaculture assets of the Iwi of Hauraki.

The Trust received two dividend payments from PHAHL during this reporting period which has resulted in the Trust reporting a profit of \$1.153M to the end of June 2012. When considered against the loss of similar size reported last year, the Trust is operating on a break-even basis which is expected since the only source of income is derived from the dividend payable by the PHAHL. Most of this profit will be repaid to the Hauraki Māori Trust Board for financing the distribution-of-benefits program and for providing managerial, financial and administrative services to the Trust for the past two years, under a signed agreement. Distribution of benefits from the Trust has equated to just over \$520k per annum.

I wish to acknowledge my fellow trustees and the strong advocacy they provide for their respective iwi and the Board as a whole, and also staff of the Trust Board team who provide support services to the Trust.

In conclusion, and on behalf of the Trust, I present this Annual Report to our members and trust it will provide you with the transparency and accountability necessary to give you satisfaction that the Trust continues to undertake its role with sincerity and commitment.

Heoi anō rā,  
Nāku nā



David Taipari  
Chairman

# ANNUAL REPORT ON >>> PERFORMANCES

## Reporting Requirements

### a. Introduction

The Pare Hauraki Fishing Trust (the Trust) is the Joint Mandated Iwi Organisation (JMIO), recognised by Te Ohu Kaimoana in March 2009 and mandated by Iwi members, to receive and have responsibility for the fisheries and aquaculture Treaty settlement assets of the 12 iwi of Hauraki. The Trust exercises strategic governance over the Pare Hauraki Asset Holdings Limited (PHAHL), a Company set up to commercially manage and grow Hauraki fisheries and aquaculture assets and provide a dividend back to the shareholder, which is the Trust.

This annual report is provided to report to Iwi members and to comply with the reporting requirements of the constitution of the Trust and the Maori Fisheries Act 2004.

### b. Reporting requirements

The Trust has annual reporting responsibilities which are set out in Kaupapa 7 of Schedule 11 of the Māori Fisheries Act 2004 and mirrored in its Trust Deed. In summary, the Trust is required to report:

- Its performance and that of the Company or any other entities that conduct business using Hauraki settlement assets;
- information on the steps taken to increase registered members;
- comparison of its performance against the objectives in the annual plan, including changes in shareholder or member value and dividend performance or profit distribution;
- Information on sales and exchanges of settlement quota including quantity and value of the settlement quota sold or exchanged and the identity of the purchaser;
- Any transaction with settlement quota that has resulted in a registered interest by way of caveat or mortgage being placed over the quota;
- The settlement quota interests that have been registered against the quota shares of the mandated iwi organisation;
- The value of income shares sold, exchanged or acquired; and
- Interactions in fisheries matters.

### c. The Annual Plan 2011/2012

The Trust is required to report on a comparison of its performance against the objectives in the annual plan, including any changes in shareholder or member value, and to report on dividend performance and/or profit distribution.

The Trust's Annual Plan to June 2012 is available and the following key objectives are identified:

- To hold, govern and distribute benefits from the aquaculture and fisheries settlement assets in accord with the Maori Fisheries Act 2004 and the Pare Hauraki Fishing Trust Deed.
- To exercise strategic governance over the aquaculture and fisheries settlement assets through overseeing the operations of PHAHL.
- To conclude the return of aquaculture and fisheries settlement assets from Te Ohu Kaimoana to the Iwi of Hauraki.
- To review structural and operational arrangements between the Trust, PHAHL and the Hauraki Māori Trust Board.
- To establish and maintain strategic alliances and relationships.
- To communicate with, report and be accountable to the Iwi of Hauraki on the benefits accruing from fisheries and aquaculture settlement assets generated by PHAHL and the performance of the Trust and PHAHL.

A Scorecard of Performance against these objectives is attached as Appendix 1.

It is pleasing to report that Shareholder value has increased by almost \$0.7M against last year's report. This is due to the profits earned during the year from operations.

## Trusteeship

The Hauraki Māori Trust Board is the corporate trustee of the Trust. The HMTB as corporate trustee comprised the following trustees over the 2011/2012 period:-

- Toko Renata Te Taniwha (retired 27 April 2012), Chairperson
- David Taipari of Ngāti Maru, Chairperson
- Pine Harrison of Ngāti Porou ki Harataunga ki Mataora, Vice-Chairperson

- Amelia Williams (retired 27 April 2012), Trustee
- Sonny Te Karu of Ngati Tara Tokanui (member since 27 April 2012), Trustee
- John Linstead of Ngati Hako, Trustee
- Joe Davis of Ngati Hei, Trustee
- Harry Mikaere of Ngati Pukenga ki Waiau, Trustee
- Wiremu Peters of Patukirikiri, Trustee
- Pongarauhine Honey Renata of Ngati Whanaunga (member since 27 April 2012), Trustee
- Jill Taylor of Ngati Rahiri-Tumutumu, Trustee
- Kemara Tukukino of Ngati Tamatera, Trustee
- Glen Tupuhi of Ngati Paoa, Trustee

There have been two changes to the trusteeship of the Board over this reporting period as a result of HMTB having completed its triennial elections. Firstly, having headed the Board from its inception some 24 years ago, Toko Renata Te Taniwha announced his retirement which was accepted with deep regret. The replacement trustee for Ngāti Whanaunga iwi is Pongarauhine Honey Renata. In addition, Amelia Williams refrained from seeking re-election in this current term with the replacement trustee for Ngāti Tara Tokanui being Sonny Te Karu.

Trustees met nine (9) times from 1 July 2012 to 30 June 2012. Trustee fees and travel expenses during this reporting period are set out in the table below.

### Fees and Travel 2011/2012

PHFT TRUSTEES	MTGS	FEES \$	TRAVEL \$	TOTAL \$
Amelia Williams (retired 27 April 2012)	0	0	0	0
John Linstead	8	2,400	928	3,328
Joe Davis	8	1,596	1,552	3,148
Harry Mikaere	7	1,647	913	2,560
Wiremu Peters	2	600	114	714
Toko Renata (retired 27 April 2012)	5	1,900	0	1,900
David Taipari	6	1,478	246	1,724
Pine Harrison	8	1,999	1,080	3,079
Jill Taylor	5	1,500	1,033	2,533
Kemara Tukukino	4	996	231	1,227
GlenTupuhi	4	999	242	1,241
Lewis Maxwell	5	1,350	720	2,070
Honey Renata (member since 27 April 2012)	1	300	134	434
Sony Te Karu (member since 27 April 2012)	1	300	72	372
<b>Total Board Meeting Activity</b>				<b>\$24,330</b>
Other non-Board Meeting Activity				\$1,770
As per note 6 of audited financial statements				\$26,100

The Trust did not employ any staff during this reporting period but has utilised the Trust Board for shared management, administrative and financial services. The Trust and the Board formalised an Agreement for Services between the two (2) entities to clarify, confirm and improve transparency regarding the respective roles and responsibilities of each entity.

# ANNUAL REPORT ON >>> PERFORMANCES

## Strategy and Planning

During the year, key strategic documents between the Trust and its Company, PHAHL, in particular, were approved. These included:-

- Proposed ownership structure of Fisheries and Aquaculture Assets
- PHAHL High Level Business Plan
- Statement of Corporate Intent
- Statement of Investment Objectives

The above mentioned documents, together, outline an appropriate structure and strategy that will actively manage and grow the settlement assets of the Iwi of Hauraki, into the future, recognizing the breadth of marine farming in which the people of Hauraki are currently engaged. The benefits of consolidation, economies of scale and potential opportunities for investment in aquaculture are identified. The Statement of Corporate Intent and Investment objectives set out the relationship between the Trust and the Company and provide parameters for the Company to pursue its commercial objectives whilst having suitable regard for assisting the Trust to achieve its social aspirations.

Whilst the strategic and business plans were completed and approved by the shareholder, and have seen positive milestones, the company itself has had little activity. This is due primarily to the instability of the economy and insufficient free capital to contemplate meaningful investments.

## Register of members of Hauraki Iwi

As at 30 June 2012 the tribal register stands at 9895 members of which 70% (6933 members) are aged 18 years and over. The number on the register has increased due to recent Trustee elections, eligibility criteria regarding Grant applications, promotion on our web site, facebook and email.

## Asset Holding Company

The Trust established Pare Hauraki Asset Holdings Limited on 30 September 2009 to receive the settlement assets and manage these on a commercial basis. The five (5) directors remain as reported last year. They are Grahame Christian (Chair), Haerengarangi Mikaere, Jill Taylor, Paul Majurey and Peter Vitasovich. Harry Mikaere and

Jill Taylor were appointed as members of the Trust and the three remaining directors as independent directors of the company. No other Asset Holding Companies have been established by the Trust and no subsidiaries formed by the PHAHL.

As in the previous year, the Trust authorised the Company to enter into Annual Catch Entitlement (ACE) negotiations with Te Ohu Kaimoana, for access to quota not yet allocated to Hauraki. This ACE, along with those quota assets transferred under settlement to the Company, have been the primary source of income for the Company.

In this reporting period, the Company returned a dividend of \$1.140M to the Trust relating to the 2010/2011 period, along with a further dividend of \$930k for this 2011/2012 period.

## Fisheries Settlement Assets

During this period no further fisheries settlement assets were transferred to the Trust or the PHAHL however it should be noted that an adjustment has been made to the 2011 accounts to incorporate total quota shares received from Te Ohu Kaimoana in that year.

Fisheries Settlement assets still to be allocated to Hauraki, which are subject to coastline agreements with neighbouring Iwi, are currently held with Te Ohu Kaimoana as per the Māori Fisheries Act 2004. These fisheries assets relate to the coastline area stretching from Miranda to Cape Rodney and also to Aotea which, together, have an estimated value of \$7.2M.

## Aquaculture settlement assets

The Māori Commercial Aquaculture Claims Settlement Act 2004 implements the settlement of Māori claims to commercial aquaculture and provides for the allocation and management of settlement assets relating to aquaculture. It requires the Crown to provide Iwi with the equivalent of 20% of pre-commencement space and all new space.

## Pre-commencement Water Space

In 2009, a cash settlement of \$19m was reached between Hauraki and the Crown in lieu of pre-commencement water space in the



Environment Waikato East region. This settlement has been sitting in an interest bearing account with Te Ohu Kaimoana since the settlement was signed as it is subject to an agreement on allocation being reached between competing Iwi Aquaculture Organisations within the stated regional council area. These aquaculture organisations are Waikato-Tainui Te Kauhanganui Inc for Waikato-Tainui and the Trust for the Iwi of Hauraki. Negotiations are ongoing.

During this period the Trust and Ngāti Wai reached an agreement on the settlement of the pre-commencement space for Aotea however this has yet to be realised by way of a formalised Agreement between the Parties and the Crown. The same applies to the pre-commencement water space settlement in the Bay of Plenty with the Trust adopting an internal policy position which recognises that whilst Hauraki tribes have coastline in the Bay of Plenty Regional Council area, the Trust does not consider itself entitled to pre-commencement water space settlement arising from space at Opōtiki and in the Ohiwa Harbour.

## New Space

The aquaculture settlement also provides for 20% of all new water space created for marine farming. As reported previously, authorisations for 104 hectares of mussel space in the Wilson's B area are available once agreement on allocation has been reached between the iwi aquaculture organisations of the Region. This involves the Pare Hauraki Fishing Trust for the Iwi of Hauraki and may also include Waikato-Tainui Te Kauhanganui Inc. for Waikato-Tainui.

During this period, discussions were also had regarding water space in the area known as Wilson's C in the Firth of Thames and highlighting parts of this zone which might constitute the 20% representative space for Iwi. Discussions are still ongoing around the 18 hectares with the same conditions, as identified above, needing to be met before settlement transfer to the Trust.

In September 2011 the Trust also agreed on water space in the new 300 hectares finfish zone at Coromandel whereby 60 hectares of space will be available to Iwi once the Iwi Aquaculture Organisations of the Region agree on allocation. Finfish farming in Hauraki is green field and is unlikely to be entered into without significant research, investment and industry support.



Manaia Harbour, Manaia

## Financial Results

The financial result of the Group (both the Company and the Trust) highlights a profit of \$742K with equity at the end of the year stated at \$17.2 million. This is an increase in equity of 4%.

The financial position of the Trust (excluding the Company) at balance date shows a \$1.153M profit against a \$1.152M loss in the previous year. The profit has occurred as a consequence of the PHAHL paying the 2011 and 2012 dividends in this reporting period.

As at balance date an amount of \$680,000 is payable to HMTB for costs incurred on behalf of the Trust for services and the distribution of benefits.

## Benefit Distribution

The Trust distributed a range of grants totalling \$523,383. These included grants for Marae development, sporting sponsorships, tertiary education, cultural kapahaka purpose, Te Papa Exhibition and the Kaumātua Kaunihera. The Trust also continued to grant a total of \$240,000 (or \$20,000 per Iwi) to each of the twelve Iwi of Hauraki and organisations (Rūnanga, Trusts, Marae) as determined by respective Iwi Trustees.

# ANNUAL REPORT ON >>> PERFORMANCES

## Education Grants

NAME OF APPLICANT	IWI	QUALIFICATION OF STUDY
Ahomiro, Kahleigh	Ngāti Tamaterā	Bachelor of Management Studies
Alexander, Zanazir	Ngāti Maru	Bachelor of Medicine/Bachelor of Surgery
Anderson, Ruiha	Ngāti Hako	Bachelor of Arts
Andrews, Rawinia	Ngāti Paoa	Bachelor of Education
Barbarich, Sheena	Ngāti Tamaterā	Bachelor of Teaching
Beckett, Dennam	Ngāti Rāhiri-Tumutumu	Diploma of Justice Studies
Bowen, Kelly	Ngāti Maru	Diploma in Commercial Arts
Bragg, Megan	Ngāti Tamaterā	Bachelor of Nursing
Bramall, Joel	Ngāti Rāhiri-Tumutumu	Diploma of Culinary Arts
Brown, Katrina	Ngāti Maru	Diploma in Iwi Marine and Freshwater
Buckland, Melanie	Ngāti Maru	Bachelor of International Hotel Management
Burgess, Bronson	Ngāti Tamaterā	Bachelor of Arts and Law
Te Teira, Christina	Ngāti Tamaterā	Bachelor of Māori Art
Coromandel, Robert	Ngāti Whanaunga	Graduate Diploma in OSH
Coxhead, Tamihana	Ngāti Maru	Bachelor of Arts/Bachelor of Laws
Davis, Moananui a kiwa	Ngāti Maru	Bachelor of Science
Edwards, Douglas	Ngāti Paoa	Postgraduate Diploma in Musculoskeletal Physiotherapy
Ehrhorn, Pollyanne	Ngāti Tamaterā	Bachelor of Social Work
Fraser, Elroy	Ngāti Hako	Masters of Arts
Giluray, Wikitoria	Ngāti Tamaterā	Master of Māori Studies
Grant, Imran	Ngāti Maru	Bachelor of Sport and Exercise Science
Grant, Manita	Ngāti Maru	Bachelor of Design (hons)
Haresnape, Billie-Lee	Ngāti Maru	Bachelor of Health Science
Haresnape, Tina Marie	Ngāti Maru	Diploma in Psychology
Heemi, Pania	Ngāti Hako	Bachelor of Teaching
Hemingway, Laura	Ngāti Pū	BA/LLB
Hirawani, Brooke	Ngāti Hako	Bachelor of Teacher (ECE)
Hodgson, Angus Blair	Ngāti Tamaterā	Bachelor of Arts
Hona, Crystle	Ngāti Pukenga	Bachelor of Health Science
Husband, Lewin	Ngāti Maru	Bachelor of Education
Isgrove, Kiriana	Ngāti Tamaterā	Bachelor of Science
Kahika, Annexe	Ngāti Maru	Bachelor of Applied Social Science
Kahika, Heather	Ngāti Maru	Bachelor of Nursing
Karu, Brienne	Ngāti Tara Tokanui	Bachelor of Midwifery
Paterson, Keriata	Ngāti Tamaterā	Doctorate of Tikanga Maori
Ketu, Karihi	Ngāti Maru	Diploma of Sports and Fitness
Kingi, Susan	Ngāi Tai	Bachelor of Arts/Psychology
McCollum, Dane	Ngāti Hako	Bachelor of Management Studies
Michelle, Gabriel	Ngāti Tamaterā	Doctorate of Analytical Chemistry

## Education Grants cont...

NAME OF APPLICANT	IWI	QUALIFICATION OF STUDY
Mikaere, Kimihia	Ngāti Pukenga	Bachelor of Engineering (Hons)
Mita, Amiria	Ngāti Hako	Bachelor of Sport and Recreation/Bachelor of Business
Murray, Tracey	Ngāti Maru	Diploma EN (LS) (Hons)
Ngapo, Grace	Ngāti Tamaterā	Bachelor of Engineering
Nicholls, Naeri	Ngāti Hako	Masters of Architecture
Ormsby, Debbie	Ngāti Hako	Bachelor of Teaching
Paikea, Katrina	Ngāti Maru	Bachelor Iwi Environmental Management
Reidy-Davis, Paulette	Ngāti Tamaterā	Bachelor of Natural Medicine
Renata, Renee	Ngāti Maru	Diploma of Communication Studies
Rikirangi-Thomas, Ranginui	Ngāti Hako	Bachelors of Sport and Leisure/Arts
Ruri, Jackie-Jade	Ngāti Tamaterā	Bachelors of Education
Seve, Huhana	Ngāi Tai	Master of Business Administration
Te Momo, Sheree	Ngāti Paoa	Diploma in Business Administration
Teinakore-Curtis, Frances	Ngāti Paoa	Master of Indigenous Studies
Thompson, Callie	Ngāi Tai	Post Graduate Diploma in Education
Timothy, Eve Marie	Ngāi Tai	Bachelor of Maori and Pacific Development and Bachelor of Arts (hons)
Tukukino, Karamea	Ngāti Tamaterā	Bachelor of Business
Waitoki, Joni	Ngāti Hako	Bachelor of Midwifery
Watene, Anita-Lee	Ngāti Maru	Bachelor of Maori Art
Watene, Caleb	Ngāti Maru	Bachelor of Medicine and Bachelor of Surgery
Watene, Reenee	Ngāti Maru	Diploma in Biblical Studies
Watson, Amie	Ngāti Tamaterā	Bachelor of Midwifery
Wilson-Carey, Saskia	Ngāti Maru	Bachelor of Visual Arts

## Sports Grants

NAME OF APPLICANT	IWI	QUALIFICATION OF STUDY
Martine Puketapu	Ngati Tamaterā	NZS Soccer Girls Interisland competition
Awatea Williams	Ngāti Pukenga ki Waiau	Representative Basketball Napier
Wiremu Morunga Brown	Ngāti Maru	U17 Representative Basketball Competition in Napier
Peperell Dojo	Ngati Maru/ Ngati Hako	NZ Full contact Open Karate Championships in Dunedin
Connah Pamatatau	Ngāti Paoa	Port McQuarie Basketball Tournament Australia
Paulette Reidy-Davis	Ngāti Tamaterā	Master Hockey World Cup in Canterbury England
Kataraina Brown	Ngāti Tamaterā	2012 Va'a World Sprints Championships in Canada
Kamilla Brown	Ngāti Tamaterā	2012 Va'a World Sprints Championships in Canada
Jasmine Castle	Ngāti Tamaterā	2012 Va'a World Sprints Championships in Canada
Justice Whiu	Ngāti Tamaterā	2012 Va'a World Sprints Championships in Canada

# ANNUAL REPORT ON >>> PERFORMANCES

## Marae Development Grants 2011 - 2012

Nine (9) Hauraki Marae received Marae Development Grants during this period. They were :

MARAE	PURPOSE	AMOUNT
Te Pai o Hauraki Marae	Feasibility Study	4,500.00
Matai Whetu Marae	Resealing the Marae Atea	21,316.85
Tirohia Marae	Feasibility Study	5,000.00
Wharekaho Marae	Construction	4,288.00
Pae Ahi Marae	Maintenance and Repairs	17,000.00
Wharekawa Marae	Maintenance and erection of fence and septic system	23,956.34
Waihi Com Marae	Replacement of entry/exit disability ramp	2,850.00
Kerepeehi Marae	Maintenance and asset purchases	6,993.00
Harataunga Marae	Replacement of Carved Maihi	14,093.00

## Iwi Grants 2011 -2012

Iwi grants were uplifted by the following groups during this period :

IWI	GROUP	AMOUNT
Ngāti Pukenga ki Waiau	Ngāti Pukenga ki Waiau Incorporated	\$20,000.00
Ngāti Tara Tokanui	Ngahutoitoi Marae Trustees	\$20,000.00

## Cultural Grants 2011 -2012

Pae Ahi Marae received a Cultural Grant of \$6,100.00 to host the annual Hauraki Festival.



Awatea William, Representative Basketball



Connah Pomatatau Port McQuarie,  
Basketball Tournament Australia



Justice Whiu, 2012 Va'a World  
Sprints Championships in Canada



Paulette Reidy-Davis, Master Hockey  
World Cup in Canterbury England



Renee Watene, Dipoloma in Biblical Studies



Kataraina & Kamilla Brown, 2012 Va'a  
World Sprints Championships in Canada

## Changes to Constitutional documents

No amendments and no proposals for amendments are being sought to the Trust Deed of the PHFT. In addition, no changes to the Company constitution have been made during this period.

Changes to the constitutional documents of the Trust may only be promoted if iwi members resolve at a general meeting that the change is for the collective benefit of all members of the Iwi. The process for changing constitutional documents is set out in the Trust Deed and Constitution of the Company.

The PHFT Trust Deed and the PHAHL constitution are available for viewing from the Board's website [www.hauraki.iwi.nz](http://www.hauraki.iwi.nz).

## Trust Interactions

### a. With other entities within the Hauraki Iwi group

The Trust has interacted with Iwi groups and Marae in its program of grant distribution and Pātaka Kai.

### b. With Hauraki Māori Trust Board

The Board has delivered the Trust's program of grant distribution and provided it with managerial, administrative and accounting services.

### c. With other Mandated Iwi Organisations

In this reporting period the Trust has continued to negotiate coastline and regional agreements with Ngāti Wai and Waikato Tainui.

### d. With Te Ohu Kaimoana Trustee Limited

The Trust has interacted with Te Ohu on the allocation of fisheries and aquaculture settlement assets to Hauraki, ACE currently in dispute, the aquaculture reforms, fisheries management matters and in the provision of fisheries information.

### e. With Others

The company has continued to meet with Tikapa Moana Enterprises and the Hauraki Fishing Group to discuss potential opportunities for investment and consolidation which recognises the breadth of marine farming undertaken by the people for Hauraki.



Te Pai o Hauraki Marae



Tirohia Marae



Kerepehi Marae



Waihi Marae

# 2011/2012 ANNUAL SCORECARD

ACTIVITY	KEY RESULT AREA	OUTCOME	EOY Results
PHFT	<p>Hold, govern and distribute benefits from the aquaculture and fisheries settlement assets in accord with the Maori Fisheries Act 2004 and the Pare Hauraki Fishing Trust Deed.</p>	<ul style="list-style-type: none"> <li>• Agreements in place with PHAHL</li> <li>• Grant distribution confirmed and implemented for 2012:-               <ul style="list-style-type: none"> <li>- Marae grants</li> <li>- Sports Grants</li> <li>- Education Grants</li> <li>- Cultural Grant</li> <li>- Kaunihera Grant</li> <li>- Te Papa Contribution</li> </ul> </li> </ul>	Achieved
	<p>Exercise strategic governance over the aquaculture and fisheries settlement assets through overseeing the operations of Pare Hauraki Asset Holdings Limited.</p>	<ul style="list-style-type: none"> <li>• PHAHL Annual report received and distributed</li> <li>• PHAHL Annual Plan approved</li> <li>• SOCI and Shareholders Agreement distributed to PHAHL</li> </ul>	Achieved
PHFT (Cont)	<p>Complete the return of the aquaculture and fisheries settlement assets from Te Ohu Kaimoana to the Iwi of Hauraki</p>	<ul style="list-style-type: none"> <li>• Ongoing discussions with Waikato over Aquaculture and Fisheries settlement held</li> <li>• Approved Auckland and BOP Regional Agreements relating to the Pre-commencement space obligations. Te Ohu and Ministry advised.</li> <li>• Pre-commencement agreement for Ngati Wai agreed.</li> <li>• Policy direction for BOP reached</li> <li>• High level document approved on strategic direction.</li> <li>• Entities working to shared vision and ascertaining positions.</li> </ul>	Substantially Achieved
	<p>Review structural and operational arrangements between the Fishing Trust, Pare Hauraki Asset Holdings Limited and the Hauraki Maori Trust Board.</p>	<ul style="list-style-type: none"> <li>• Management gaining clearer understand of individual nature of each entity.</li> <li>• Service Agreement approved by HMTB and PHFT.</li> </ul>	Substantially Achieved

<p>Promote, maintain and increase membership on the tribal register of the Pare Hauraki Fishing Trust</p>	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>	<p>Achieved</p>
<p>Establish and maintain strategic alliances and relationships</p>	<ul style="list-style-type: none"> <li>• Membership to Treaty tribes ongoing</li> <li>• Ongoing liaison with Treaty Tribes</li> <li>• Maintain Pataka Kai initiative</li> <li>• Provide for dis-aggregation of Iwi from PHFT</li> </ul>	<p>Achieved</p>
<p>Communicate, report and be accountable to the Iwi of Hauraki on the benefits accruing from fisheries and aquaculture settlement assets generated by the Company and the performance of the Trust and the Company.</p>	<ul style="list-style-type: none"> <li>• PHFT Annual Report and Annual Plan have been made publicly available</li> <li>• 3<sup>rd</sup> AGM notified.</li> <li>• PHAHL Annual Report made publicly available.</li> </ul>	<p>Achieved</p>

AUDITED >>>  
ACCOUNTS

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# FINANCIAL >>> STATEMENTS

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18	Audit Report
20	Trust Directory
21	Statements of Comprehensive Income
22	Statements of Changes in Equity
23	Statements of Financial Position
24	Statement of Accounting Policies
29	Notes to the Financial Statements

To the beneficiaries of Pare Hauraki Fishing Trust and Group

We have audited the financial statements of the Pare Hauraki Fishing Trust (the "Trust") and Group on pages 21 to 34, which comprise of the statement of financial position as at 30 June 2012, and the statement of financial performance, statements of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Trustee's Responsibility for the Financial Statements**

The Trustees are responsible for the preparation of a financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, 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**

It is our responsibility to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 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 of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating 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 we have no relationship with, or interests in, the Pare Hauraki Fishing Trust and Group.

**Opinion**

In our opinion, the financial report on pages 21 to 34:

- comply with generally accepted accounting practice in New Zealand;
- gives a true and fair view of the financial position of the Pare Hauraki Fishing Trust and Group as at 30 June 2012 and of its financial performance and cash flows for the year then ended.

**Report on Other Legal and Regulatory Requirements**

We have received the information and explanations we have required.

**Other Matters**

The financial statements of the Pare Hauraki Fishing Trust and Group for the year ended 30 June 2011 were audited by another auditor who expressed an unqualified opinion on those statements on 10 November 2011. As stated in note 2, a prior period error occurred with the omission of quota allocation of \$7,060,447 in September 2010. Where applicable, comparative figures in the 2011 accounts have been restated to include the omission.

In our opinion proper accounting records have been kept by the Trust and Group as far as appears from our examination of those records.

*Jefferies Nock & Associates*  
Jefferies Nock & Associates Chartered Accountants  
26 November 2012  
187 Peachgrove Road  
Hamilton

*JNA* *JNA*

**PARE HAURAKI FISHING TRUST GROUP**  
**FINANCIAL STATEMENTS**  
**AS AT 30 JUNE 2012**

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**NATURE OF GROUP**

The Pare Hauraki Fishing Trust is the Joint Mandated Iwi Organisation for the purposes of the Maori Fisheries Act 2004 and the Maori Commercial Aquaculture Claims Settlement Act 2004.

**CORPORATE TRUSTEE**

Hauraki Maori Trust Board

**HAURAKI MAORI TRUST BOARD TRUSTEES**

Toko Renata – Chairman (Retired April 2012)  
David Taipari – Chairman  
Pine Harrison – Vice Chairman  
John Linstead  
Kemara Tukukino  
Harry Mikaere  
Wiremu Peters  
Lewis Maxwell  
Jill Taylor  
Glen Tupuhi  
Joe Davis  
Pongarauhine Honey Renata  
Sonny Te Karu  
Amelia Williams (Retired April 2012)

**ACCOUNTANTS**

Rawiri Bidois (CA), Hamilton

**AUDITOR**

Jefferies Nock & Associates, Hamilton

**BANKERS**

Westpac NZ Ltd,  
Thames Branch

**SOLICITORS**

Ocean Law, Nelson

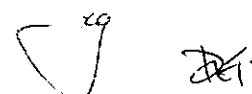
**ADDRESS**

Coronation Chambers  
41 Belmont Rd  
P O Box 33, Paeroa

Telephone 07 862 7521

Fax 07 862 7522

Email: general@hauraki.iwi.nz



**PARE HAURAKI FISHING TRUST GROUP**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2012**

		2012	2011	2012	2011
		\$	\$	\$	\$
	NOTE	Group	Group Restated	Parent	Parent
Fisheries Settlement Income	2	0	7,183,062	0	0
Quota Trading Sales		1,679,516	1,642,929	0	0
Less Cost of Sales:					
- Purchases		179,665	152,709	0	0
Gross Profit		1,499,851	1,490,220	0	0
Net Finance Income / (Costs)	9	53,494	43,113	1,851	0
Dividend Income – shares in AFL		181,447	150,466	0	0
Dividend Income - Subsidiary		0	0	2,070,000	0
Less Expenditure					
- Administration	6	512,115	809,975	394,772	628,255
- Grant Distributions		523,383	523,745	523,383	523,745
<b>Net Profit (Loss) before Tax</b>		<b>699,294</b>	<b>7,533,141</b>	<b>1,153,696</b>	<b>(1,152,000)</b>
Income Tax	10	(42,942)	295,534	296	0
<b>Net Profit (Loss) for the Year</b>		<b>742,236</b>	<b>7,237,607</b>	<b>1,153,400</b>	<b>(1,152,000)</b>
Other Comprehensive income		0	0	0	0
<b>Total Comprehensive income for the year</b>		<b>742,236</b>	<b>7,237,607</b>	<b>1,153,400</b>	<b>(1,152,000)</b>

Attributable to the beneficiaries of the Pare Hauraki Fishing Trust

*The above statements of Comprehensive Income should be read in conjunction with the accompanying notes.*

**PARE HAURAKI FISHING TRUST GROUP**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2012**

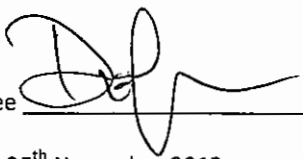
	2012 \$ Group	2011 \$ Group Restated	2012 \$ Parent	2011 \$ Parent
<b>EQUITY AT BEGINNING OF YEAR</b>	16,483,464	9,245,857	(1,152,000)	0
Net profit (Loss) for the year	742,236	7,237,607	1,153,400	(1,152,000)
<b>Total Comprehensive income for the year</b>	<u>742,236</u>	<u>7,237,607</u>	<u>1,153,400</u>	<u>(1,152,000)</u>
<b>EQUITY AT END OF YEAR</b>	<u>17,225,700</u>	<u>16,483,464</u>	<u>1,400</u>	<u>(1,152,000)</u>

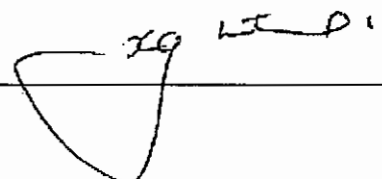
*The above statements of Changes in Equity should be read in conjunction with the accompanying notes.*

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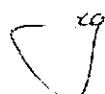

**PARE HAURAKI FISHING TRUST GROUP**  
**STATEMENT OF FINANCIAL POSITION**  
AS AT 30 JUNE 2012

		2012 \$ Group	2011 \$ Group Restated	2012 \$ Parent	2011 \$ Parent
<b><u>EQUITY</u></b>					
Retained Earnings		17,225,700	16,483,464	1,400	(1,152,000)
		<u>17,225,700</u>	<u>16,483,464</u>	<u>1,400</u>	<u>(1,152,000)</u>
<b><u>CURRENT ASSETS</u></b>					
Cash and Cash equivalents	7	1,574,663	2,322,547	277,360	0
Accounts receivable		342,668	0	0	0
Income Tax receivable	10	393,597	0	403,940	0
		<u>2,310,928</u>	<u>2,322,547</u>	<u>681,300</u>	<u>0</u>
<b><u>NON CURRENT ASSETS</u></b>					
Intangible - Quota shares	5	9,462,683	9,462,683	0	0
Investment in Securities - shares in AFL	5	6,197,593	6,197,593	0	0
Investment in Subsidiary	4	0	0	100	100
		<u>15,660,276</u>	<u>15,660,276</u>	<u>100</u>	<u>100</u>
<b>Total Assets</b>		<u>17,971,204</u>	<u>17,982,823</u>	<u>681,400</u>	<u>100</u>
<b><u>Current Liabilities</u></b>					
Accounts Payable	8	745,504	1,246,632	680,000	1,152,100
Income Tax payable	10	0	252,727	0	0
		<u>745,504</u>	<u>1,499,359</u>	<u>680,000</u>	<u>1,152,100</u>
<b>Total Liabilities</b>		<u>745,504</u>	<u>1,499,359</u>	<u>680,000</u>	<u>1,152,100</u>
<b>NET ASSETS</b>		<u>17,225,700</u>	<u>16,483,464</u>	<u>1,400</u>	<u>(1,152,000)</u>

Trustee   
Dated 25<sup>th</sup> November 2012

Trustee 

*The above statements of Financial Position should be read in conjunction with the accompanying notes.*

# **PARE HAURAKI FISHING TRUST GROUP**

## **STATEMENT OF ACCOUNTING POLICIES**

### **FOR THE YEAR ENDED 30 JUNE 2012**

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#### **ENTITIES REPORTING**

The financial statements presented here are for the reporting entity Pare Hauraki Fishing Trust Group (“the Group”) comprised of the Pare Hauraki Fishing Trust (PHFT the Parent or the Trust) and its wholly owned subsidiary the Pare Hauraki Asset Holding Ltd (PHAHL), the company. The principle activities of the company are that of an Asset Holding Company under the Maori Fisheries Act 2004.

The Corporate Trustee of the Trust is the Hauraki Maori Trust Board. The PHAHL is governed by 5 directors appointed by the Trust.

The financial statements have been prepared in accordance with the requirements of the Hauraki Maori Trust Board Act 1988, Section 31 of the Maori Trust Board’s Act 1955, the Maori Fisheries Act 2004, the Companies Act 1993 and the Financial Reporting Act 1993.

The Parent and Group are Public Benefit Entities (“PBE”s) and therefore the interpretations of NZ-IFRS as appropriate to PBEs have been applied. A PBE is an entity whose primary objective is to provide goods and services for community or social benefit and where, any equity has been provided with a view of supporting that primary objective rather than for a financial return to equity holders.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand which is New Zealand equivalent to International Financial Reporting Standards (“NZ-IFRS”).

The financial statements are presented in New Zealand dollars (NZD) rounded to the nearest dollar.

The Group and the Parent are domiciled in New Zealand.

#### **DIFFERENTIAL REPORTING**

The Group and the Parent qualify for exemptions from certain financial reporting standards under the differential reporting framework on the basis that they are not publicly accountable and are not deemed to be large because two of the following were not exceeded:

- Total Revenue of \$20 million;
- Total Assets of \$10 million
- 50 Employees

The Group and the Parent have taken advantage of all available differential reporting exemptions.

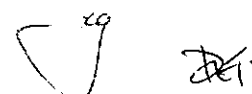
#### **MEASUREMENT BASE**

The financial statements have been prepared on a historical cost basis except the Investment in Aotearoa Fisheries Ltd (AFL) shares, which are stated at their fair value. The financial statements have been prepared on a going concern basis.

#### **SPECIFIC ACCOUNTING POLICIES**

##### **A. BASIS OF CONSOLIDATION**

The Group financial statements are prepared by combining the financial statements of all the entities that comprise the Group being the Pare Hauraki Fishing Trust (the parent entity) and its subsidiary the Pare Hauraki Asset Holding Ltd. Subsidiaries are entities (including special purpose entities) over which the Group, has the power to govern the financial and operating policies so as to obtain benefits from their activities. Subsidiaries which form part of the Group are consolidated from the date on which control is transferred to the Parent. They are de-consolidated from the date that control ceases. Consistent accounting policies are employed in the preparation and presentation of the Group financial statements.





**PARE HAURAKI FISHING TRUST GROUP**  
**STATEMENT OF ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 30 JUNE 2012**

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The acquisition method of accounting is used to account for business combinations by the group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group. The consideration transferred includes, the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, The Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess if the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill, If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of the acquisition, the deficiency is credited to profit or loss in the period of acquisition.

The Group financial statements include the information and results of each subsidiary from the date on which the Parent obtains control and until such time as the Parent ceases to control such entity.

In preparing the Group financial statements, all intra-group balances and transactions, and unrealised gains and losses arising within the Group, are eliminated in full.

**B. NEW STANDARDS EARLY ADOPTED**

IFRS 9, 'Financial instruments', addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group and Parent have decided to adopt IFRS 9 in the current accounting period.

The standard affects in particular the Group and Parent's accounting for financial assets, as IFRS 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

There will be no impact on the Group and Parent's accounting for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss, and the Group and Parent does not have any such liabilities.

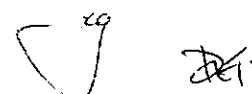
**C. CASH & CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand, deposits held on call with financial institutions, short term investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

**D. INVESTMENTS**

Investments in Aotearoa Fisheries Limited (AFL) shares are recorded at fair value. Management has made the election to present changes in fair value through other comprehensive income (OCI) as the investment relates to an equity investment that is not held for trading. The value of the settlement award, calculated on the net asset value basis has been used as an appropriate approximation of fair value in the initial measurement period due to an inactive market for the shares. There are no indicators that suggest this measurement basis may not be representative of fair value.

The Group will subsequently measure the shares at fair value. The appropriateness of the valuation method is considered annually.



**PARE HAURAKI FISHING TRUST GROUP**  
**STATEMENT OF ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 30 JUNE 2012**

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**E. FINANCIAL ASSETS**

The Group classifies its financial assets in the following categories; at amortised cost and fair value financial assets. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Management determines the classification of its assets at initial recognition and re-evaluates this designation at every reporting date.

Classification

(i) Amortised cost

Amortised cost assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Group's amortised cost assets comprise cash and cash equivalents in the balance sheet.

(ii) Fair Value

Fair value financial assets are unquoted equity investments not held for trading. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period

Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial assets are initially recognised at fair value plus transaction costs.

Fair value *assets* are subsequently carried at fair value. Changes in the fair value of monetary and non-monetary securities are recognised in other comprehensive income.

When securities classified as fair value are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the other comprehensive income.

Dividends on fair value equity instruments are recognised in the profit and loss component of the statements of comprehensive income as other income when the Group's right to receive payments is established.

Amortised cost assets are subsequently carried at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Impairment of financial assets

*(i) Assets carried at amortised cost*

The Group assesses at each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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**PARE HAURAKI FISHING TRUST GROUP  
STATEMENT OF ACCOUNTING POLICIES  
FOR THE YEAR ENDED 30 JUNE 2012**

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If the asset's carrying amount is reduced, the amount of the loss is recognised in the profit and loss component of the statements of comprehensive income. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit and loss component of the statements of comprehensive income.

*(ii) Assets classified as fair value*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For equity instruments classified as fair value, a significant or prolonged decline in the fair value of the security below its carrying value is also evidence that the assets are impaired. If any such evidence exists for fair value financial assets, the impairment and any subsequent reversals of impairment are recognition in other comprehensive income.

**Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Group has transferred substantially all risks and rewards or ownership.

**F. INCOME TAX**

The accounts have been prepared on the basis that both the Parent (PHFT) and Subsidiary (PHAHL) are Maori Authorities in respect of income tax.

The income tax expense recognised for the year is calculated using the taxes payable method and is determined using tax rules. Under the taxes payable method, income taxes in respect of the current period is equal to the income tax payable for the same period.

**G. GOODS AND SERVICES TAX (GST)**

All items in the Statement of Financial Position are stated exclusive of GST with the exception of receivables and payables, which include GST. All items in the Statement of Comprehensive Income are stated exclusive of GST.

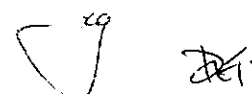
**H. ACCOUNTS RECEIVABLE**

Accounts receivable have been initially recorded at their fair value and subsequently measured at amortised cost, less provision for doubtful debts. All known bad debts have been written off and no general provision for doubtful debts is considered necessary.

**I. TRADE AND OTHER ACCOUNTS PAYABLE**

Trade and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.



**PARE HAURAKI FISHING TRUST GROUP  
STATEMENT OF ACCOUNTING POLICIES  
FOR THE YEAR ENDED 30 JUNE 2012**

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**J. INVESTMENTS IN SUBSIDIARIES**

Investments in subsidiaries are carried at cost less impairment.

**K. INTANGIBLES**

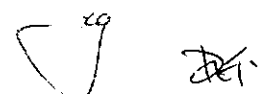
Quota attached to the fisheries quota shares received by way of settlement are recognised at their fair value at the date of settlement and subsequently carried at cost less impairment. Fish quota have an indefinite life and are therefore not amortised, although they are assessed annually for impairment and whenever there is an indication of impairment.

**L. REVENUE**

Annual catch entitlement (ACE) income is recognised when the title to the ACE has passed irrespective of the fishing season to which it relates. Interest is recognised as accrued. Fisheries settlements are recognised on receipt.

**M. CHANGES IN ACCOUNTING POLICIES**

There are no accounting policies previously employed which have changed.

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**PARE HAURAKI FISHING TRUST GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

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**1. COMMITMENTS AND CONTINGENCIES**

As at 30 June 2012, there are no capital commitments nor operating lease commitments.

During the 2010-2011 financial period the Trust sought charitable status through the Charities Commission which by implication included the PHAHL. The application was expected to be successful as per settlement legislation however by September 2011 the Charities Commission had advised that the application would not be successful because of the disaggregation provisions available to each Iwi according to legislation. By November 2011 it was agreed that the Trust and PHAHL be registered as Maori Authorities for the purposes of Income Tax. As a result of this, the PHAHL filed a late tax return and made late payment for the 2011 period. This has given rise to an income tax liability in the form of penalty interest estimated to be \$35,000. As at balance date, the IRD had not processed the 2011 Income tax return however it is expected that the penalty interest will be assessed on underpaid provisional tax for the year. Due to these unusual circumstances, the Trust and PHAHL will negotiate with IRD for the full or part remission of the penalty interest.

Further fisheries and aquaculture assets which remain to be settled to the Trust include aquaculture pre-commencement cash in lieu of water space, new water space (of which no value is known at balance date) and Quota shares (estimated value of \$7.2m). It is not known what proportion of these settlement assets will be allocated to the Trust as Regional Agreements are required to be reached with neighbouring iwi. Negotiations are ongoing.

**2. FISHERIES SETTLEMENT**

On 23 March 2009 the Pare Hauraki Fishing Trust was recognised as a Mandated Iwi Organisation meeting the requirements of the Maori Fisheries Act 2004 and the Maori Commercial Aquaculture Claims Settlement Act 2004. Accordingly Te Ohu Kai Moana Limited (TOKM) has transferred to the PHAHL the amount of \$9,250,274 on 22 June 2010 which comprised of \$650,445 in cash, \$2,402,236 in Quota shares, and \$6,197,593 in AFL Income shares. On 30 September 2010 another \$122,615 of cash and \$7,060,447 of Quota was received.

**PRIOR PERIOD ERROR**


Quota allocated to Hauraki of \$7,060,447 was not recorded in the subsidiary company or the consolidated financial statements of the group in the 2011 financial period. This understated other income in 2011, equity at the end of the year and non-current assets by the same. (This value is based on TOKM valuation at the time of transfer).

**3. RELATED PARTY TRANSACTIONS**

The Hauraki Maori Trust Board (HMTB) as Corporate Trustee of the Parent (PHFT) delivered the Parent's grant distribution program of \$523,383 and provided administrative services to the Parent to the value of \$394,772 (including the Parent's trustee fees and travel identified in note 6 below). As at 30 June 2012 \$680,000 remains payable to the Hauraki Maori Trust Board. Terms on balances owing to and from related parties are non-interest bearing and repayable on demand.

Fees and Travel paid to the Parent Trustees and PHAHL (Company) Directors are disclosed in note 6.

No related party debts have been written off or forgiven during the year.



**PARE HAURAKI FISHING TRUST GROUP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**4. INVESTMENTS – SUBSIDIARY COMPANY**

The Parent invested \$100 for the purchase of 100% of the shares in the subsidiary company, Pare Hauraki Asset Holding Ltd.

**5. INVESTMENTS & INTANGIBLES – FISHERIES ASSETS**

Fisheries Settlement Quota Shares and Aotearoa Fisheries Limited (AFL) Income Shares.

On 23 March 2009 the Pare Hauraki Fishing Trust was recognised as a Mandated Iwi Organisation and the Pare Hauraki Asset Holding Ltd was recognised as an Asset Holding Company meeting the requirements of the Maori Fisheries Act 2004. Accordingly Te Ohu Kaimoana Trustee Limited (TOKM) then transferred these fishing assets to the Pare Hauraki Asset Holding Ltd on 22 June 2010 and 30 September 2010:

**(a) Intangible Assets – Quota Shares**

Hauraki's share of deepwater settlement quota shares was valued by TOKM on settlement at \$9,462,683. These quota shares have been recognised by Pare Hauraki Asset Holding Ltd at that value on settlement. These quota shares are subject to various restrictions, including restrictions over the sale and transfer (but not over sale of ACE), in accordance with the Maori Fisheries Act 2004.

**(b) Investments – AFL Income Shares**

As part of the settlement from TOKM there was also a transfer of 2006 (out of a total 125,000) income shares in AFL, valued by TOKM on settlement at \$6,197,593. These AFL shares have been recognised by Pare Hauraki Asset Holding Ltd at that value on settlement. These AFL shares have no voting rights and are subject to various restrictions, including restrictions over sale in accordance with the Maori Fisheries Act 2004.

<b>6 Administrative Support Expenses</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>include:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
Auditors - Audit Fee	10,075	13,500	5,000	12,000
Auditors - Taxation advice	0	11,220	0	6,850
Auditors - other Consultancies	0	78,147	0	43,747
Trustees/Directors Fees & Travel	51,949	75,245	26,100	34,717

**7. Cash and Cash Equivalents**

Cash at bank	406,292	471,824	277,360	0
Term Deposits	1,168,371	1,850,723	0	0
	<u>1,574,663</u>	<u>2,322,547</u>	<u>277,360</u>	<u>0</u>

Includes cheque account and term deposits lodged with Westpac Trust bank on rates ranging between 3.1 and 4.2% over periods of one to six months.

**PARE HAURAKI FISHING TRUST GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

8	Accounts Payable	2012	2011	2012	2011
		\$	\$	\$	\$
		Group	Group	Parent	Parent
	HMTB	680,000	1,140,100	680,000	1,140,100
	Accrued expenses	25,440	63,328	0	12,000
	GST Tax	40,064	43,204	0	0
	Trade payables	0	0	0	0
		<u>745,504</u>	<u>1,246,632</u>	<u>680,000</u>	<u>1,152,100</u>

**9 Finance Income**

Includes interest received and accrued on bank deposits at balance date less bank charges

	2012	2011	2012	2011
	\$	\$	\$	\$
	Group	Group	Parent	Parent
Interest	54,174	43,195	1,857	0
Less Bank charges	680	82	6	0
Net Finance Income	<u>53,494</u>	<u>43,113</u>	<u>1,851</u>	<u>0</u>

**PARE HAURAKI FISHING TRUST GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**10 Taxation**

Reconciliation of the prima facie income tax payable on profit (loss) with the income tax expense, and of the taxation liability is as follows;

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b><u>TAX EXPENSE</u></b>	<b>Group</b>	<b>Group</b>
Profit (Loss) before Tax	<u>699,294</u>	<u>472,694</u>
Income Tax at 17.5% / 19.5%	122,376	92,176
Less Tax on Non Assessable income	0	(23,910)
Tax on Non Deductible expenses	161,649	227,268
Plus prior year adjustment	76,683	0
Less income tax refundable	<u>(403,650)</u>	<u>0</u>
<b>Income Tax expense/(credit)</b>		
- Current year 2012	(42,942)	0
- Previous year 2011	295,534	295,534
- Prior year 2010	(1,070)	(1,070)
<b>Total Income Tax expense</b>	<u><b>251,522</b></u>	<u><b>294,464</b></u>
<b><u>TAX CREDITS</u></b>		
<b><i>Balance at Beginning of year</i></b>	41,737	0
Income Tax paid	552,765	0
RWT paid	15,235	12,396
Imputation credits attached to		
Dividends received	35,382	29,341
Balance at end of year	<u><b>645,119</b></u>	<u><b>41,737</b></u>
Income Tax payable(receivable)	<u><b>(393,597)</b></u>	<u><b>252,727</b></u>

The company obtained Maori Authority status for income tax purposes from the IRD on 1 April 2011. As such the company income tax rates applied to income earned prior to the year ended 31 March 2011, rather than the above stated 19.5% Maori Authorities tax rate.



**PARE HAURAKI FISHING TRUST GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**11 Financial Instruments by category**

<i>Assets as per Balance Sheet</i>	Measured at amortised cost	Fair value	Total
<i>Consolidated</i>			
<b>At 30 June 2012</b>			
Fair value financial assets	0	6,197,593	<b>6,197,593</b>
Cash & Cash equivalents	1,574,663	0	<b>1,574,663</b>
Income tax receivable	393,597	0	<b>393,597</b>
Accounts Receivable	342,668	0	<b>342,668</b>
	<b>2,310,928</b>	<b>6,197,593</b>	<b>8,508,521</b>
<b>At 30 June 2011</b>			
Fair value financial assets	0	6,197,593	<b>6,197,593</b>
Cash & Cash equivalents	2,322,547	0	<b>2,322,547</b>
	<b>2,322,547</b>	<b>6,197,593</b>	<b>8,520,140</b>
<i>Liabilities as per Balance Sheet</i>	Measured at amortised cost		Total
<i>Consolidated</i>			
<b>At 30 June 2012</b>			
Trade and other payables	745,504		745,504
	<b>745,504</b>		<b>745,504</b>
<b>At 30 June 2011</b>			
Trade and other payables	1,246,632		<b>1,246,632</b>
	<b>1,246,632</b>		<b>1,246,632</b>

**PARE HAURAKI FISHING TRUST GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

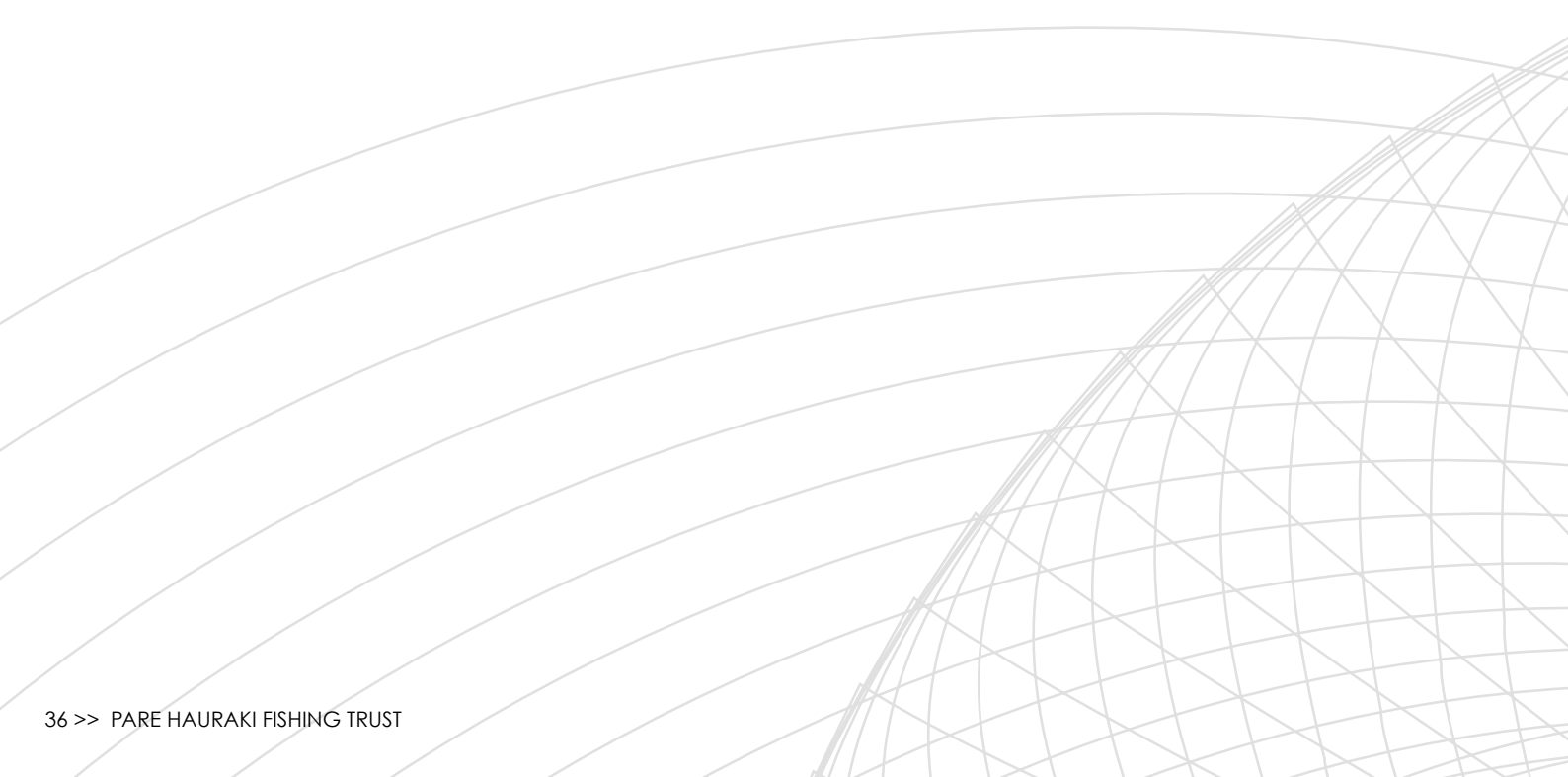
<i>Assets as per Balance Sheet</i>	Measured at amortised cost	Fair value	Total
Parent			
<b>At 30 June 2012</b>			
Investment in subsidiary	100	0	<b>100</b>
Cash & Cash equivalents	277,360	0	<b>277,360</b>
Income tax receivable	403,940	0	<b>403,940</b>
	<b>681,400</b>	<b>0</b>	<b>681,400</b>
<b>At 30 June 2011</b>			
Investment in subsidiary	100	0	<b>100</b>
	<b>100</b>	<b>0</b>	<b>100</b>
 <i>Liabilities as per Balance Sheet</i>			
	Measured at amortised cost		Total
Parent			
<b>At 30 June 2012</b>			
Trade and other payables	680,000		<b>680,000</b>
	<b>680,000</b>		<b>680,000</b>
<b>At 30 June 2011</b>			
Trade and other payables	1,152,100		<b>1,152,100</b>
	<b>1,152,100</b>		<b>1,152,100</b>

**12 Subsequent events**

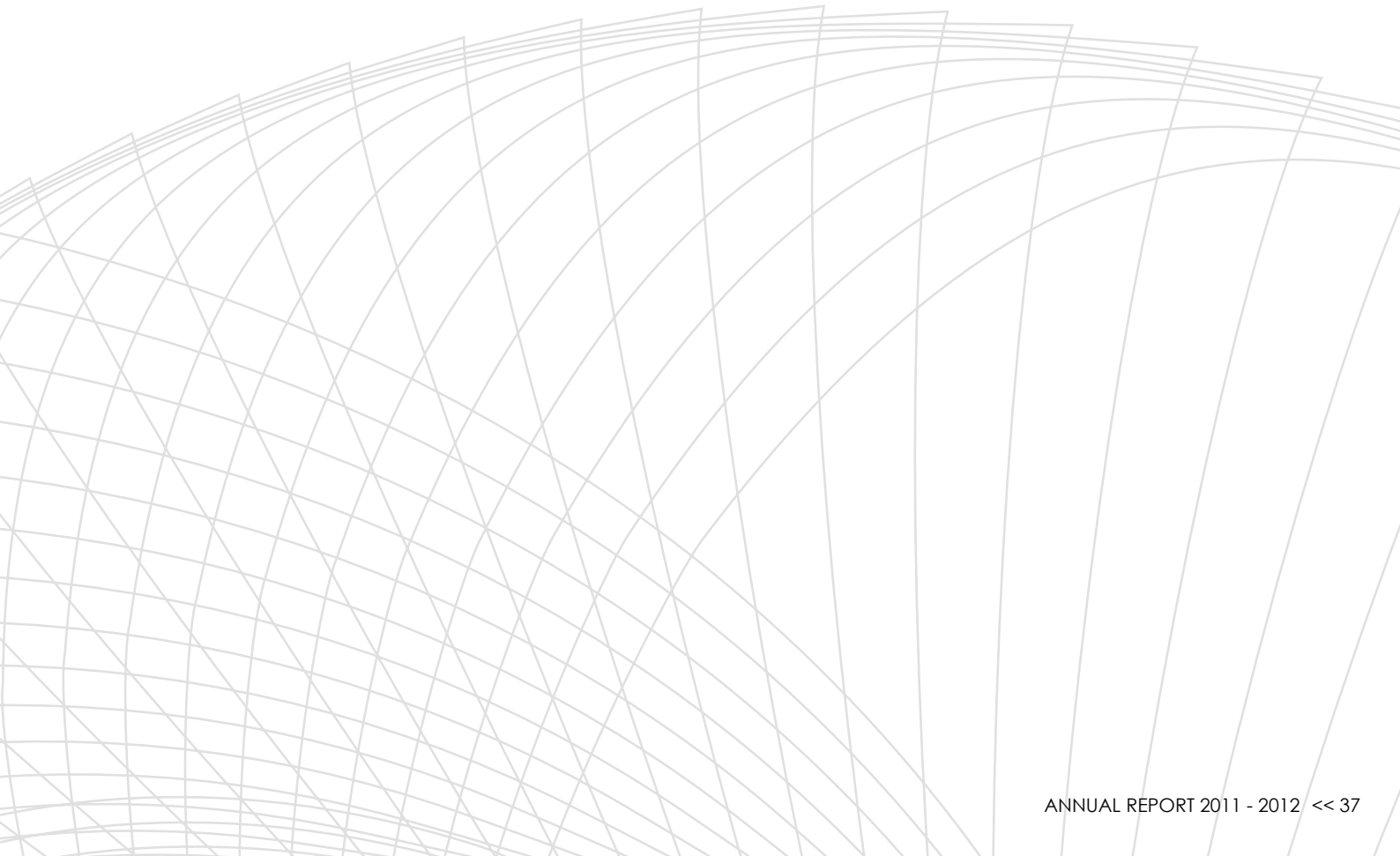
There are no events subsequent to balance date 30 June 2012 that might materially impact on these financial statements.

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