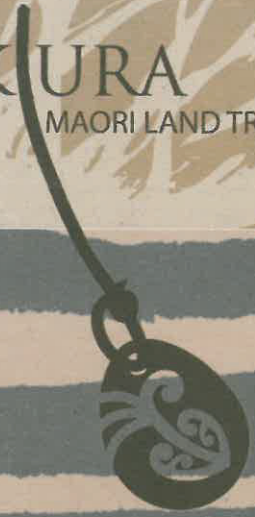


RAKURA  
MAORI LAND TRUST



ANNUAL REPORT 2011





Taken at hurd's to  
Shenandoah

# MISSION STATEMENT

Tē nei kaupapa nui o te  
Kaporeihana tiaki whenua  
Mā ori ki rakiura:

Tiakina ō na putea, ō na  
Whenua i tukua;

Ma tē poari te nei pauapapa  
Nui e ehai ake nei:


Ka kō rerotia ki ō na rō pū  
Honohono;

Ka whakahā ere ō na take  
Katoa i te pono;

Ka whanaketia tō na ohā ki  
I tukua mō ngā rō pū  
Honohono, mō ngā uri e  
Muri ake nei.

This is the mission statement for Rakiura Maori Land Trust:  
To guard/protect its financial resources and its land holdings it has received;  
It is for the board in its pursuits, to:  
Liaise with its affiliated groups;  
Manage all of its affairs transparently/truthfully;  
Advance its legacy it has received for its affiliated groups and for the  
descendents of this and future generations.

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# GOVERNANCE SUMMARY

## **Ethical conduct**

including the use of formal codes of ethics

The entity continues to develop its Code of Conduct in line with the Governance policy document, which gives guidance on the standards of behaviour expected from Trustees.

There are also formal meeting guidelines for the owners AGM process.

## **Trust Board Composition and Performance**

With Phillip Smiths decision not to put himself forward for nomination as a trustee for a further term, the remainder of the trustees moved to reduce the number of trustees to six (Rakiura Maori Land Trust meeting 21 August 2011). This is allowed for in the Trust Deed and does not preclude a further trustee being co-opted on to the trust in the future. Reducing the number of trustees was seen as a way of saving expenses in these difficult economic times. It is important to remember that Phillip remains the *upoko* of the Rakiura Maori Land Trust and will do so for as long as he wishes as this is not an elected position.

The trustees attend training in the area of governance and in the area's of benefit to the trust.

The trust board performance is reviewed annually.

## **Sub-committees**

including composition of committees

Sub-committees are formed to monitor and manage specific aspects of operations, investments or special projects. The committees include trustees and seek external involvement where necessary.

## **Reporting and Disclosure**

including regular reporting and certification of financial statements

The board of trustees reviews regular management reports against budget, including reviewing the annual business plan.

In addition they approve the annual financial statements.

## **Remuneration of Trustees**

The meeting fees and honoraria paid to trustees were approved by owners. Services provided to the trust by the trustees in their professional capacity are approved by the trustee group and reported in the annual report.

## **Risk Management**

including levels of disclosure

Risk Management practices are reviewed informally by the trust board throughout the year, whether these be investment risks, hunting or walking track activities, land management obligations, legal considerations, project management, staffing and external resource management.

All trustees are involved in decision making.

## **Subsidiary Board**

Rakiura Wildlife Experiences was established during the 2010 Financial Year. There are three directors serving for Rakiura Wildlife Experiences who are also trustees of RMLT, and one independent director. The governance structure for Rakiura Wildlife Experiences Limited is currently undergoing a change to enable all trustees in Rakiura Maori Land Trust to be directors of the subsidiary entity.

## **Auditors**

An independent audit is completed on the Financial Statements each year. Feedback is provided on internal controls systems and procedures.

## **Owner Relations**

The trust board reports to owners via newsletters, the annual report, AGM and more recently via the website [www.visitrakiura.co.nz](http://www.visitrakiura.co.nz)

## **Stakeholder Interests**

addressing the interests of stakeholders

The trust board endeavours to address the interests of all stakeholders.

## **Maori Land Court (MLC) Review**

The Maori Land Court undertakes a review of the trust on a five yearly cycle. The last review was undertaken in December 2008. A copy of the review is available to owners from the MLC.



## TRUSTEES REPORT

It is with a sense of mixed emotions that I am able to report on the activities of the Rakiura Maori Land Trust on behalf of the Trustees for the 2010/2011 financial year. From a positive perspective it was pleasing that we once again experienced an extremely successful and well supported biannual return to Rakiura for last years AGM and pre-AGM Hui. It has also been pleasing, while challenging, to complete the second year of our three to five year plan to develop our tourism business on Rakiura, however it is with some sadness that at this year's AGM we will see the end of participation as a trustee by Phillip Smith our longest serving current trustee. While Phillip will continue as our Ūpoko, he has decided it is time to step down as a trustee and focus on other activities. I am sure all owners will join me in wishing Phillip every success for the future and thanking him for the major contribution he has made to the trust over many years.

This has been another tough year for the trust where some events beyond our control have continued to place challenges on our operation with the continuation of a very weak international economy, (which has continued to affect our investment income earning ability) and the Christchurch earthquakes, (which impacted significantly on South island tourism numbers and is home for three of our Trustees). The reduced tourism numbers in the South Island has had a flow on effect to the progress and development of our tourism business. However it is important that we continue our efforts to shift our reliance on investment income to meet the financial needs of the trust though a wider range of income earning activities.

During the year we successfully completed the purchase and setup of our building on Rakiura that will be used for our tourism base and some trust administration. We had tried to have the building prepared and usable during last years AGM and pre-AGM Hui but unfortunately this was not possible with the time available to us. We have since been able to complete the required work to make the building usable for initial requirements while providing plenty of opportunity for further development as and when required. The building had not been in use for some years and work was required to bring it back into use.

The financial result once again reflects the investment that has been required to continue the business established on the island and the continuing low global economic recovery that has been taking place and affecting investment income. However it also reflects the need to try and trim down other costs within the trust/business and this has now become a focus for the trustees to address in the coming year.

We do however need to balance the requirement to restructure our organization and its primary reliance on investment income with the cost of getting our alternative revenue streams in place while still managing existing and ongoing commitments. This is not easy and there is no right time to do it but ultimately we need to quickly become profitable in all aspects of the trust's business or reduce our activities to a point where this is possible. Our hunting income is now starting to improve and our tourism business will move into profitability within the next two years as we put in place the required partnerships to bring our key tourism products to market.



## AGM 2010

The highlight of the year was the return to Rakiura for our AGM and the pre-AGM Hui as it brings the Rakiura whānau together for three days to share our common interest in the whenua of Rakiura and whakapapa that makes us unique to the motu. To us all as the kaitiaki of our various interests on Rakiura coming together on the whenua is one of the most significant events in our calendar and one that is cherished by all who come along.

The hui was once again very successful and well supported reaching the limits in terms of attendees that can be catered for under the format we have been using. The feedback was again extremely positive and apart from the fact that we get the highest participation and input into our AGM's when held on the island, the event provides the occasion for many owners to see the island first hand along with what the trust is doing on their behalf.

Many attendees took the opportunity to visit The Neck and see the restoration work that has started and continues in this area along with the walking track established for part of our tourism activities. Others headed to Lords River and the SILNA land blocks to see this beautiful part of the island and spend a small amount of time ashore. In addition to the planned trips many simply enjoyed the opportunity to explore the island in general and reconnect with it. Last year, like every year we have held the event, saw many reconnect for the first time with their whenua since parents, grandparents and even great-great-grand-parents left the island. It is important for the future and wellbeing of the land to which we are kaitiaki, that we continue to foster these re-connections and interest in our land on Rakiura to preserve it into the future ake ake ake.

However, even though this event and the ones that have preceded it have been so successful, last years pre-AGM Hui was the last that will be held for the foreseeable future. There is a high cost and a large amount of time required in putting these opportunities and events together. While it is important to note that the cost of this event is funded from funds set aside under section 218 of the Te Ture Whenua Maori Act 1993 for purposes such as this, meaning we are not using funds that could otherwise be paid out to members as dividends, it is felt we need to look at other opportunities and uses of this funding going forward.

## BUILDING

During the year as already mentioned the Trust completed the purchase of a commercial building on Rakiura to provide a base for our tourism business operation and a presence for the Trust on Rakiura. The building is located on the beach front in Halfmoon Bay and had previously hosted retail, café, aquarium and small Paua pearl culturing operation.

For the trust the building provides a large amount of space for administration and retail along with the potential for other commercial opportunities in the future. However the initial focus is for retail and administration space for the tourism business and general trust administration.

We have taken time during the year to bring the retail and administration space up to standard for our initial use. This represents about half of the available space of the building and at this stage we have no firm plans for the remainder of the building until demand requires it. This allows us to focus on the core business rather than overall property development.

As a secondary consideration we have been looking at café opportunities, which would share our retail space and provide foot traffic for the tourism business, as the building and its outlook provide one of the best locations for



this type of activity on the island. However to date we have not reached a position of comfort on the way we would undertake this activity to make it a reality.

The circumstance surrounding the sale of the building as a liquidated asset meant that we were able to purchase the building at a very attractive price for the asset we have gained and the cost to date is well below what it would cost to purchase a similar building if it were available in the area or build one of our own. Going forward the building will make a great contribution to our business development while providing potential for other investment opportunities when we are in a position to actively pursue them.

There were consents that came with the purchase they we have retained and confirmed that include seawater usage and intake, fish farming, and seaweed gathering. While we currently have no immediate plans to use these consents they may provide value and opportunities at the appropriate time in the future.

In addition to the building the only current commercial slipway for vessels on the island is included within our purchase. The future of this slipway is yet to be determined by us as it needs current and ongoing maintenance work to remain in use. The trustees need to assess the cost of providing and supporting the slipway along with its inherent liability into the future before it makes any decisions on the slipways future. We also need to consider the impact and compatibility of this type of operation on our tourism business going forward given it is located long side the building.

## **BUSINESS**

The hard work to get our tourism business established on the island continued into its second season and we are pleased with the further progress that has been made in a very difficult year for tourism with travel numbers dramatically down following the Christchurch quakes. Tourism as a business does have its peaks and troughs but it is a well established sector with a long term future as a major part of the overall New Zealand economy. Tourism also offers a good future for the trust in the use of its core assets of land, flora, and fauna, some of which are very unique such as Kiwi, Yellow eyed penguin and other bird life. Based on the fact that our land is located on an island rather than the mainland it is also the most realistic option for most of the trust's land assets if they are to ever become productive.

The availability of our own premises meant we were able to physical establish our presence and provide a home for our operation. Unlike most other businesses on the island we are not running our operation from a home base around the kitchen table, we have to run it from premises and premises that we can rely on. Having our building also offers us an advantage that we need to further develop with our tourism products. We can start and finish our activities from our building making it part of our tours through the addition of things such as audio and visual content to enhance our products. Equally we are at the same time providing exposure to other tourism products, retail, and other activities such as a café. This however all takes time and we are now working hard to make the core activities work before heading into other areas.

In addition to establishing our location we have been successful in establishing staff continuity. Unfortunately we were not successful in retaining any staff from the first year of operation meaning it was like starting from scratch in our second year. We have however been more successful moving into our third season with our main administrator carrying on with us. To supplement this we have been slowly developing a core of other people from the island who are keen to work this us. Staffing is a major issue for us on the island with a very small workforce of probably no more than a hundred to service all the Islands needs, most of which are already committed to others and the rest with multiple arrangements who do not wish to commit to any single business.





The business has achieved its goals of cementing its position as an operator and being recognized as involved in the tourism business on the island. We further developed our systems, improved our land assets at The Neck to cater for the development of high value and unique products around flora and fauna in this location. We also ran some trials with some of these products as we look to introduce them in the coming season. We are currently working through the development of some essential business relationships to help us bring our products to market in a successful and sustainable manner. Discussions and negotiations have been underway for sometime now in this area and we are hopeful of completing these prior to Christmas this year. You can follow our business activities by visiting our website [www.seethebirds.co.nz](http://www.seethebirds.co.nz)

## HUNTING

We have successfully continued with the development of our hunting operation on the island. The new model of organising and offering a complete return package from Bluff with a transfer night on the island for all parties has been well received in it's second season of operation and we are now experiencing growth in the demand for blocks under this model for the coming season. Its worth noting that before we introduced this overnight stay model many long term return hunting parties had never been to the Oban township and had only ever travelled from Bluff to the block and back. Some parties are now enquiring about an additional night in Oban on their return from the block before heading home, which is pleasing.

We are also starting to see growth in the demand for blocks outside of the core hunting period from the beginning of March to the end of May. We have offered a discount in the pricing to attract parties to the non core period, which appears to be working. We have in recent times also started to get enquiries for the use of the blocks for non hunting purposes such as family groups over the Christmas period, which we are now considering. While we remain open minded about this opportunity safety is a major concern. The hunting blocks are located in rugged bush terrain, where good bush craft skills are essential to be safe in the area and safely move around. Ensuring groups travelling to these blocks have these skills and will be safe is a priority before we make any decision to proceed.

To help with continued growth we have turned our campsite block at the Kaika to a Hut Block with a new 8 berth hut. This brings another block into our pool and caters for bigger parties. We have other campsite blocks that can be turned into productive blocks as demand requires. We no longer book out the campsite blocks for hunting because of the damage done to the campsite area as successive parties build or add on to makeshift dwellings in place of tents. This also contributes to the accumulation of a large amount of rubbish that we then need to remove. Converting campsites to huts has in the experience of the Department of Conservation and ourselves been the best way to virtually eliminated damage and rubbish accumulation on the hunting blocks.

Finally to continue with the improvement of our hunting operation and its continued growth we have shifted the administration on to the island. This provides a much better service to the hunters and provides a much better ability to respond to any issues that arise while parties are heading to, using or returning from the blocks. Things such as disrupted travel plans through bad weather etc can be managed better by simply being there to do it. We are continuing to look at ways to offer more opportunities to continue the growth and contribution of hunting. We believe it is realistic to think the hunting can double over the next five years and this will start to make a significant contribution to the trust as an alternative revenue stream. You can follow what is happening with our hunting operation via our hunting website [www.huntrakiura.co.nz](http://www.huntrakiura.co.nz)



## FUTURE

The future for the trust is to continue its focus on developing as a fully functional Trust. Bringing land assets into production wherever possible so that we can continue to improve the value of the land on behalf of the beneficial owners. It would be all too easy to sit back and simply hold the land in title and let it along with its assets become less relevant and eventually waste away. The trust has the ability to be a fully functional Trust, we are making good progress towards this and we will continue to work towards the successful achievement of this.

The trustees will continue to focus on the development of the Trust to better serve its owners and provide more opportunities for owners to remain connected and proud of their relationship to Rakiura and its whenua. While the Trust has gained a good reputation of being very active and making good progress towards providing benefits to its beneficial owners, it also needs to provide some focus on continuing to engage and gain participation by its beneficial owners to ensure its relevance going forward. While the pre-AGM Hui on Rakiura have come to an end in their current format the trustees will be looking hard at how and when they can come up with something to replace it.

Continued development of partnerships remains fundamental to the long term future and success of the trust along with the activities it is engaged in, business or otherwise. By the end of this year we hope to have completed a couple of our bigger partnerships so that our tourism business can begin to blossom and start making its contribution through the investment we have made in it over the last two years.

Further maintenance of existing partnerships along with continued development of new ones remain important to us as we seek to reduce errors, learn from the experience of others, and find individuals we wish to work with to enhance RMLT's development as an organisation that has the full support of its owners. Now that we have a physical day to day presence in the Rakiura community some effort needs to be applied to better playing our part in this community.

The trustees driving force continues to be their determination to ensure Rakiura Māori Land does not become just another mark on the map that everyone has forgotten about. We will ensure that everyone is proud to be associated and connected to their whenua in the future ake ake ake.

As the trust has for sometime focused on the journey we and our tipuna have travelled to get to where we are, we are now focused strongly on our destination and where we need to be going forward. As we move to provide for the future we look forward to sharing and working with you as we develop this destination for all to be part of and enjoy for the many that will follow us.

Finally as mentioned in previous year's reports we must continue to look at the resources that the trust uses to ensure our future objectives can be achieved in a timely and professional manner. We will strive for further developmental progress for your ultimate benefit and continue to work for you in the months ahead as we are getting closer to our dreams of a secure and productive future for the Trust and the lands that we administer for you.

Stephen Hartevelde  
Chairperson

# ACCOUNTANT'S REPORT

## WELCOME TO THE 2011 FINANCIAL SECTION OF THE ANNUAL REPORT

### OVERVIEW

The Trust has made a loss of \$258,531 before transfers and unrealised gains for the 30 June 2011 financial year, with a combined loss of \$355,599 before transfers and unrealised gains for the same period. The loss reflects a decline in investment returns given the global markets and asset purchases made.

Our brief highlights of the 12 months are best covered under the following headings.

### INVESTMENT RETURNS

Investment markets both in New Zealand and around the world are still being affected by the global recessions, financial credit crunch, bank & finance company failures and investor panic magnified by the media. The Trust has weathered this storm largely unscathed. A few points of note:

Interest rates on fixed interest type investments have declined in the period as expected and returns are below what had been budgeted for. The Trustees take a prudent approach to investing, with preference given to the quality of the investment as opposed to interest rates. This philosophy continues to serve the trust well.

The trust realised the equity investments held last year due to poor performance, and reinvested these funds in fixed interest bonds. The realisation of these investments resulted in a gain of \$146,041 after four years.

The trust has over \$7.3 million in investments, 53% of these being Fixed Interest and Bonds. Investments are held with leading financial institutions including Westpac, the trusts main bank, and RaboDirect - the highest rated bank in New Zealand.

### SPECIAL PROJECTS

The Trustees worked on a number of special projects including:

Revision of the Hunting activities

The continuation of the Manawhenua project aimed at determining where Maori lands are located across the South Island

The continued development of the tourism business venture on the Island

The fit-out of the waterfront building to house the tourism booking office.

### HUNTING

The management of Hunting Activities was transferred to the subsidiary business, Rakiura Wildlife Experiences Limited, this financial year.



## **TAX LOSSES**

The Trust holds an exemption certificate to enable it to receive Gross Interest with no Resident Withholding Tax (RWT) deducted, thereby utilising tax losses brought forward from prior years when dividend streams attracted Imputation credits. Tax losses stand at approximately \$2.8 million the cash effect to the trust is \$540,789, and the trusts goal is to have this released as fast as possible by utilising the exemption certificate strategy.

## **SPECIAL RESERVES**

Funding from the Section 218 Reserve was made to The Destination as detailed in Note 14.

## **DATABASE MANAGEMENT**

Time spent on the database involves processing successions and ensuring contact details for owners were updated in order to maintain the integrity of the database. In total a further \$26,976 of unclaimed dividends was released.

Kia Ora  
Mark Tynan

Director  
Ashton Wheelans & Hegan Limited  
Christchurch

Trust Accountants & Administrators.

# RAKIURA MAORI LAND TRUST

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE TWELVE MONTHS ENDED 30 JUNE 2011

	Notes	Combined 2011 \$	2010 \$	Parent 2011 \$	2010 \$
Interest & Investments	2	464,809	476,420	464,803	476,420
Trading Activities	2	67,507	61,318	(204)	48,386
Lease Income	2	4,431	4,003	4,431	4,003
Project Income	2	-	29,550	-	29,550
Other Income	2	2,777	3,937	1,718	3,911
<b>Total Revenue</b>		<b>539,524</b>	<b>575,228</b>	<b>470,747</b>	<b>562,270</b>
Operating Expenses	3	(734,311)	(567,663)	(572,498)	(403,471)
Project Expenses	4	(8,260)	(68,259)	(8,260)	(68,259)
Total Operating Expenditure		(742,571)	(635,922)	(580,758)	(471,730)
Earnings before interest, taxation and depreciation		(203,046)	(60,694)	(110,011)	90,540
Depreciation	8	(146,798)	(123,735)	(142,766)	(120,839)
Gain/(Loss) on Disposal of Fixed Assets		(151)	-	(151)	-
Earnings before interest and taxation		(349,996)	(184,429)	(252,928)	(30,298)
Interest Expense		(5,603)	(7,627)	(5,603)	(7,627)
Net Surplus before Taxation		(355,599)	(192,056)	(258,531)	(37,925)
Taxation		-	-	-	-
Operating Surplus after Taxation		(355,599)	(192,056)	(258,531)	(37,925)
Unrealised Gains/(Losses) on Investments		2,746	39,280	2,746	39,280
Operating Surplus/(Deficit) after Unrealised Investment Gains/(Losses)		(352,853)	(152,775)	(255,785)	1,355
Transfer to Special Funds		(258,867)	(126,403)	(258,867)	(126,403)
<b>Total to Retained Earnings</b>		<b>(611,720)</b>	<b>(279,178)</b>	<b>(514,652)</b>	<b>(125,048)</b>

## STATEMENT OF MOVEMENT IN EQUITY FOR THE TWELVE MONTHS ENDED 30 JUNE 2011

	Notes	Combined 2011 \$	2010 \$	Parent 2011 \$	2010 \$
Opening Equity		5,867,907	6,073,382	6,022,037	6,073,382
Operating Surplus/(Deficit) after Unrealised Investment Gains/(Losses)		(352,853)	(152,775)	(255,786)	1,355
Transfers shown directly against costs		(89,423)	(52,700)	(89,423)	(52,700)
Total Recognised Revenue & Expenses		5,425,631	5,867,907	5,676,829	6,022,037
Distributions Declared in the Period		-	-	-	-
<b>Closing Equity</b>		<b>5,425,631</b>	<b>5,867,907</b>	<b>5,676,829</b>	<b>6,022,037</b>
Represented By:					
Special Reserves	13	4,637,087	4,515,155	4,637,087	4,515,155
Other Reserves	14	825,103	777,591	825,103	777,591
Accumulated Retained Earnings		(36,560)	575,161	214,639	729,291
<b>Trust Funds</b>		<b>5,425,630</b>	<b>5,867,907</b>	<b>5,676,829</b>	<b>6,022,037</b>



# RAKIURA MAORI LAND TRUST

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2011

	Notes	Combined		Parent	
		2011	2010	2011	2010
		\$	\$	\$	\$
Trust Funds		5,425,630	5,867,907	5,676,829	6,022,037
<b>Total Equity</b>		<b>5,425,630</b>	<b>5,867,907</b>	<b>5,676,829</b>	<b>6,022,037</b>
Represented By:					
Cash	5	559,978	487,704	554,693	466,464
Receivables	5	113,140	128,576	71,057	128,120
Current Investments	7	2,514,058	1,719,328	2,514,058	1,719,328
Inventory	5	1,525	-	-	-
Prepayments	5	29,698	21,820	27,306	20,329
Current Assets		3,218,400	2,357,428	3,167,114	2,334,241
Payables	6	(97,348)	(126,047)	(97,736)	(123,624)
Unspent Grants	6	(148,410)	(95,360)	(148,410)	(95,360)
Current Liabilities		(245,758)	(221,407)	(246,146)	(218,985)
Net Working Capital		2,972,642	2,136,021	2,920,939	2,115,257
Property, plant and equipment	8	1,102,178	1,018,999	1,090,961	1,005,642
Investments	7	3,827,273	5,253,631	4,141,362	5,441,882
Non Current Assets		4,929,451	6,272,630	5,232,323	6,447,524
Hire Purchase Contracts	11	(2,237)	(39,542)	(2,237)	(39,542)
Unclaimed Dividends	12	(2,474,226)	(2,501,202)	(2,474,226)	(2,501,202)
Term Liabilities		(2,476,463)	(2,540,744)	(2,476,463)	(2,540,744)
<b>Net Assets</b>		<b>5,425,630</b>	<b>5,867,906</b>	<b>5,676,828</b>	<b>6,022,037</b>

For and on behalf of the Trust, dated 6 October 2011

Stephen Harteveid  
Kaiwhakahaere

Richard Manning  
Hekeretari

These Financial Statements should be read in conjunction with the accompanying Notes to the Financial Statements

# RAKIURA MAORI LAND TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE TWELVE MONTHS ENDED 30 JUNE 2011

## (1) STATEMENT OF ACCOUNTING POLICIES

### **Reporting Entity**

Rakiura Maori Land Trust is a Trust formed under the Te Ture Whenua Maori Land Act 1993 and is a reporting entity for the purposes of the Financial Reporting Act 1993.

### **Statement of Compliance and Basis of Preparation**

The financial statements of Rakiura Maori Land Trust have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The Trust qualifies for differential reporting as it is not publicly accountable and is not large as defined by the Differential Reporting Framework. The Trust has taken advantage of all available differential reporting exemptions.

The accounting principles recognised as appropriate in the measurement and reporting of the financial performance and financial position on a historical cost basis are followed by the Trust. The information is presented in New Zealand dollars.

### **Basis of Preparing Combined Financial Statements**

#### (a) Subsidiaries

Subsidiaries are those entities controlled, directly or indirectly, by the Trust. Where an entity becomes part of the Group during the year, the results of the entity are included in the combined results from the date the control commenced.

#### (b) Parent

The Parent is defined as being Rakiura Maori Land Trust.

### **Specific Accounting Policies**

The following specific accounting policies which materially affect the measurement of the Financial Performance and Financial Position have been applied:

#### (a) Revenue

Revenue is recognised when goods and services are invoiced, with revenue received in advance recognised as a liability.

#### (b) Expenses

Expenses have been classified on their business function.

#### (c) Accounts Receivable

Accounts Receivable is recognised at estimated realisable value.



(d) Property, Plant and Equipment

Property, Plant and Equipment are recognised at cost less aggregate depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007. Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year.

The land owned by Rakiura Maori Land Trust (legally administered by the Trustees on behalf of the Beneficial Owners) was vested to the trust under the Te Ture Whenua Maori Land Act 1993. The land was vested for nil consideration and as such recorded at nil cost.

(e) Income Tax

The income tax expense recognised in the Statement of Financial Performance is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior years.

(f) Goods and Services Tax (GST)

Revenues and expenses have been recognised in the financial statements exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense to which it relates. All items in the Statement of Financial Position are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

(g) Unspent Grants

Grants applied for but not fully expended are shown as current liabilities.

(h) Investments

Investments are stated at market value. Changes in the unrealised value of investments are recognised in the statement of financial performance. Bonds and fixed interest investments are recorded at cost, with any differences to the face value being recorded as interest received throughout the term of the investment.

**Changes in Accounting Policies**

There have been no changes in accounting policies since the date of the last financial statements. All other policies have been applied on a basis consistent with those used in previous years.



## (2) DETAILS OF REVENUE

	Combined		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Investment Returns	149,278	67,500	149,278	67,500
Interest Income	315,531	408,920	315,524	408,920
Total Interest and Investments	464,809	476,420	464,803	476,420
Charter Receipts	5,431	2,286	-	-
Ferry Receipts	5,523	10,646	-	-
Hunting Permits	56,553	48,386	(204)	48,386
Total Trading Income	67,507	61,318	(204)	48,386
DOC Rental Receipts	4,431	4,003	4,431	4,003
Total Lease Income	4,431	4,003	4,431	4,003
Grants Received	-	29,550	-	29,550
Total Project Income	-	29,550	-	29,550
Commissions Received	2,268	-	1,439	-
Venue Hire	278	-	278	-
Sundry Income	231	3,937	-	3,911
Total Other Income	2,777	3,937	1,718	3,911
Total Revenue	539,524	575,228	470,747	562,270

## (3) DETAILS OF OPERATING EXPENSES

	Combined		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
ACC Levies	780	2,529	769	846
Employment Consultancy	1,620	-	-	-
KiwiSaver Employer Contributions	68	-	68	-
Staff Training	3,392	-	3,392	-
Uniforms	1,531	2,474	-	-
Wage & Office Services	134,550	89,180	101,622	26,902
Total Human Resource Expenditure	141,940	94,183	105,851	27,749
Boat Expenses	5,992	18,839	-	-
Cleaning	2,101	-	2,101	-
Land Management	-	-	-	-
Pest Control	44,137	-	44,137	-
Repairs	8,988	7,750	8,177	7,750
Rubbish Removal	83	-	-	-
Security	406	790	389	378
Signage	70	-	70	-
Vehicle Expenses	4,047	1,976	-	-
Total Repairs & Maintenance Expenditure	65,823	29,355	54,874	8,128
Accountancy Fees	49,238	35,826	37,847	31,150
Administration	81,039	45,700	60,522	30,146
Advertising	500	-	-	-
Audit - External Costs	12,542	12,841	12,542	12,841
Bank & Credit Card Fees	629	637	463	550
Business Consultancy	19,415	17,463	19,415	15,539
Computer Costs	22,946	11,535	21,027	9,693
Eftpos Terminal & Credit Card Receipts	2,983	3,135	1,147	1,790
Insurance	8,263	907	8,283	907
Legal Costs	-	340	-	340
Printing, Postage & Stationery	3,907	4,951	2,997	2,343
Total Trust Administration Expenditure	201,464	133,334	164,243	105,298

(3) DETAILS OF OPERATING EXPENSES (CONTD)

	Combined		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Administration of Owners Database	46,664	54,030	46,664	54,030
Memorials & Acknowledgements	701	191	701	191
Newsletters & Communications	3,744	5,446	3,744	5,446
Printing, Postage & Stationery	1,247	28	1,247	28
<b>Total Owners Administration Expenditure</b>	<b>52,356</b>	<b>59,695</b>	<b>52,356</b>	<b>59,695</b>
Entertainment	165	59	30	-
Equipment Hire	91	-	91	-
Freight	1,335	-	1,206	-
General Expenses	6,519	7,941	5,213	964
Koha Paid & Gifts	1,700	1,050	1,700	1,050
Power & Gas	3,491	1,485	3,041	492
Promotional Expenses	1,758	3,128	1,758	3,128
Rates	2,185	2,063	2,185	2,063
Rent	(1,093)	16,289	-	-
Subscriptions & Licences	2,403	1,357	1,425	1,153
Telecommunications	9,305	9,804	6,628	8,023
Trade Discount Given	108	-	-	-
Wharf Fees	1,177	-	-	-
<b>Total Operating Expenditure</b>	<b>29,144</b>	<b>43,176</b>	<b>23,276</b>	<b>16,875</b>
Accommodation & Travel	2,211	1,312	2,211	1,312
Advertising	-	1,137	-	1,137
AGM Sundry Expenses	3,018	1,877	3,018	1,877
Annual Report Costs	7,307	15,724	7,307	15,724
Consultancy Fees	2,269	1,750	2,269	1,750
Koha Paid & Gifts	1,070	2,050	1,070	2,050
Marae & Hall Hire	-	338	-	338
Printing, Postage & Stationery	10,989	4,938	10,989	4,938
<b>Total AGM Expenditure</b>	<b>26,863</b>	<b>29,125</b>	<b>26,863</b>	<b>29,125</b>
"The Destination" Costs	104,201	-	104,201	-
Less Contribution from Owners	(14,778)	-	(14,778)	-
Less Contribution from Section 218 Reserve	(89,423)	-	(89,423)	-
<b>Total "The Destination" Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Allowances & Honoraria	43,750	15,000	43,750	15,000
Consultancy Fees	8,098	-	8,098	-
Directors Expenses	3,840	2,005	-	-
General Expenses	185	1,542	185	1,542
Insurance - Public Liability	6,018	6,106	2,596	3,960
Telecommunications	3,007	2,273	3,007	2,273
Travel & Meeting Costs	45,807	76,511	43,841	65,612
Trustee Expenses Reimbursed	-	204	-	204
Trustee Life Insurance	3,799	3,109	3,799	3,109
Trustee Training & Education	14,616	8,952	14,816	8,952
<b>Total Governance Expenditure</b>	<b>129,120</b>	<b>115,702</b>	<b>119,891</b>	<b>100,652</b>
Fund Manager Monitoring Fees	18,213	13,780	18,213	13,780
Investment Consultancy	6,207	6,056	6,207	6,056
<b>Total Investing Activity Expenditure</b>	<b>24,419</b>	<b>19,836</b>	<b>24,419</b>	<b>19,836</b>

### (3) DETAILS OF OPERATING EXPENSES (CONTD)

	Combined		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Administration	-	2,257	-	2,257
Accommodation & Travel	14,895	-	-	-
Charter Expenses	26,721	32,392	280	32,392
Equipment Rental	2,843	-	-	-
Fuel	1,009	-	-	-
Freight	230	-	-	-
General Hunting Related Costs	1,401	1,466	445	1,466
Total Hunting Activity Expenditure	47,150	36,115	725	36,115
Boat Expenses & Fuel	8,235	-	-	-
Subcontracted Charters	1,467	-	-	-
Commissions	477	73	-	-
Marketing	5,834	7,070	-	-
Total Tourism Activity Expenditure	16,013	7,143	-	-
Total Expenditure	734,311	567,663	572,498	403,471

### (4) DETAILS OF PROJECT EXPENSES

Notes	Combined		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Feasibility Costs	6,801	922	6,801	922
Mahara Project (2nd DVD)	-	5,000	-	5,000
Manawhenua Project	-	29,550	-	29,550
Port Adventure & Toitoti SILNA Blocks	-	5,500	-	5,500
Rakiura National Park Submissions	-	138	-	138
The Neck Project	-	79,849	-	79,849
Tourism Consultancy	1,459	-	1,459	-
Less Contribution from Section 218 Reserve	14	(52,700)	-	(52,700)
Less Contribution from Land Management Reserve	-	-	-	-
Total Project Expenditure	8,260	68,259	8,260	68,259

### (5) DETAILS OF CURRENT ASSETS

Notes	Combined		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Westpac - Cheque	39,119	89,558	34,095	68,319
Westpac - Ready Access	232,979	196,747	232,979	196,747
Westpac - Distribution	1,720	(213)	1,720	(213)
Westpac - DebitPlus	65	-	-	-
Petty Cash	196	-	-	-
Rabo Bank	285,899	201,612	285,899	201,612
Total Cash	559,978	487,704	554,693	466,464
Accounts Receivable	16,659	32,120	28,821	29,675
Income Tax Refund	4,776	5,107	4,776	5,107
GST Receivable	5,865	-	-	-
Accruals	85,840	91,348	37,460	93,338
Total Receivables	113,140	128,576	71,057	128,120
Prepaid Insurance, Licences & Subscriptions	22,038	12,514	19,645	11,023
Great Plains Consultancy	7,661	9,306	7,661	9,306
Total Prepayments	29,699	21,820	27,306	20,329
Inventory	1,525	-	-	-
Total Inventory	1,525	-	-	-
Total Current Assets	704,341	638,100	653,056	614,914

(6) DETAILS OF CURRENT LIABILITIES

	Combined		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Accounts Payable	59,696	68,588	56,040	66,166
Current Portion Hire Purchase Agreements	37,305	57,459	37,305	57,459
GST Payable	-	-	4,045	-
PAYE Payable	347	-	347	-
Total Payables	97,348	126,047	97,736	123,624
Unspent TPK Grants	148,410	95,360	148,410	95,360
Total Grants	148,410	95,360	148,410	95,360
Total Current Liabilities	245,758	221,407	246,146	218,985

(7) INVESTMENTS

	Maturity	Face Value	Yield Rate	Combined		Parent	
				2011	2010	2011	2010
				\$	\$	\$	\$
ANZ National Bank	2/03/2012	1,087,963	7.60%	1,087,963	1,087,963	1,087,963	1,087,963
Contact Energy	15/05/2014	654,791	8.00%	654,791	654,791	654,791	654,791
Fonterra	10/05/2015	638,194	7.75%	638,194	638,194	638,194	638,194
Vector Limited	15/10/2014	446,000	5.11%	491,727	-	491,727	-
Auckland City Council	24/03/2015	459,000	4.84%	495,117	-	495,117	-
BNZ	27/05/2015	421,000	5.50%	486,939	-	486,939	-
Cash Management Account	N/A	N/A	N/A	26,095	1,414,970	26,095	1,414,970
Total Fixed Interest & Bond				3,880,326	3,795,918	3,880,826	3,795,918
Focus Australasian Opportunities				-	821,800	-	821,800
Growth Assets				-	635,709	-	635,709
NZ Bond Income Fund				714,189	-	714,189	-
Total Equities				714,189	1,457,509	714,189	1,457,509
ANZ Term Deposit <sup>1</sup>	4/08/2014		8.30%	346,114	319,328	346,114	319,328
RaboDirect Term Deposits	4/07/2011	200,000	4.25%	200,000	-	200,000	-
	4/10/2011	200,000	4.80%	200,000	-	200,000	-
	4/10/2011	200,000	4.80%	200,000	-	200,000	-
	7/09/2011	200,000	3.50%	200,000	-	200,000	-
	7/12/2011	200,000	4.20%	200,000	-	200,000	-
	7/12/2011	200,000	4.20%	200,000	-	200,000	-
	7/03/2012	200,000	4.30%	200,000	-	200,000	-
Westpac Term Deposits	13/09/2010	600,000	4.65%	-	600,000	-	600,000
	25/11/2010	800,000	6.80%	-	800,000	-	800,000
Total Cash				1,746,114	1,719,328	1,746,114	1,719,328
CRT Shares				203	203	203	203
Advance to Subsidiary				-	-	314,089	188,252
Total Other Investments				203	203	314,292	188,455
Total Investments				6,341,331	6,972,958	6,655,420	7,161,210

<sup>1</sup> The ING Regular Income Fund was reinvested with ANZ National Bank Limited following acceptance of the offer made by ING NZ AUT Investments Limited. These funds were deposited at a competitive interest rate, fixed for a period of five years, while still allowing access to the funds as and when required.

**(8) PROPERTY, PLANT & EQUIPMENT**

<b>Combined</b>	<b>Cost</b>	<b>Depreciation Charged</b>	<b>Accumulated Depreciation</b>	<b>Closing Book Value</b>
Freehold Land	5,426	-	-	5,426
Buildings & Huts	667,041	19,994	45,378	621,663
Property Improvements	64,423	3,477	7,346	57,076
Office Equipment	18,357	665	15,685	2,672
Computer Equipment & Software	200,850	54,023	155,365	45,486
Plant & Equipment	58,812	7,206	16,387	42,425
Vessel	350,105	55,123	93,291	256,814
Motor Vehicles	26,041	5,255	9,707	16,333
Café Equipment	46,408	1,054	1,054	45,354
Fixed Asset Clearing	-	-	-	8,928
<b>Total Property, Plant &amp; Equipment 2011</b>	<b>1,437,464</b>	<b>146,798</b>	<b>344,213</b>	<b>1,102,178</b>

<b>Combined</b>	<b>Cost</b>	<b>Depreciation Charged</b>	<b>Accumulated Depreciation</b>	<b>Closing Book Value</b>
Freehold Land	5,426	-	-	5,426
Buildings & Huts	188,133	5,667	25,384	162,750
Property Improvements	64,423	3,579	3,870	60,553
Office Equipment	16,712	810	15,020	1,692
Computer Equipment & Software	184,639	67,479	102,239	82,401
Plant & Equipment	40,738	3,581	9,181	31,557
Vessel	348,769	38,167	38,167	310,601
Motor Vehicles	26,041	4,452	4,452	21,589
Café Equipment	-	-	-	-
Fixed Asset Clearing	-	-	-	342,430
<b>Total Property, Plant &amp; Equipment 2010</b>	<b>874,881</b>	<b>123,735</b>	<b>198,313</b>	<b>1,018,999</b>

<b>Parent</b>	<b>Cost</b>	<b>Depreciation Charged</b>	<b>Accumulated Depreciation</b>	<b>Closing Book Value</b>
Freehold Land	5,426	-	-	5,426
Buildings & Huts	667,041	19,994	45,378	621,663
Property Improvements	64,423	3,477	7,346	57,076
Office Equipment	18,357	665	15,685	2,672
Computer Equipment & Software	198,721	53,193	153,789	44,932
Plant & Equipment	55,680	6,979	16,098	39,582
Vessel	350,105	55,123	93,291	256,814
Motor Vehicles	13,157	2,281	4,644	8,513
Café Equipment	46,408	1,054	1,054	45,354
Fixed Asset Clearing	-	-	-	8,928
<b>Total Property, Plant &amp; Equipment 2011</b>	<b>1,419,318</b>	<b>142,766</b>	<b>337,285</b>	<b>1,090,961</b>

<b>Parent</b>	<b>Cost</b>	<b>Depreciation Charged</b>	<b>Accumulated Depreciation</b>	<b>Closing Book Value</b>
Freehold Land	5,426	-	-	5,426
Buildings & Huts	188,133	5,667	25,384	162,750
Property Improvements	64,423	3,579	3,870	60,553
Office Equipment	16,712	810	15,020	1,692
Computer Equipment & Software	182,511	66,734	101,494	81,017
Plant & Equipment	39,498	3,519	9,119	30,379
Vessel	348,769	38,167	38,167	310,601
Motor Vehicles	13,157	2,363	2,363	10,793
Café Equipment	-	-	-	-
Fixed Asset Clearing	-	-	-	342,430
<b>Total Property, Plant &amp; Equipment 2010</b>	<b>858,628</b>	<b>120,839</b>	<b>195,417</b>	<b>1,005,642</b>



**(9) TAXATION**

Taxation is calculated as follows:

	Combined		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Operating Surplus/Loss Before Taxation	(355,599)	(192,056)	(258,531)	(37,925)
Add/(Less) Imputation Credits	-	-	-	-
Add/(Less) Non Deductible Items	33,515	45,754	30,790	44,072
Add/(Less) Non Assessable Items	(265,269)	(81,159)	(214,163)	(81,159)
	<u>(587,353)</u>	<u>(227,460)</u>	<u>(441,905)</u>	<u>(75,012)</u>
Less Loss Brought Forward	(2,415,396)	(2,187,936)	(2,262,948)	(2,187,936)
Assessable Income for Taxation	<u>(3,002,749)</u>	<u>(2,415,396)</u>	<u>(2,704,853)</u>	<u>(2,262,948)</u>
Tax @ 19.5%	-	-	-	-
Resident Withholding Tax Credits	(4,776)	(5,107)	(4,776)	(5,107)
Income Tax Payable (Refund Due)	<u>(4,776)</u>	<u>(5,107)</u>	<u>(4,776)</u>	<u>(5,107)</u>

**(10) INVESTMENT IN SUBSIDIARY**

The Trust holds shares in the following:

	Principle Activity	Balance Date	Issued Shares	Unpaid Capital	2011 Holding	2010 Holding
Rakiura Wildlife Experiences Limited t/a Te Manu Adventures	Tourism	30 June	100	100	100%	100%

**(11) HIRE PURCHASE CONTRACTS**

			Combined		Parent	
	Maturity	Interest	2011	2010	2011	2010
			\$	\$	\$	\$
Yamaha Finance	11/11/2011	4.99%	11,873	46,333	11,873	46,333
Microsoft Financing	10/07/2012	10.10%	27,669	50,668	27,669	50,668
			39,542	97,001	39,542	97,001
Less Current Portion (maturing within 12 months)			(37,305)	(57,459)	(37,305)	(57,459)
Total Term Portion of Hire Purchase Contracts			<u>2,237</u>	<u>39,542</u>	<u>2,237</u>	<u>39,542</u>

**(12) UNCLAIMED DIVIDENDS**

	Combined		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Opening Balance	2,501,202	2,543,394	2,501,202	2,543,394
Less Distributions Released during the year	(26,976)	(42,192)	(26,976)	(42,192)
Total Unclaimed Dividends	<u>2,474,226</u>	<u>2,501,202</u>	<u>2,474,226</u>	<u>2,501,202</u>

### (13) SPECIAL FUNDS & RESERVES

Combined	Land Management Reserve	Owners Register Administration Reserve	Lords River Section Distribution Reserve	Trust Administration Reserve
	\$	\$	\$	\$
Opening Balance	2,491,903	222,044	587,011	1,214,197
Inflation/Capital Adjustments	131,185	12,289	32,488	-
Costs Subsidised	-	(54,030)	-	-
<b>Total Special Funds &amp; Reserves 2011</b>	<b>2,623,088</b>	<b>180,303</b>	<b>619,499</b>	<b>1,214,197</b>

Combined	Land Management Reserve	Owners Register Administration Reserve	Lords River Section Distribution Reserve	Trust Administration Reserve
	\$	\$	\$	\$
Opening Balance	2,448,175	270,124	562,810	1,214,197
Inflation/Capital Adjustments	43,728	11,615	24,201	-
Costs Subsidised	-	(59,695)	-	-
<b>Total Special Funds &amp; Reserves 2010</b>	<b>2,491,903</b>	<b>222,044</b>	<b>587,011</b>	<b>1,214,197</b>

Parent	Land Management Reserve	Owners Register Administration Reserve	Lords River Section Distribution Reserve	Trust Administration Reserve
	\$	\$	\$	\$
Opening Balance	2,491,903	222,044	587,011	1,214,197
Inflation/Capital Adjustments	131,185	12,289	32,488	-
Costs Subsidised	-	(54,030)	-	-
<b>Total Special Funds &amp; Reserves 2011</b>	<b>2,623,088</b>	<b>180,303</b>	<b>619,499</b>	<b>1,214,197</b>

Parent	Land Management Reserve	Owners Register Administration Reserve	Lords River Section Distribution Reserve	Trust Administration Reserve
	\$	\$	\$	\$
Opening Balance	2,448,175	270,124	562,810	1,214,197
Inflation/Capital Adjustments	43,728	11,615	24,201	-
Costs Subsidised	-	(59,695)	-	-
<b>Total Special Funds &amp; Reserves 2010</b>	<b>2,491,903</b>	<b>222,044</b>	<b>587,011</b>	<b>1,214,197</b>

- (a) The Land Management Reserve is inflation adjusted annually to preserve the original provision set aside. The restoration work on the Neck was subsidised from this reserve.
- (b) The Owners Register Administration Reserve is inflated by a notional annual return on capital less the actual costs of running the owners database.
- (c) The Lords River Section Distribution Reserve is inflated by a notional return on capital, and is subject to top ups as the trustees determine.
- (d) The Trust Administration Reserve is adjusted depending on the annual result less transfers to other reserves, including top ups as determined by the trustees in order for the trust to survive in perpetuity.

### (14) OTHER RESERVES

	Combined 2011	2010	Parent 2011	2010
	\$	\$	\$	\$
Opening Balance	777,591	723,737	777,591	723,737
Interest on Unclaimed Funds	136,935	106,554	136,935	106,554
Less Contribution to Neck Project	-	(52,700)	-	(52,700)
Less Contribution to "The Destination" Section 218 Reserve Closing Balance	(89,423)	-	(89,423)	-
	<b>825,103</b>	<b>777,591</b>	<b>825,103</b>	<b>777,591</b>



**(15) RELATED PARTY TRANSACTIONS**

Honorariums are paid to the trustees in accordance with the approval of the owners present at prior AGMs. In addition, meeting costs are paid to trustees, as is reimbursement of travel.

Two trustees have provided services beyond their role as trustees. Phillip Smith has hired his vessel for transportation purposes, and Stephen Harteveld has been employed on a part-time basis as manager of the Trust. The amounts paid are on an arms length basis and in line with commercial rates.

The Trust has supported its subsidiary entity, Rakiura Wildlife Experiences, since inception and to- date has advanced \$314,089.

**(16) LEASE COMMITMENTS**

Commitments existing under operating leases relate to the hire of EFTPOS Terminals. These commitments expire as set out below. No new leases have been signed during the financial year.

	Combined		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Current Portion	2,392	2,340	897	877
Non-Current Portion	698	3,023	75	951
<b>Total Operating Leases</b>	<b>3,090</b>	<b>5,363</b>	<b>972</b>	<b>1,828</b>

Commitments also exist under finance leases relating to the purchase of computer software and vessel outboard motors. These commitments expire as set out below:

	Combined		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Current Portion	37,305	57,459	37,305	57,459
Non-Current Portion	2,237	39,542	2,237	39,542
<b>Total Finance Leases</b>	<b>39,542</b>	<b>97,001</b>	<b>39,542</b>	<b>97,001</b>

**(17) CAPITAL COMMITMENTS**

There were no capital commitments outstanding at the end of the year (2010 nil).

**(18) CONTINGENT LIABILITIES**

Contingent liabilities outstanding at the end of the quarter amount to 100 shares unpaid capital relating to the investment in Rakiura Wildlife Experiences Limited (2010 - 100 shares unpaid capital relating to the investment in Rakiura Wildlife Experiences Limited).



## INDEPENDENT AUDITOR'S REPORT

Private Bag 90106  
Invercargill 9840

### To the Trustees of Rakiura Maori Land Trust Report on the Financial Statements

We have audited the financial statements of Rakiura Maori Land Trust on pages 11 to 22, which comprise the Statement of Financial Position as at 30 June 2011, and the Statement of Financial Performance, and Statement of Movement in Equity for the year then ended, and a summary of Significant Accounting Policies and other explanatory information.

#### *Trustees' Responsibility for the Financial Statements*

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

#### *Auditors' Responsibilities*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the 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 auditors we have no relationship with or interests in the Rakiura Maori Land Trust.

#### *Opinion*

In our opinion, the financial statements on pages 11 to 22 present fairly, in all material respects, the financial position of Rakiura Maori Land Trust as at 30 June 2011 and its financial performance for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.

#### **Report on Other Legal and Regulatory Requirements**

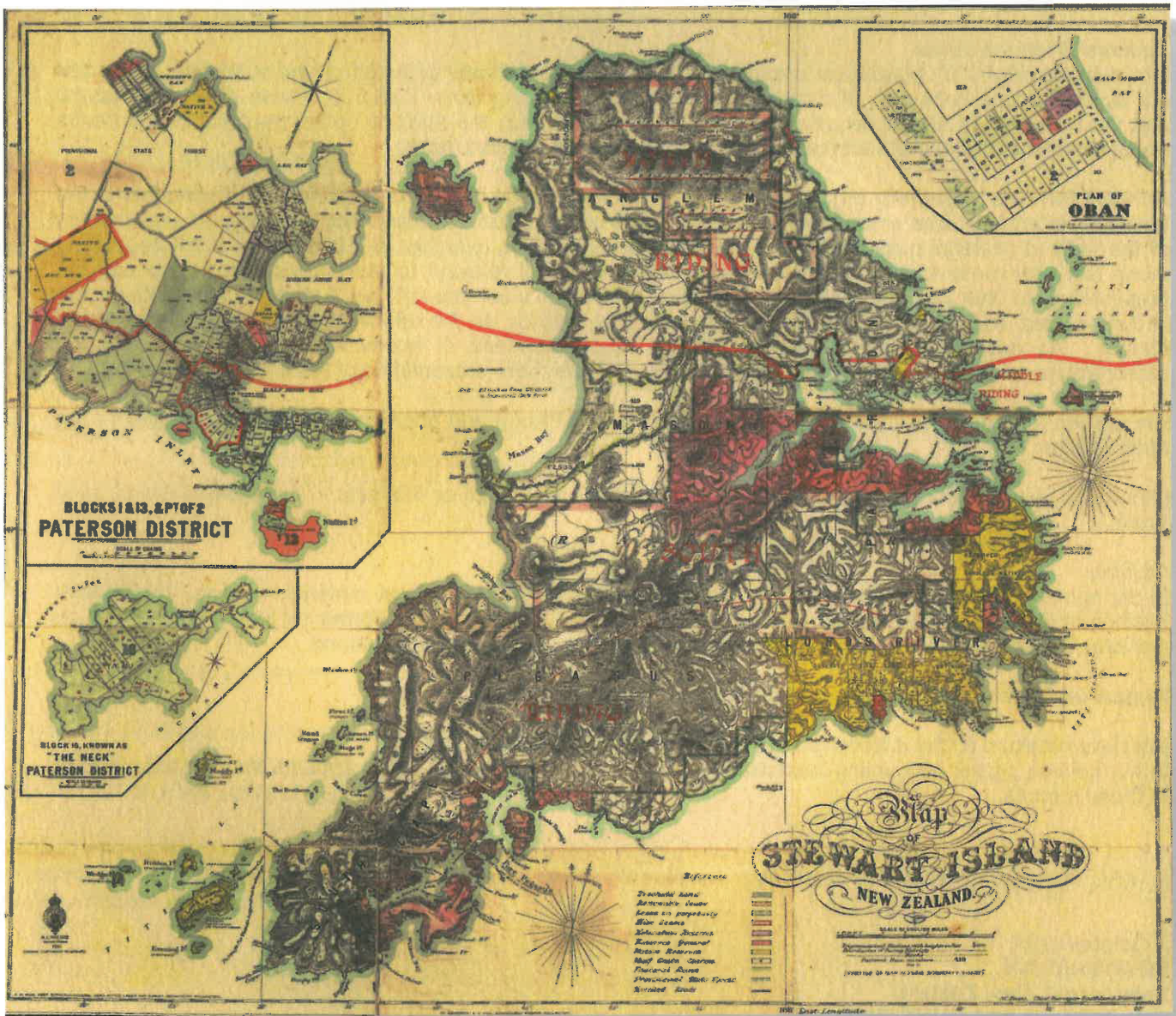
We have obtained all the information and explanations that we have required.

In our opinion proper accounting records have been kept by the trust as far as appears from an examination of those records.

*WHK South*

7 October 2011  
WHK South NZ  
Invercargill, New Zealand  
CHARTERED ACCOUNTANTS

# 1941 MAP OF STEWART ISLAND





Over  
to land

1306

