

## 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  
\$ 000sJune 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
<b>Less Current Portion</b>	<b>(50,709)</b>	<b>(98,798)</b>
	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.