

# Summary Group Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

Summary Group Statement  
of Financial Performance

Summary Group Statement  
of Changes In Equity

Summary Group Statement  
of Financial Position

Summary Group Statement  
of Cash Flows

Summary Statement  
of Accounting Policies

Notes to the Summary Group  
Financial Statements

Audit Report

The following Summary Group Financial Statements have been extracted from the audited Full Group Financial Statements dated 19 September 2009. The Full Group Financial Statements were prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'). The Group is a public benefit entity and has made an explicit statement of compliance with NZ IFRS as applicable for public benefit entities in the Full Group Financial Statements. The Summary Group Financial Statements cannot be expected to provide as complete an understanding as provided by the Full Group Financial Statements. An unqualified audit opinion was issued on the Full Group Financial Statements.

The Summary Group Financial Statements have been examined by the Group's auditor for consistency with the Full Group Financial Statements and their unqualified audit report on the Summary Group Financial Statements has been attached.

Further details about the Group's Financial Performance and Financial Position can be obtained from the Full Group Financial Statements.

Each Tribal member is entitled to obtain upon request a copy of the Full Group Financial Statements. Requests should be made to the Office of Te Rūnanga o Ngāi Tahu – Attention: Jeff Goldsmith.

The Rūnanga Representatives authorised the issue of the Full Group Financial Statements on 19 September 2009.



Harakeke

## Summary Group Statement of Financial Performance

For the Year Ended 30 June 2009	Notes	June 2009 \$ 000s	June 2008 \$ 000s
Revenue and Other Income from Trading Operations	4 (a)	164,395	179,471
<b>Earnings from Ongoing Trading Operations before Interest, Revaluations and Tribal Activities</b>	4 (c)	<b>23,664</b>	<b>35,209</b>
Finance Costs	4 (c)	(6,150)	(5,382)
Share of Associate's Net Surplus accounted for using the Equity method	12	1,092	1,979
Net Gain on Sale of Non Current Assets	4 (b)	71	783
Net (Loss)/Gain on Revaluation of Investment Property		(5,541)	25,890
Net Gain/(Loss) on Revaluation of Biological Assets		205	(224)
<b>Trading Surplus prior to Tribal Activities</b>		<b>13,341</b>	<b>58,255</b>
Fisheries Settlement	5	28,733	34,686
Aquaculture Interim Settlement	5	200	0
Related costs for Fisheries Settlement	5	0	(6,755)
Operating expenses – Te Rūnanga o Ngāi Tahu		(10,408)	(8,818)
Impairment Non Current Assets		(1,595)	0
Revenue relating to Tribal, Rūnanga and Whānau Distributions	6	2,711	3,265
Tribal, Rūnanga and Whānau Distribution Expenses	6	(12,900)	(16,124)
<b>Net Surplus before taxation</b>		<b>20,082</b>	<b>64,509</b>
Less Taxation	8	(410)	(313)
<b>Net Surplus after taxation</b>		<b>19,672</b>	<b>64,196</b>
<i>Attributable to:</i>			
Equity holders of the parent		19,727	63,956
Minority Interest		(55)	240
<b>Net Surplus for the Year</b>		<b>19,672</b>	<b>64,196</b>

This Statement is to be read in conjunction with the Summary Statement of Accounting Policies and Notes to the Summary Group Financial Statements attached.

## Summary Group Statement of Changes in Equity

For the Year Ended 30 June 2009	Notes	June 2009 \$ 000s	June 2008 \$ 000s
<b>Balance at beginning of year</b>		<b>513,583</b>	<b>474,879</b>
<i>Net Movement in Asset Revaluation Reserve:</i>			
– Investment valuation gain\ (loss)		800	(21,801)
Loss Recognised on cash flow hedges	Movement in value of Ryman Shares – (decrease/ increase).	(7,383)	(3,691)
Net (Loss)/Income recognised directly in equity		(6,583)	(25,492)
<i>Net Surplus for the Year:</i>			
– Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust		19,727	63,956
– Minority Shareholders		(55)	240
		19,672	64,196
Transfers to statement of financial performance on cashflow hedges		(11)	–
Total recognised income and expense for the period		13,078	38,704
<b>Balance at end of year</b>		<b>526,661</b>	<b>513,583</b>

This Statement is to be read in conjunction with the Summary Statement of Accounting Policies and Notes to the Summary Group Financial Statements attached.

## Summary Group Statement of Financial Position

As at 30 June 2009	Notes	June 2009 \$ 000s	June 2008 \$ 000s
<b>Current Assets</b>			
Cash and Cash Equivalents		2,257	7,524
Accounts Receivable		8,328	20,626
Inventories		6,253	7,796
Inventories – Property		41,136	53,201
Loans Advanced		970	2,863
Other Financial Assets		0	17
Other Current Assets	7	973	1,239
Taxation		42	22
<b>Total Current Assets</b>		<b>59,959</b>	<b>93,288</b>
<b>Non-Current Assets</b>			
Accounts Receivable		3,628	3,823
Non Current Inventory - Property		20,344	21,141
Loans Advanced		1,473	1,085
Property, Plant and Equipment	9	86,319	64,628
Biological Assets		3,446	2,911
Investment Properties	10	258,207	261,145
Investments in Equity Instruments	11	72,132	72,325
Interest in Associate Companies	12	7,420	6,328
Other Financial Assets		14	1,132
Fish Quota and Marine Farm Licences		105,682	78,001
Goodwill		16,535	16,539
Brands, River Rights, Concessions and Software		22,274	22,473
<b>Total Non-Current Assets</b>		<b>597,474</b>	<b>551,531</b>
<b>Total Assets</b>		<b>657,433</b>	<b>644,819</b>

This Statement is to be read in conjunction with the Summary Statement of Accounting Policies and Notes to the Summary Group Financial Statements attached.

## Summary Group Statement of Financial Position (cont.)

As at 30 June 2009	Notes	June 2009 \$ 000s	June 2008 \$ 000s
<b>Current Liabilities</b>			
Creditors and Accruals		28,543	32,235
Other Current Financial Liabilities		2,388	-
Current Portion of Non-Current Liabilities	15	50,709	98,798
<b>Total Current Liabilities</b>		<b>81,640</b>	<b>131,033</b>
<b>Non-Current Liabilities</b>			
Term Loans	15	45,064	153
Other Financial Liabilities		4,068	50
<b>Total Non-Current Liabilities</b>		<b>49,132</b>	<b>203</b>
<b>Total Liabilities</b>		<b>130,772</b>	<b>131,236</b>
<b>Net Assets</b>		<b>526,661</b>	<b>513,583</b>
<b>Equity</b>			
Trust Funds in Perpetuity		227,597	198,664
Capital Reserve		897	897
Asset Revaluation Reserve		47,982	47,182
Hedge Reserve		(6,306)	1,088
Retained Earnings		255,635	264,841
<b>Tribal Equity</b>		<b>525,805</b>	<b>512,672</b>
Minority Interest		856	911
<b>Total Equity</b>		<b>526,661</b>	<b>513,583</b>

Money owed to our suppliers and rūnanga distributions still to be paid.

Includes borrowings under term facility with BNZ.

Funds received from the Crown including Claim Settlement \$170m and partial Fisheries Settlement.

Includes the difference between the current market value and the prices paid for Ryman Shares.

Represents unrealised gains and losses on foreign currency and interest rate hedges.

The net worth of Ngāi Tahu as measured in the Group Financial Accounts.

19 September 2009

M W Karaman

Kaiwhakahaere



Chief Executive Officer

This Statement is to be read in conjunction with the Summary Statement of Accounting Policies and Notes to the Summary Group Financial Statements attached.

## Summary Group Statement of Cash Flows

For the Year Ended 30 June 2009	Notes	June 2009 \$ 000s	June 2008 \$ 000s
<b>Cash Flows from Operating Activities</b>			
<i>Cash was provided from:</i>			
Cash receipts from Customers		141,668	146,456
Sale of Inventories – Property	Includes sales of residential development sections. →	35,036	27,025
Dividends received		2,100	1,835
Interest received		900	902
		179,704	176,218
<i>Cash was applied to:</i>			
Cash paid to Suppliers and Employees		124,579	120,837
Purchase of Development Properties	Includes purchases of residential development sections. →	9,127	34,223
Tribal Distributions		15,063	16,018
Interest paid		5,054	4,864
Taxation paid		430	71
		154,253	176,013
<b>Net Cash Inflow from Operating Activities</b>	<b>16</b>	<b>25,451</b>	<b>205</b>
<b>Cash Flows from Investing Activities</b>			
<i>Cash was provided from:</i>			
Sale of Property, Plant and Equipment		578	3,034
Loans repaid		2,237	1,968
Sale of Investment to Joint Venture Partner		0	524
Sale of Forest Land		100	1,075
Sale of Quota		70	295
		2,985	6,896
<i>Cash was applied to:</i>			
Purchase of Property, Plant and Equipment		6,848	5,886
Loans advanced		0	2,680
Acquisition of Businesses		0	1,550
Purchase of Investments		503	12,686
Purchase of Quota		0	1,500
Purchase of Biological assets		872	751
Purchase of Intangibles		76	160
Investment Properties Expenditure	Includes capital costs associated with Christchurch City Council JV and other property investments. →	23,408	25,238
		31,707	50,451
<b>Net Cash (Outflow) from Investing Activities</b>		<b>(28,722)</b>	<b>(43,555)</b>

This Statement is to be read in conjunction with the Summary Statement of Accounting Policies and Notes to the Summary Group Financial Statements attached.

## Summary Group Statement of Cash Flows (cont.)

For the Year Ended 30 June 2009	Notes	June 2009 \$ 000s	June 2008 \$ 000s
<b>Cash Flows from Financing Activities</b>			
<i>Cash was provided from:</i>			
Term loans		0	46,000
Deposits advanced		0	108
		0	46,108
<i>Cash was applied to:</i>			
Repayment of Term loans		3,000	0
Repayment ANZ National Bank Loan		93	0
Repayment of other loans		85	447
		3,178	447
<b>Net Cash (Outflow) / Inflow from Financing Activities</b>		<b>(3,178)</b>	<b>45,661</b>
<b>Net (Decrease) / Increase in Cash Held</b>		<b>(6,449)</b>	<b>2,311</b>
Fish Settlement Cash Introduced	5	982	1,505
Interim Aquaculture Settlement Cash		200	0
Add balance at beginning of year		7,524	3,708
Balance at end of year		2,257	7,524
<i>Represented by:</i>			
Cash and cash equivalents		2,257	7,524

This Statement is to be read in conjunction with the Summary Statement of Accounting Policies and Notes to the Summary Group Financial Statements attached.

# Statement of Accounting Policies

For the Year Ended 30 June 2009

## 1. Basis of preparation

### 1.1. Reporting entity

These Summary Group Financial Statements have been prepared for the purpose of giving information about the Group to the Ngāi Tahu Whānui.

The Summary Group Financial Statements for Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust include Te Rūnanga o Ngāi Tahu and its subsidiaries, including Ngāi Tahu Charitable Trust, Ngāi Tahu Holdings Corporation Limited and its subsidiaries and the trusts for which the company and its subsidiaries act as trustee, and the subsidiaries and associates of those trusts ("the Group"), adjusted to eliminate the effect of significant intra-group transactions.

### 1.2. Statement of Compliance

Te Rūnanga o Ngāi Tahu is responsible for the overall governance of Ngāi Tahu's affairs, the representation of the tribe's interests, the protection and advancement of the rights of the members of Ngāi Tahu Whānui, and delivering social, cultural and development programmes to Ngāi Tahu members and their communities. Ngāi Tahu Holdings Corporation manages the commercial activities and assets that have been placed in the Ngāi Tahu Charitable Trust, being primarily property investment, property development, tourism, fishing and investment activity in New Zealand. Te Rūnanga o Ngāi Tahu is a body corporate incorporated in New Zealand by section 6 of the Te Rūnanga o Ngāi Tahu Act 1996. It is a public benefit entity and is domiciled in New Zealand.

Te Rūnanga o Ngāi Tahu and the Ngāi Tahu Charitable Trust have common beneficiaries.

The Summary Group Financial Statements for the Group have been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP"). They comply with the Financial Reporting Standard No.43 "Summary Financial Statements".

The financial statements were authorised for issue by Te Rūnanga o Ngāi Tahu on 19 September 2009.

### 1.3. Basis of Measurement

The Summary Group Financial Statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments.

Cost is based on the fair value of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009 and the comparative information presented in these financial statements for the year ended 30 June 2008.

### 1.4. Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The full financial statements provide detail behind critical estimates and judgements. These summary group financial statements should be read in conjunction with the full financial statements.

The estimates and judgements are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised unless the revision impacts on future periods as well in which case it is recognised in current and future periods.

The following are the critical estimates and judgements management have made in the process of applying the Group's accounting policies and that have the most significant impact on the amounts recognised in the financial statements:

#### *Impairment of Goodwill and Other Intangibles*

The Group determines whether intangibles with an indefinite useful life are impaired at least on an annual basis. This requires the estimation of the recoverable amount of the cash generating units to which these intangibles are allocated.

#### *Fair value of Investment Properties*

Investment properties of the Group are valued at fair value at least on an annual basis. This requires the estimation of current market values by independent registered valuers.

#### *Impairment of Quota*

The Group determines whether fish quota is impaired at least on an annual basis. This requires the estimation of the recoverable amount of the cash generating units to which this quota is allocated.

#### *Fair value of Derivatives*

The Group holds a number of derivatives which are hedge accounted, with the fair value of these derivatives being determined at least on an annual basis. This is reviewed by management on a regular basis.

### 1.5. Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

# Statement of Accounting Policies

For the Year Ended 30 June 2009

## 2. Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

### 2.1. Basis Of Combination

#### (a) Basis of Combination

The Summary Group's financial statements incorporate the financial statements of the Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust, and entities which they control (its subsidiaries). Control is achieved where the Entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The purchase method has been used in the combination of the results and financial position of subsidiaries and joint ventures, while the equity method has been adopted for use in the incorporation of the results and financial position of associate companies.

The trusts have been aggregated by combining on a line by line basis the financial statements of the trusts and their subsidiaries and associates with the consolidated financial statements of Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust and its subsidiaries.

The results of subsidiaries acquired or disposed of during the year are included in the Summary Group Statement of Financial Performance from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on combination.

Minority interests in net assets (excluding goodwill) of subsidiaries are identified separately from the Group's interest therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

#### (b) Associate Companies

Associates are all entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting and are initially recorded at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Group's Statement of Financial Performance, and its share of post-acquisition reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying value of the investment.

When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Where an entity within the Group transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the associate.

#### (c) Joint Ventures

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of joint venture's individual income and expenses, assets and liabilities on a line-by-line basis with similar items in the Group's financial statements.

Where an entity within the Group transacts with a joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the joint venture.

### 2.2. Foreign Currency

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies are translated to New Zealand currency at exchange rates ruling at balance date. Realised and unrealised gains or losses due to movements in exchange rates are included in the Summary Group Statement of Financial Performance, except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

### 2.3. Inventories

Inventories have been valued at the lower of cost, on a standard or weighted average basis, and net realisable value after due allowance for damaged or obsolete inventory.

Costs include a systematic allocation of appropriate production overheads that relate to putting inventories in their present location and condition.

Inventories classified as unleased quota are the rights to catch fish that are attached to the fish quota shares.

Properties classified as inventories are properties intended for sale in the ordinary course of business or are in the process of being constructed or developed for such a sale.

# Statement of Accounting Policies

For the Year Ended 30 June 2009

## 2.4. Property, Plant and Equipment

### (a) Recognition and Measurement

Property, Plant and Equipment is stated at historical cost less accumulated depreciation and provision for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

### (b) Subsequent costs

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Summary Group Statement of Financial Performance during the financial period in which they are incurred.

### (c) Depreciation

Land and Investment Properties under development have not been depreciated. Depreciation on other assets is calculated on a straight line basis to allocate their cost to their residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

### (d) Disposal

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the Summary Group Statement of Financial Performance.

## 2.5. Investment Property

Investment Property includes properties held to earn rental income, or for capital appreciation. A property is also classified as an investment property if it does not have an operating lease in place, but is held with the intention of securing an operating lease.

Investment properties are stated at fair value. The fair value represents the market value determined annually by external valuers.

Any gains or losses arising from a change in fair value are recognised in the Summary Group Statement of Financial Performance.

When an item of property, plant and equipment is transferred to investment properties following a change of its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised in the Summary Group Statement of Financial Performance.

## 2.6. Intangible Assets

### (a) Goodwill

Goodwill arising on the acquisition of businesses or subsidiaries represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the business or subsidiaries recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is not subject to amortisation, but is tested annually for impairment and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in the Summary Group Statement of Financial Performance and is not subsequently reversed. Refer also to impairment of assets policy.

### (b) Quota and Marine Farm Licences

Quota and marine farm licences are both indefinite life intangible assets. They are both recorded at cost less impairment.

### (c) Other Intangible Assets

#### *Brands, River Rights, Concessions and Consents*

Brands, river rights, concessions and consents have an indefinite useful life and are recorded at cost less impairment.

#### *Computer Software*

Computer software and licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific asset. These costs are amortised on a straight line basis over the assets estimated useful life of one to five years.

## 2.7. Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, net of goods and services tax (GST), rebates, discounts and after eliminating sales within the Group. Revenue is recognised as follows:

### (a) Rental Income

Rental income is recognised on a straight line basis over the lease term. Lease incentives and initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

### (b) Sale of goods

Sale of goods are recognised when the Group has transferred the significant risks and rewards of ownership of the good sold.

## Statement of Accounting Policies

For the Year Ended 30 June 2009

(c) Sale of services

Sale of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as proportion of the total services to be provided.

(d) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

The effective interest method allocates the interest income over the life of the contract or, when appropriate, a shorter period using the effective interest rate. The effective interest rate is the discount rate at which the present value of the future cash flows equals the net carrying amount of the financial asset. When calculating the effective interest rate the Group estimates the future cash flows considering all the contractual terms of the contract but does not include future credit losses. The calculation of the effective interest rate includes all fees, transaction costs and all other premiums or discounts that are an integral part of the effective interest rate.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(e) Dividend Income

Dividend income is recognised when the right to receive payment is established.

### 2.8. Taxation

Te Rūnanga o Ngāi Tahu is taxed on its business income at the Māori Authority rate. This taxation is accounted for on the comprehensive basis, using the liability method. No taxation is payable by Ngāi Tahu Charitable Trust and its subsidiaries as they all have charitable status for Income Tax purposes.

### 3. Changes In Accounting Policies

The Group has elected to early adopt NZ IAS 23 (Revised) Borrowing Costs (effective for accounting periods beginning on or after 1 January 2009).

The adoption of NZ IAS 23 has resulted in a change in the Group's borrowing cost policy. Previously borrowing costs that were directly attributable to the acquisition, construction or production of qualifying assets were expensed. Under NZ IAS 23 (revised), entities are no longer permitted to expense borrowing costs relating to qualifying assets and must capitalise these costs.

NZ IAS 23 (revised) is to be applied prospectively to borrowing costs relating to qualifying assets. Therefore, no restatement of prior periods has been completed. Profit for the year ended 30 June 2009 has increased by \$1,875,503 as a result of the new policy with a corresponding reduction in finance costs. The qualifying assets, being Investment Properties under Development in Property, Plant and Equipment have increased in value by this same amount. The Group has early adopted several interpretations and amendments to standards and these did not have a significant impact on the Group Financial Statements.

There have been no other changes in accounting policies.

## Notes to the Group Financial Statements

For the Year Ended 30 June 2009

June 2009  
\$ 000sJune 2008  
\$ 000s**4. Income And Expenses**

All revenue is from continuing operations and consists of the following items:

**(a) Revenue and Other Income from Trading Operations**

Revenue for the sale of goods	106,897	121,297
Revenue from the rendering of services	34,477	34,750
Foreign exchange gains on sale of goods	-	1,958
Rental received from properties	18,076	17,420
Recoverable Property Operating Expenses	992	677
Interest revenue	900	902
Dividends – on AFS financial assets	2,100	1,835
Hedge ineffectiveness on foreign exchange contracts	0	46
Gain / (Loss) on FX options	0	(1)
Other revenue	953	587
	164,395	179,471

**(b) Net Gain / (Loss) on Sale of Non Current Assets**

Property, Plant and Equipment	(24)	30
Investment Properties	95	753
	71	783

**(c) The following expenses are included in the determination of Group Net Surplus:***Finance costs:*

Interest paid on bank loans	6,633	6,184
Interest paid / (received) on interest rate swaps	403	(959)
Bank facility fees	990	157
Amount of interest capitalised	(1,876)	0
	6,150	5,382

*Depreciation, Amortisation and Impairment:*

Depreciation of property, plant and equipment	3,905	4,036
Amortisation of intangible assets	275	391
Impairment of property plant and equipment	248	305
Impairment of investments	1,626	4
Impairment of goodwill	4	0
	6,058	4,736

## Notes to the Group Financial Statements

For the Year Ended 30 June 2009	June 2009 \$ 000s	June 2008 \$ 000s
<b>4. Income And Expenses (cont.)</b>		
<i>Direct operating expenses of investment properties:</i>		
Properties generating rental income	1,960	1,885
<b>Auditors remuneration</b>		
Fees for audit	197	197
Fees for NZIFRS opening balance sheet audit	0	66
Other fees paid to Group auditors – Other assurance fees	25	0
Audit fees paid on behalf of related parties	21	26
	243	289
<b>Other expenses</b>		
Bad debts	173	82
Doubtful debts	(24)	1,180
Defined contribution plans	322	171
Fees paid to directors of trustees (note 18)	350	294
Foreign exchange variances	5,967	0
Hedge Accounting	11	0
Gain / (Loss) on FX Options	136	0
Leasing and rental charges	4,736	4,848
Other Employee Benefits	153	123

### 5. Fisheries and Aquaculture Settlements

During the year the Treaty of Waitangi Fisheries Commission (Te Ohu Kai Moana) settled a portion of Māori fisheries settlement assets. This included the following assets:

	Settlement Value \$000s	Fair Value Adjustment \$000s	Fair Value \$000s	2008 \$000s
Aotearoa Fisheries Limited Income Shares (note 11)				6,095
Aquaculture	200	0	200	0
Fish Quota	29,237	(1,486)	27,751	27,086
Settlement asset money	982	0	982	1,505
	30,419	(1,486)	28,933	34,686
Deduct Fisheries negotiation costs			0	6,755
Fisheries and Aquaculture Settlement Income			28,933	27,931

Section 161 of the Māori Fisheries Act 2004 states that settlement quota sales can only be made to another mandated iwi organisation or an entity within Te Ohu Kai Moana Group. Such sales are possible two years after the first transfer of settlement quota by Te Ohu Kai Moana Limited to the mandated iwi organisation. Settlement quota cannot be gifted.

Donal Boyle from Quota Management Systems Limited determined the fair value of fish quota at the time of settlement with reference to market evidence of current market prices. Donal Boyle is an independent valuer not related to the Group. He has 28 years experience in the fishing industry and 15 years valuing fish quota.

## Notes to the Group Financial Statements

For the Year Ended 30 June 2009	June 2009 \$ 000s	June 2008 \$ 000s
<b>6. Tribal, Rūnanga and Whānau Distributions</b>		
Income relating to Tribal, Rūnanga and Whānau Distributions	2,711	3,265
<b>Expenses</b>		
Rūnanga Distributions & Development	4,349	5,037
Culture and Identity	1,190	1,322
Social Independence	2,384	3,952
Natural Resources, Tribal Properties and Mahinga Kai Cultural parks	920	1,335
Strategy and Influence	1,064	229
Whai Rawa Distributions and Development	791	1,772
Tribal Representation	2,202	2,477
	12,900	16,124
Net Expenses	10,189	12,859

The above costs represent the direct costs of the programmes only and do not include an allocation of general operational and administrative expenses.

<b>7. Other Current Assets</b>		
Operating lease receivables	110	139
Prepayments	853	431
Other	10	669
	973	1,239

There were no past due or impaired assets at balance date (2008: Nil)

<b>8. Taxation</b>		
<b>a) Income tax recognised in profit or loss</b>		
<i>Tax expense/(income) comprises:</i>		
Current tax expense/(income)	460	288
Adjustments recognised in the current year in relation to the current tax of prior years	(50)	25
Total tax expense/(income)	410	313

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Net surplus before taxation	20,082	64,509
Less: Non-taxable income	(39,521)	(85,282)
Plus: Non-deductible expenses	21,807	22,252
	2,368	1,479
Income tax expense calculated at 19.5%	460	288

The tax rate used in the above reconciliation is the Māori authority tax rate of 19.5% payable by New Zealand Māori entities on taxable profits under New Zealand law. There is no change in the Māori authority rate when compared with the previous reporting period.

## Notes to the Group Financial Statements

For the Year Ended 30 June 2009	June 2009 \$ 000s	June 2008 \$ 000s
<b>9. Property, Plant and Equipment – Net Book Value</b>		
Land and Buildings	22,180	22,503
Plant, Office & Computer Equipment	12,882	11,127
Motor Vehicles	948	871
Investment Properties under Development	50,309	30,127
	86,319	64,628
<b>10. Investment Properties – At Fair Value</b>		
Investment Property – Commercial	99,235	109,546
Investment Property – Crown / Local Authority	66,670	63,021
Investment Property – Forestry Land	92,302	88,578
	258,207	261,145
<b>11. Investments In Equity Instruments</b>		
<b>Available for sale investments carried at fair value</b>		
Aotearoa Fisheries Limited income shares	4,500	6,095
Ryman Healthcare Limited shares	63,200	62,400
	67,700	68,495
<b>AFS investments carried at cost</b>		
Endeavour I-Cap Venture Capital Fund	2,350	2,153
Waimakariri Irrigation Limited (1000 "C" class shares)	551	551
Veritide	800	800
Port Clarence Shares	193	193
Hurunui Water Scheme	296	0
Sundry Investments	242	133
	4,432	3,830
	72,132	72,325

The AFS investments carried at cost are private equity investments. There are no active markets for any of these investments and the fair value of these investments would be difficult to determine with any degree of certainty under valuation techniques. There was no intention to dispose of any investments in equity instruments at balance date.

12. Interest In Associate Company	Percentage Owned	Owned By	Principal Activity	Balance Date
<i>Associate company at 30 June 2009 and 30 June 2008 was:</i>				
Whale Watch Kaikōura Limited	43.5%	Ngāi Tahu Holdings Corporation Limited	Tourism	30 June
Carrying Value at End of Year			7,420	6,328
Share of associate's net surplus			1,092	1,979

**Contingent liabilities and capital commitments**

At 30 June 2009 the associate has no contingent liabilities or capital commitments (June 2008: \$nil).

## Notes to the Group Financial Statements

For the Year Ended 30 June 2009

June 2009  
\$ 000s

June 2008  
\$ 000s

### 13. Interests In Joint Ventures

The joint ventures are:	Percentage Owned	Owned By Activity	Principal	Balance Date	Other JV Partner
Whangaroa Seafoods Joint	50.00%	Ngāi Tahu Seafood Products Limited	Fishing	30 September	Kopi Holdings Limited
Kayaking Abel Tasman Joint Venture	50.00%	Abel Tasman Tourism Kayaking Limited	Tourism Operators	30 June	Wakatu Incorporation
Christchurch Civic Building Joint Venture	50.00%	Ngāi Tahu Property (CCC JV) Limited	Property Developer	30 June	Civic Building Limited (previously Tuam 2 Limited), (Christchurch City Council)
Allandale Joint Venture	50.00%	Ngāi Tahu Property Limited	Property Developer	30 June	Allandale Property Limited
Lincoln Land Development Joint Venture	50.00%	Ngāi Tahu Property Joint Ventures Limited	Property Developer	31 December	Lincoln University Property Joint Venture Limited

Whangaroa Seafoods Joint Venture ceased operations on 7 April 2009.

Kayaking Abel Tasman Joint Venture commenced operations on 1 August 2007.

Christchurch Civic Building Joint Venture commenced operations on 15 October 2007.

Lincoln Land Development Joint Venture commenced operations on 8 October 2007.

The Group's share of the assets, liabilities, revenues and expenses are incorporated into the Group financial statements on a line-by-line basis using the proportionate method as below:

	June 2009 \$ 000s	June 2008 \$ 000s
Cash and Cash Equivalents	214	29
Accounts Receivable	345	206
Inventories	7,798	79
Property, Plant and Equipment	23,302	9,243
Investment Properties	0	15,415
Intangibles	1,153	1,158
<b>Total Assets</b>	<b>32,812</b>	<b>26,130</b>
Less Current Liabilities	(1,801)	(656)
<b>Net Investment in Joint Ventures</b>	<b>31,011</b>	<b>25,474</b>

Contingent Liabilities

0

0

Capital Commitments

39,800

64,000

Included in the Financial Statements are the following revenue and expenses:

Share of Revenue

1,897

2,541

Share of Expenses

1,437

2,685

Whangaroa Seafoods Joint Venture includes sales and expenses to related parties within the Ngāi Tahu Seafood Group.

## Notes to the Group Financial Statements

For the Year Ended 30 June 2009

June 2009  
\$ 000s

June 2008  
\$ 000s

### 14. Acquisition Of Businesses

There were no new business combinations.

### 15. Term Loans

(1) Bank of New Zealand	35,625	98,000
Commonwealth Bank of Australia	35,625	-
ANZ National Bank Limited	23,750	-

#### Syndicated Loan Facility

Ngāi Tahu Holdings Corporation Limited, for itself and acting in its capacity as Trustee of the Holdings Corporation Trust, the Bank of New Zealand (as lead arranger), ANZ National Bank and Commonwealth Bank of Australia, entered into a Syndicated Loan Facility Agreement dated 29 October 2008 for a maximum loan facility of \$200,000,000.

The loan facility is split between between Tranche A of up to \$50,000,000 expiring 28 October 2009 and Tranche B of up to \$150,000,000 expiring 29 October 2011.

As at 30 June 2009 interest under the loan facility was payable at between 3.34% - 4.48% per annum.

The loan facility is secured by a deed of negative pledge and guarantee over all the assets of Ngāi Tahu Holdings Corporation and its guaranteeing subsidiaries.

(2) Deposits	259	344
(3) Maturanga Trust	514	514
(4) ANZ National Bank	0	93

	95,773	98,951
Less Current Portion	(50,709)	(98,798)
	45,064	153

## Notes to the Group Financial Statements

For the Year Ended 30 June 2009	June 2009 \$ 000s	June 2008 \$ 000s
<b>16. Reconciliation of Net Surplus to Net Cash Inflow</b>		
<b>From Operating Activities</b>		
Net Surplus after taxation	19,672	64,196
<i>Non-cash items:</i>		
Depreciation	3,905	4,036
Amortisation of goodwill and intangibles	275	391
Net loss/(gain) on sale of Property, Plant and Equipment	24	(30)
Impairment of property, plant and equipment	248	305
Net gain on sale of investment properties	(95)	(753)
Net gain on revaluation of investment property	5,336	(25,890)
Revaluation of biological assets	70	224
Biological assets natural decrease / (increase)	0	98
Losses/(gains) on derivative instruments	11	(46)
Impairment of investments	1,626	4
Bad debts	173	0
Provision for doubtful debts	(24)	1,130
Fisheries settlement	(28,933)	(27,931)
Equity accounted earnings of associate	(1,092)	(1,979)
	(18,476)	(50,441)
Movement in working capital arising from operating activities		
Accounts Receivable	12,346	(7,322)
Inventories	2,015	(1,086)
Inventories – Property	13,232	(6,098)
Other Financial Assets	10	0
Other Current Assets	266	685
Taxation	(20)	242
Other Financial Liabilities	126	0
Accounts Payable and Accruals	(3,720)	29
	24,255	(13,550)
Net cash inflow from operating activities	25,451	205

### 17. Related Party Transactions

#### (a) Transactions with related parties

There have been material transactions with related parties during the year. The related parties involved were Ngāi Tahu Charitable Trust, Ngāi Tahu Development Corporation and Te Rūnanga o Ngāi Tahu. The types of transactions involved include rent received, IT service fees, management fee expenses, interest expenses, and distributions.

Related parties not part of the Group Financial Statements include Whai Rawa Fund Trust (Distributions Paid 2009: \$1,583,500, 2008: \$3,810,000).

#### Terms under which related party transactions were entered into

No write-downs of receivables in respect of related parties have occurred and no amounts were provided for in doubtful debts relating to debts due from related parties at balance date (2008: nil).

#### (b) Key management personnel

Details of key management personnel remuneration are disclosed in note 18.

## Notes to the Group Financial Statements

For the Year Ended 30 June 2009	June 2009 \$ 000s	June 2008 \$ 000s	
<b>18. Key Management Personnel Compensation</b>			
The short-term employee benefit compensation of the Directors and executives, being the key management personnel of the Group, is set out below:			
<b>Directors of Ngāi Tahu Holdings Corporation Limited, Ngāi Tahu Seafood Limited, Ngāi Tahu Property Limited, Ngāi Tahu Tourism Limited and Ngāi Tahu Capital Limited.</b>			
Linda Constable (1), (2) (appointed Interim Chair 22 February 2009 and Member of Audit & Finance Committee until 14 August 2008)	Ngāi Tahu Holdings Corporation Limited (Interim Chair), Ngāi Tahu Capital Limited, Ngāi Tahu Property Limited (Chair), Ngāi Tahu Seafood Limited, Ngāi Tahu Tourism Limited, Ngāi Tahu Property (CCC – JV) Limited	83	60
Ross Keenan (1), (2) Chair (appointed Chair Ngāi Tahu Seafood Limited 26 February 2009)	Ngāi Tahu Holdings Corporation Limited, Ngāi Tahu Capital Limited, Ngāi Tahu Property Limited, Ngāi Tahu Seafood Limited (Chair), Ngāi Tahu Tourism Limited (Chair), Ngāi Tahu Tribal Services Limited	73	60
Mark Tume (1) Chair (appointment ended 30 June 2009)	Ngāi Tahu Holdings Corporation Limited, Ngāi Tahu Capital Limited (Chair), Ngāi Tahu Property Limited, Ngāi Tahu Seafood Limited, Ngāi Tahu Tourism Limited	65	69
Wally Stone (appointment ended Ngāi Tahu Holdings Corporation Limited 22 February 2009 & appointment ended Ngāi Tahu Capital Limited, Ngāi Tahu Property Limited, Ngāi Tahu Seafood Limited, Ngāi Tahu Tourism Limited 3 March 2009)	Ngāi Tahu Holdings Corporation Limited (Chair), Ngāi Tahu Capital Limited, Ngāi Tahu Property Limited, Ngāi Tahu Seafood Limited (Chair), Ngāi Tahu Tourism Limited	60	90
Donald Couch (1), (2)	Ngāi Tahu Holdings Corporation Limited	37	0
Gerry Coates (1) (appointed 19 November 2008 and Member of Audit and Finance Committee from 26 February 2009)	Ngāi Tahu Holdings Corporation Limited	22	0
Mark Solomon (resigned 23 September 2008)	Ngāi Tahu Holdings Corporation Limited	0	0
<b>Total Directors Fees Ngāi Tahu Holdings Group</b>		<b>340</b>	<b>279</b>
(1) Member of Ngāi Tahu Holdings Audit and Finance Committee			
(2) Member Ngāi Tahu Holdings Remuneration Committee			
<b>Other Directors Fees</b>			
Peter Biggs (resigned 2 October 2008)	Ngāi Tahu Communications Limited	0	7
Gabrielle Huria (resigned 15 September 2008)	Ngāi Tahu Communications Limited	0	8
Kypros Kotzikas	Ngāi Tahu Fisheries Settlement Limited	10	0
<b>Total Directors Fees Group</b>	<b>Note 4 (c)</b>	<b>350</b>	<b>294</b>
<b>Te Rūnanga O Ngāi Tahu Representatives</b>		<b>869</b>	<b>926</b>
<b>Short term employee benefits (senior management positions)*</b>		<b>2,377</b>	<b>1,949</b>
<b>Total Key Management Personnel and Directors Fees Compensation</b>		<b>3,596</b>	<b>3,169</b>

\* Exit/redundancy payments have been excluded.

## Notes to the Group Financial Statements

For the Year Ended 30 June 2009

June 2009  
\$ 000sJune 2008  
\$ 000s**18. Key Management Personnel Compensation (continued)****Employees Remuneration**

The number of employees or former employees of the Group, not being directors, who received remuneration exceeding \$100,000 during the financial year under review were:

Remuneration	2009 No. of Employees	2008 No. of Employees
\$500,000 - \$509,999	1	0
\$380,000 - \$389,999	1	1
\$350,000 - \$359,999	0	1
\$330,000 - \$339,999	0	1
\$310,000 - \$319,999	1	0
\$290,000 - \$299,999	1	1
\$270,000 - \$279,999	1	0
\$250,000 - \$259,999	0	1
\$240,000 - \$249,999	1	1
\$230,000 - \$239,999	3	2
\$220,000 - \$229,999	1	4
\$200,000 - \$209,999	1	0
\$190,000 - \$199,999	1	2
\$180,000 - \$189,999	3	0
\$170,000 - \$179,999	6	1
\$160,000 - \$169,999	2	4
\$150,000 - \$159,999	3	4
\$140,000 - \$149,999	3	3
\$130,000 - \$139,999	3	2
\$120,000 - \$129,999	3	6
\$110,000 - \$119,999	10	6
\$100,000 - \$109,999	8	10
	53	50

\* Some exit/redundancy payments have been excluded.

**19. Commitments For Expenditure****(a) Capital expenditure commitments**

Acquisition of Property, plant and equipment	70	4,089
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**(b) Other expenditure commitments**

Investments	0	485
Property, Plant and Equipment (Investment properties under construction)	23,808	83,032
	23,808	83,517

**20. Contingent Liabilities**

The government has announced its proposed cap and trade system for greenhouse gas emissions. Until the legislation and details of the scheme are finalised, the Group is unable to quantify any net asset or liability arising from the system.

There are no other contingent liabilities at 30 June 2009 (June 2008: \$nil).

**21. Events Subsequent To Balance Date**

There were no other significant events after balance date.

## AUDIT REPORT TO THE MEMBERS OF TE RŪNANGA O NGĀI TAHU AND NGĀI TAHU CHARITABLE TRUST

We have audited the summary financial statements of Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust ("the Group") for the year ended 30 June 2009 as set out on pages 20 to 39.

This report is provided solely for your exclusive use and solely for the purpose of providing an opinion as to whether the summary financial statements have been properly extracted from the full financial statements upon which they are based. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence.

### Responsibilities of the Rūnanga Representatives

The Rūnanga representatives are responsible for the preparation of summary financial statements, in accordance with New Zealand law and generally accepted accounting practice.

### Auditors' Responsibilities

It is our responsibility to express to you an independent opinion on the summary financial statements presented by the Rūnanga Representatives.

### Basis of Opinion

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed procedures to ensure the summary financial statements are consistent with the full financial statements on which the summary report is based. We also evaluated the overall adequacy of the presentation of information in the summary financial statements against the requirements of FRS-43: *Summary Financial Statements*.

Other than in our capacity as auditor we have no relationship with or interests in Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust, or any of their subsidiaries.

### Unqualified Opinion

In our opinion, the information reported in the summary financial statements complies with FRS-43: *Summary Financial Statements* and is consistent with the full financial statements from which it is derived and upon which we expressed an unqualified audit opinion in our report to the members dated 19 October 2009.

For a better understanding of the scope of our audit of the Group financial statements of Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust and of the Group financial position, financial performance and cash flows of Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust for the year ended 30 June 2009, this report should be read in conjunction with the audited Group financial statements of Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust for that period.

Our examination of the summary financial statements was completed on 19 October 2009 and our unqualified opinion is expressed as at that date.



Chartered Accountants  
CHRISTCHURCH, NEW ZEALAND

This audit report relates to the summary financial statements of Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust for the year ended 30 June 2009 included on Te Rūnanga o Ngāi Tahu's website. The Rūnanga Representatives are responsible for the maintenance and integrity of Te Rūnanga o Ngāi Tahu's website. We have not been engaged to report on the integrity of Te Rūnanga o Ngāi Tahu's website. We accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially presented on the website. The audit report refers only to the summary financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these summary financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements and related audit report dated 19 October 2009 to confirm the information included in the audited summary financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements and summary financial statements may differ from legislation in other jurisdictions.