



Report of the

**Ngārimu VC and
28th (Māori) Battalion
Memorial Scholarship
Fund Board**

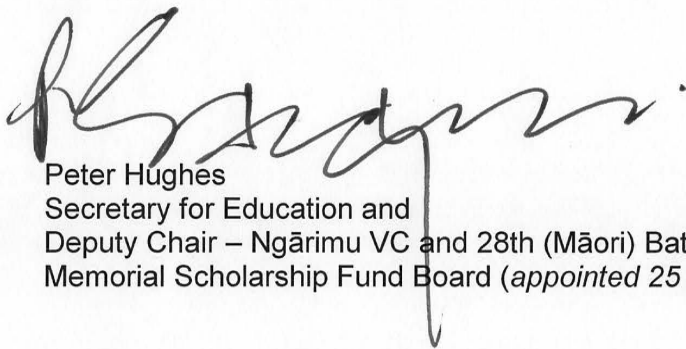
for the year ended
31 December 2013

*Presented to the House of Representatives Pursuant to Section 15 of the
Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945.*

The Hon Hekia Parata
Minister of Education

Tēnā koe

Pursuant to Section 15 of the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945, the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Board presents its Annual Report for the year ended 31 December 2013.

A handwritten signature in black ink, appearing to read 'Peter Hughes', with a long vertical line extending downwards from the end of the signature.

Peter Hughes
Secretary for Education and
Deputy Chair – Ngārimu VC and 28th (Māori) Battalion
Memorial Scholarship Fund Board (*appointed 25 June 2013*)

REPORT

ORIGIN OF THE FUND

The Victoria Cross was awarded posthumously to Second Lieutenant Te Moana-nui-ā-Kiwa Ngārimu during the Second World War. He was the first Māori to receive the award. To commemorate this event and the service of the 28th Māori Battalion, the Government established a scholarship fund under the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945. Contributions for the fund were received from public donation and Government subsidy.

FUNCTIONS OF THE BOARD

Under the terms of the Act, the general functions of the Board are to provide assistance to Māori in education. This assistance is currently offered through the provision of an annual national essay competition in both Māori and English for Māori students from Years 7–13. Additionally the Board annually awards scholarships for students attending a recognised tertiary institution at undergraduate, masters and PhD levels. A Manakura award is also offered to an individual who displays leadership skills in their area of interest.

BOARD MEMBERS

Hon. H Parata		Minister of Education; Chair
Hon. Dr P Sharples		Minister of Māori Affairs
Peter Hughes		Secretary for Education; Deputy Chair
Hon. T Turia, Hon. N Mahuta, Hon. Dr P Sharples, Mr T U Flavell, Ms M Whaitiri, Mr H Harawira, Mr R Tirikatene	}	Members of Parliament representing Māori electorates
Prof R Maaka Lt Col (Retd) G Vercoe	}	Ex-Armed Forces representatives
Ms A Walker	}	Ngārimu Whānau representative
Dr M Soutar	}	Past Scholarship recipient
Mrs M G Innes Mr D Snelgar	}	Non-Māori Members

APPOINTMENTS TO THE BOARD

No appointments were made to the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Board by the Governor General in 2013. However there were two vacant Ex-armed Forces positions as at 31 December 2013.

NUMBER OF SCHOLARSHIPS AWARDED

Fourteen Ngārimu VC and 28th (Māori) Battalion Memorial Scholarships were paid in the 2013 year – six existing scholarships and eight new scholarships. The scholarships were made up of ten Undergraduate, two Masters, and two Doctoral scholarships.

The Board agreed that no Manakura award would be awarded in the 2012/2013 year, and instead offered two additional scholarships in the Undergraduate category.

UNDERGRADUATE SCHOLARSHIPS

Five new Undergraduate Scholarships were awarded to Māori students undertaking tertiary studies. These scholarships are valued at \$10,000.00 each per year for up to five years, depending on the recipients' term of study and whether reporting requirements are met. Payments have been paid on a pro rata basis to recipients studying part-time.

A total of 44 applications were received for the 2012/2013 year. The following applicants were awarded scholarships in 2012/2013:

- Pania Newton (Ngāpuhi, Tainui and Ngāti Maniapoto), studying towards a Bachelor of Law and Health Science at the University of Auckland.
- Alan Kiharoa Milroy (Ngāi Tūhoe and Te Arawa), studying towards a Bachelor of Arts and a Bachelor of Education at the University of Waikato.
- Ashley Te Rina Popata (Ngāti Kahu, Te Rarawa, Ngāti Hine, Ngāti Maniapoto, Ngāti Whātua and Ngāi Tuhoe), completing a Bachelor of Laws at the University of Waikato.
- Nikau Hindin (Te Rarawa and Ngāpuhi), is studying towards a Bachelor of Fine Arts, Māori Studies, Film and TV Media Studies at the University of Auckland.
- Kohukohurangi Isaac-Sharland (Rangitāne and Ngāti Raukawa), is studying towards a Bachelor of Medicine and Bachelor of Surgery at the University of Otago.

Existing Undergraduate Scholarship recipients are:

- 2010/2011 recipient: Apirana Pewhairangi (Ngāti Porou), studying towards a Bachelor of Arts extramurally at Massey University.
- 2010/2011 recipient: Kawiti Waetford (Ngāti Hine, Ngātiwai and Ngāpuhi), is studying towards a Bachelor of Music and Arts at the University of Otago.
- 2010/2011 recipient: Te Rua Reihana Tipoki (Ngāti Porou), studying towards a Bachelor of Arts at Massey University (part-time).
- 2011/2012 recipient: Cherie Mangu (Ngāti Porou, Te Āti Haunui ā Pāpārangī, Ngāti Whātua and Ngāpuhi), studying towards a Bachelor of Science and Bachelor of Arts at the University of Auckland (part-time).
- 2011/2012 recipient: Ibrahim Soloman (Tūhoe and Ngāi Te Rangi), studying towards a Bachelor of Medicine and Surgery at the University of Otago.

MASTERS SCHOLARSHIP

One new Masters Scholarship was awarded in the 2012/2013 year. The Scholarship is worth \$15,000 per year for up to two years of study, depending on the recipients' term of study. Payments have been paid on a pro rata basis to recipient's studying part-time.

Nine applications were received for the 2012/2013 Masters Scholarship. The Board agreed that the 2012/2013 Masters Scholarship be awarded to the following applicant:

- Horiana Irwin, (Rongowhakaata and Ngāti Kahungunu) studying a Master of Laws at Harvard University.

Existing Masters Scholarship:

- 2011/2012 recipient: Erena Wikaire (Ngāpuhi, Ngāti Hine and Te Kapotai) studying a Masters in Public Health at the University of Auckland (part-time).

DOCTORAL SCHOLARSHIP

Five applications were received for the 2012/2013 Doctoral Scholarship. The Scholarship is worth \$25,000 for one year. Due to the high calibre of shortlisted candidates, the Board agreed that the 2012/2013 Doctoral Scholarship be awarded to the following two recipients for one year each.

- David Waretini Junior Karena (Ngāti Mahanga) completing a PhD in Indigenous Studies at Te Whare Wananga o Awanui-ā-rangi.
- Joseph Curtis Bristowe (Ngāti Porou, Te Whānau-ā-Apanui and Te Aitanga a Māhaki) completing a PhD in Screen and Media Studies at the University of Waikato

LEADERSHIP (MANAKURA) Award

No Manakura was awarded for the 2012/2013.

2013 ANNUAL NGĀRIMU VC AND 28th (MĀORI) BATTALION MEMORIAL ESSAY COMPETITION

The Ngārimu VC and 28th (Māori) Battalion Memorial Essay Competition has been an annual event since 1948. The competition is open to all New Zealand school students of Māori descent from Years 7–13, and has the aim of increasing fluency in written English and Māori.

The competition was under review in 2013 and re-designed to encourage more students and schools to participate and enable the use of 21st century tools and technology.

Financial Statements

The financial statements for the year end show a higher net surplus than previous years as this includes a one off grant of \$250,000 to commemorate the 70th anniversary of the Victoria Cross awarded to Second Lieutenant Te Moana-nui-ā-Kiwa Ngārimu.

Independent auditor's report

To the readers of Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund's financial statements for the year ended 31 December 2013

The Auditor-General is the auditor of Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund (the Fund). The Auditor-General has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Fund on her behalf.

We have audited the financial statements of the Fund on pages 2 to 10, that comprise the statement of financial position as at 31 December 2013, the statement of financial performance, statement of movements in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

In our opinion, the financial statements of the Fund on pages 2 to 10:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Fund's:
 - financial position as at 31 December 2013; and
 - financial performance and cash flows for the year ended on that date.

Our audit was completed on 6 June 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Fund's financial statements that fairly reflect the matters to which they relate. We consider internal control 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 Fund's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Fund's Board;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. Also, we did not evaluate the security and controls over the electronic publication of the financial statements.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Fund's Board

The Fund's Board is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Fund's financial position, financial performance and cash flows.

The Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements, whether in printed or electronic form.

The Board's responsibilities arise from the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945.

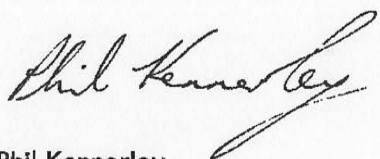
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with, or interests in, the Fund.

A handwritten signature in cursive script, appearing to read "Phil Kennerley".

Phil Kennerley
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

**NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL
SCHOLARSHIP FUND BOARD**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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**NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 \$	2012 \$
Revenue			
Interest		50,191	49,181
Government grant	1	467,000	217,000
Distributable income	2	4,507	1,373
Total revenue		<u>521,698</u>	<u>267,554</u>
Expenditure			
Administration	3	58,659	35,618
Essay competition		-	(325)
Total expenditure		<u>58,659</u>	<u>35,293</u>
Net surplus before assistance to students		<u>463,039</u>	<u>232,261</u>
Assistance to students	4	160,120	183,636
Net surplus		<u><u>302,919</u></u>	<u><u>48,625</u></u>

The accompanying notes form part of these financial statements.

**NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013**

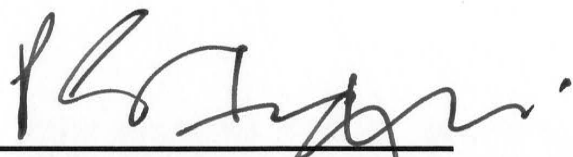
	Notes	2013 \$	2012 \$
Equity at beginning of year			
Capital	5	394,634	394,634
Accumulated Funds		753,362	704,737
Total Equity at beginning of year		<u>1,147,996</u>	<u>1,099,371</u>
Net surplus		302,919	48,625
Equity at end of year			
Capital		394,634	394,634
Accumulated Funds		1,056,281	753,362
Total Equity at end of year		<u><u>1,450,915</u></u>	<u><u>1,147,996</u></u>

The accompanying notes form part of these financial statements.

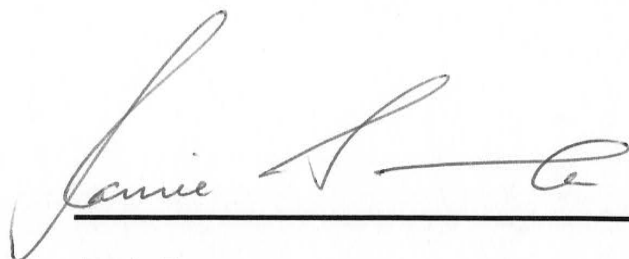
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**NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Notes	2013 \$	2012 \$
Assets			
Cash at Bank	6	108,435	58,446
Term deposits	6	1,359,246	1,124,539
Accrued interest	6	18,931	14,222
Total current assets		<u>1,486,612</u>	<u>1,197,207</u>
Current liabilities			
Sundry creditors		<u>35,697</u>	<u>49,211</u>
Total current liabilities		35,697	49,211
Equity			
Scholarship Fund		1,450,915	1,147,996
Total liabilities and equity		<u>1,486,612</u>	<u>1,197,207</u>



Peter Hughes
Deputy Chairperson



Jamie Tuuta
Māori Trustee

**NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Cash was provided from:			
Interest		45,538	48,113
Government grants		467,000	217,000
Distributable income		4,451	1,412
		<u>516,989</u>	<u>266,525</u>
Cash was applied to:			
Assistance to students		(164,742)	(165,681)
Administration		(67,551)	(47,573)
Essay competition		-	(13,625)
		<u>232,293</u>	<u>226,879</u>
Net cash flows from operating activities	8	<u>284,696</u>	<u>39,646</u>
Cash flows from investing activities			
Net Cash flow from investing activities		(234,707)	(72,663)
Cash and cash equivalents at beginning of year		58,446	91,463
Cash and cash equivalents at end of year	6	<u><u>108,435</u></u>	<u><u>58,446</u></u>

The accompanying notes form part of these financial statements.

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**NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Statement of Accounting Policies

Reporting entity

These are the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Board's (the Board) financial statements. These statements are prepared subject to S14 of the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945. The purpose of the Fund is to assist Māori education in New Zealand and promote the study and encourage the maintenance of the Māori language, history, tradition and culture.

The Board is a qualifying entity within the New Zealand Institute of Chartered Accountants Differential Reporting Framework. The Board qualifies under the public accountability and size criteria. The Board has taken advantage of all exemptions available, with the exception of FRS 10 Statement of Cashflows, which has been complied with.

Basis of preparation

Measurement base

These financial statements have been prepared on the basis of historical cost.

Functional and presentation currency

The financial statements are presented in New Zealand dollars, which is the Board's functional currency.

Statement of Compliance

In November 2004 the Accounting Standards Review Board (ASRB) approved the adoption of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). At that time, the ASRB announced the adoption of NZ IFRS would be mandatory for reporting entities with accounting periods beginning on or after 1 January 2007.

In September 2007 the ASRB announced that for certain small to medium size entities the mandatory adoption of NZ IFRS had been delayed. These entities can continue to apply New Zealand Generally Accepted Accounting Principles (NZ GAAP) as prescribed by New Zealand Financial Reporting Standards and Statements of Standard Accounting Practice.

The Board meets the criteria for deferral of NZ IFRS due to not being publicly accountable and its size. The financial statements have been prepared in accordance with NZ GAAP, consistent with previous periods. The Board does not intend to adopt NZ IFRS for the year ended 31 December 2014.

The Board will adopt the new Public Benefit Entity accounting standards for the year ending 31 December 2015.

Accounting policies

Income recognition

The grant from the Ministry of Education is recognised as revenue on receipt.

Goods and Services Tax

The financial statements are prepared inclusive of GST because the Board is not registered for GST.



Financial instruments

The Board is party to financial instrument arrangements as part of its normal operations which have been recognised in these financial statements. These financial instruments include cash and cash equivalents, interest receivable, term deposits and accounts payable.

On initial recognition, financial assets are measured at cost. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

Financial instruments are subject to credit risk, whereby a third party will default on its obligations to the Board, causing a loss to be incurred.

All financial instruments are recognised in the statement of financial position on the basis of the Board's accounting policies. Financial assets are recorded at the expected net realisable value and financial liabilities are recognised at the obligation incurred.

Statement of Cash flows

Cash and cash equivalents comprise cash on hand, cash at bank and short term deposits with an original maturity of three months or less.

Operating activities include cash received from all income sources of the Board and cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets and other investments not included in cash equivalents.

Financing activities are those activities that result in changes in equity and debt capital structure.

Income taxation

The Board is a charitable trust and is registered with the Charities Commission (registration number CC35725) and is therefore exempt from income tax.

Changes in Accounting Policies

There has been no changes in accounting policies. All policies have been applied on a basis consistent with previous years.

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**NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2013**

2013 **2012**
 \$ \$

1 . Government Grant

Government grant of \$467,000 (2012 \$217,000) includes an additional \$250,000 received as a one-off payment in recognition of the 70th anniversary of the Victoria Cross being awarded to Lieutenant Te Moana-nui-a-Kiwi Ngarimu. As per note 11, \$40,000 in relation to this one-off payment has been committed as at 31 December 2013 to be paid in the 2014 financial year and the remaining balance of the expenditure will be incurred in the subsequent years.

2 .Māori Trustee distributable income

From 1 July 2009 distributable income is paid on Māori Trustee Common Fund account balances, in accordance with the Māori Trustee Amendment Act 2009.

Share of Common Fund investment income	5,520	1,632
Share of Common Fund management fee	(790)	(259)
Share of Common Fund supplementary fee	(223)	-
	4,507	1,373
	4,507	1,373

3. Administration

Audit fees	14,682	14,254
Advertising	3,628	-
Board fees, travel and expenses	32,511	15,614
Māori Trustee fees	5,750	5,750
Other expenses	2,088	-
	58,659	35,618
	58,659	35,618

4. Assistance to students

Scholarships	153,333	178,333
Recipient travel	6,787	5,303
	160,120	183,636
	160,120	183,636

5. Scholarship Fund

Under Section 8(2) of the Ngārimu VC and 28th (Māori) Battalion Memorial Scholarship Fund Act 1945, the capital of the Scholarship Fund is not available for distribution.

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**NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2013**

6. Credit risk

Credit risk is the risk that a third party will default on its obligations to the Board, causing the Board to incur a loss.

Financial instruments which potentially subject the Board to credit risk principally consist of debtors, bank balances and term deposits.

Maximum exposures to credit risk are:

	2013	2012
	\$	\$
Current account	108,435	19,491
Call account	-	38,955
Total cash and cash equivalents	<u>108,435</u>	<u>58,446</u>
Term deposits	1,359,246	1,124,539
Accrued interest	18,931	14,222
Total financial assets	<u><u>1,486,612</u></u>	<u><u>1,197,207</u></u>

Security

Security for the financial instruments is either unobtainable, due to the nature of the instrument, or is not sought due to the instrument being invested in high credit quality organisations.

Significant concentrations of credit risk

There are no significant concentrations of credit risk with respect to accounts receivable. Investments are governed by the Board, which aims to minimise exposure to risks. No provisions are necessary to meet any known credit risk due to the high quality of the investments.

7. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. This could impact on the return on investments or the cost of borrowing.

	2013	2012
	%	%
<i>Interest rates</i>		
Auckland Savings Bank call account	2.00	2.00
Auckland Savings Bank term deposit	4.00 - 4.50	4.25 - 4.50

Repricing Maturities < 6 months

	\$	\$
Auckland Savings Bank call account	-	38,955
Auckland Savings Bank term deposit	1,359,246	1,124,539
	<u>1,359,246</u>	<u>1,163,494</u>

**NGĀRIMU VC AND 28TH (MĀORI) BATTALION MEMORIAL SCHOLARSHIP FUND BOARD
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2013**

8. Reconciliation of net surplus with net cash flows from operating activities

	2013	2012
	\$	\$
Net surplus	302,919	48,625
Add/(deduct) movements in working capital items		
(Increase)/decrease in accrued interest	(4,653)	(1,068)
(Increase)/decrease in accounts receivable	-	-
(Increase)/decrease in distributable income receivable	(56)	39
Increase/(decrease) in sundry creditors	(13,514)	(7,950)
Net cash inflow from operating activities	<u>284,696</u>	<u>39,646</u>

9. Related parties

No family members of the board members received scholarships during the year.

10. Contingent liabilities

There were no contingent liabilities as at 31 December 2013 (2012 \$0).

11. Commitments

There were following grant commitments as at 31 December 2013 (2012 \$305,000). Other commitments of \$40,000 as at 31 December 2013 (2012 \$0) relates to the 70th Anniversary Pilgrimage. The entire \$40,000 will be paid within one year.

	2013	2012
	\$	\$
Less than 1 year	231,667	170,000
1 year to 2 years	90,000	85,000
2 years to 5 years	70,000	50,000
	<u>391,667</u>	<u>305,000</u>

