



Te Runanga o Ngati Porou

Financial Statements

For the year ended 30 June 2006

Status of the Audit

Te Runanga o Ngati Porou maintained its long standing tradition of achieving an unqualified audit, 'clean' opinion from its Auditors- Deloitte for the financial year ending 30 June, 2006. The Auditors noted that there were strong and appropriate controls in place, but signalled the need for the Runanga as the Parent, to develop enhanced policies for the creation and governance of all its subsidiaries.

Financial Highlights for the year

- Parent and Group made a profit
- Balance sheet has been strengthened
- Total funds employed has increased from **\$8.5 million in 2005 to \$38.9 million in 2006**

Financial Performance

- TRONP Parent Result 2006 \$ 306,884
- Group Result 2006 \$ 30,325,412

Valuing Assets

One of the significant tasks undertaken this year in the preparation of our financial statements, was the valuation of the fisheries assets. The Runanga in its capacity as responsible trustee for the Porou Ariki Trust (MIO) had received cash and Ngati Porou Seafoods Ltd the asset holding company had received fish quota and shares in Aotearoa Fisheries Ltd (AFL).

The Runanga working with Ngati Porou Seafoods Ltd, applied the principle of 'fair and reasonable' judgement to the 'fair value' that we ascribed to the fisheries assets, five months after transfer at the value that the Te Ohu Kaimoana Trust had placed on the assets. The net result was a reduction in the value of our 'fisheries settlement assets, excluding cash, of approximately \$ 6.7 million, as reflected in the following table. In preparation for the inaugural Porou Ariki Trust Hui a Tau and the 2007 Audit, we will be commissioning the preparation of an independent valuation by a qualified valuer.



Presentation of TRONP Financial Statements for the year ended 30 June 2006 by Geoff Milner of GMA.

Valuation of Fisheries Assets			
Assets	Transfer Value March 2006	Entity	Fair Value June 2006
Cash & Interest	\$ 2.1 m	Porou Ariki Trust	\$2.1 m
Cash – quota shortfall	\$ 0.2 m	NPSL	\$0.2 m
Fish quota	\$11.2 m	NPSL	\$10.1 m
AFL shares	\$22.5 m	NPSL	\$16.9 m
TOKM Valuation	\$36.1 m		\$29.3 m