

TE WHANAU O WAIPAREIRA TRUST & SUBSIDIARIES

Annual Report
For the year ended
30 June 2007

Te Whanau O
Waipareira Trust



Kokiritia I Roto I Te Kotahitanga
(progressively act in unity)

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CHAIRPERSON/CHIEF EXECUTIVE OFFICER'S REPORT

*Tena tatou, e Te Whanau O Waipareira.
E mihi whanui kia koutou, irunga ite maru o te
Karoriatanga o Io Matuakore.*

Engari, tenei te mihi atu o matou nei Kaihautu o te Poari – Kaiarahi o te Whanau. Tena tatou katoa.

E mihi Aroha kia tatou o nga mate kua hinga, o ia kainga, o ia kainga, e whakahonore i to tatou maumaharatiatanga o tenei kaupapa, ki awhinatia tatou.

Engari, haere koutou, haere, haere i runga ite huarahi o te Atua kaharawa.

Huri noa kia tatou, ite mahi ripota o te Whanau o Waipareira i tenei 'Hui-A-Tau'.

No reira e te whanau, tena tatou, tena tatou, tena tatou katoa.

INTRODUCTION

You will recall that the Board asserted rights over management and the Whanau's organisation on 12th April 2006. Our performance was reported to you in our own style. We held a special General Meeting on 7th June 2006. This was followed by a range of consultation hui to rebuild relationships and bridges with yourselves and a number of others. More importantly we asked you how you would like the Trust to operate and be accountable to you.

This was a significant consultation exercise and we are proud to have conducted it and to have received the level of support achieved. We further went to an Annual General Meeting in April 2007, where you endorsed our consultation process and voted on changes to our Constitution. We reported to you at this Annual General Meeting the full state of the Whanau's financial position. At that time it was not good.

We are pleased to announce as evidenced by our attached financial statements that the Whanau has achieved a turnaround of astounding proportions given the state the Whanau was in on 12th April 2006.

This turnaround is attributable in large part to our Kaumatua Roopu who steadied the Whanau and at all times remained a supportive and respectful anchor in asserting the values built up in the Whanau over the decades. Secondly, we were able to advance our position dramatically because a number of staff accepted the requirement for dynamic change. They also worked far in excess of any remuneration package offered. We were able to also recruit highly skilled people totally committed to the kaupapa of the Whanau. Most importantly we thank the spouses, partners and children of our Whanau workers who sacrificed much so that their whanau can work in our Whanau.

We acknowledge our South Auckland Wraparound team and are delighted, not only with their performance, but with the way in which they have built relationships making them a meaningful part of our Whanau.

In terms of this dramatic turnaround we also acknowledge the support given to us in trying circumstances from our major contracting agencies, the Ministry of Social Development, the Ministry of Health, the Ministry of Maori Development and the Waitemata District Health Board.

PERFORMANCE

In terms of our Financial Performance the Whanau went from a 2006 operating deficit of \$1.827 million dollars to an operating surplus of \$708,000.

For the first time in the history of the Whanau we settled all outstanding debts and mortgages and are strong enough cashflow-wise to no longer require an overdraft facility. This in and of itself is a huge turnaround and saves us hundreds of thousands of dollars in debt financing.

We have committed \$1.4 million dollars to change our vehicle fleet and upgrade our IT systems throughout the Whanau.

Our employment numbers have peaked at 160 full-time employees and this places us in the top 10% of private sector employers in our region. We have over 38,000 client relationships per year through our health and welfare arms.

We have a strong investment portfolio and anticipate reasonable gains from this fund.

We have rebuilt strong relationships based on integrity with our major funders and are now starting to assert ourselves in order to make a difference amongst our communities.

JOINT VENTURES

A new era has dawned and Waipareira will search out strategic alliances, spreading risk but also complementing our advantages with those of our joint venture partners.

Waipareira Pasifika Limited

This company is the first and only Maori/Pacific Island company in the country, able to win, maintain and deliver excellent programmes to a whole region. We are proud of this relationship and it has returned, as all good companies should, dividends to its shareholding groups, being the Pasific Island Fono and Te Whanau O Waipareira Trust.

On any measure our staff and the way in which they conduct themselves outperform any other provider of like services.

The company runs Family Start and Parents As First Teachers programmes, together with the West Auckland Youth Services Contract.

Hapai Te Hauora Tapui

This is a tri-partite company owned in third shares by the Whanau, Ngati Whatua and Tainui. It is the major regional public health provider for the full seven cities of the Auckland isthmus. We are looking to increase its share of delivery in the region and hoping to form stronger alliances in the north west central part of the isthmus with Ngati Whatua. For the first time this company also returned a dividend to the Whanau as a mark of its success.

GENERAL MANAGER'S REPORT

He manga wai koia kia kore e whitikia

In this whakatauki it is acknowledged that many small streams make a large river. And with this collective of streams this large river is indeed formidable.

Te Whanau o Waipareira Trust is a huge organisation. It is one of the largest of its type in this country, serving a total population of approximately 168,750 people and unashamedly serving the needs of some 22,689 Maori people.

There have been many people who have tried valiantly and genuinely to serve the needs of all, for all, in the rohe and we acknowledge their service to our community. Many of our services have worked hard at rebuilding and strengthening their delivery to our people, and in the main they have been immensely successful. On our files we serve some 16,000 people; and with each of those clients having at least one immediate family member we serve a minimum of 32,000 individuals and their whanau. This is both an important and an honoured role.

Te Whanau o Waipareira has rebuilt and strengthened from the inside which has taken guts, leadership, vision, hard work and fortitude. In many of the reports from the various managers they have dwelled briefly on the tough road they have walked. However, they are also quick to point out the perseverance of their staff. In the last 12 months of the financial year the CEO John Tamihere asked that every staff member – be they team leader, kaimahi or manager – put their shoulder to the grindstone. Without doubt every staff member gave their best.

Differing units were restructured, and investment was made in staff who were given full support. However, some staff contracts were not renewed, and the then Executive Trustee John Tamihere had to make some very very difficult decisions. Many people knew they had to be made, but not many would stand up to make those critical decisions.

The computer system on which organisations like ours rely heavily was rebuilt from the ground up and future proofed. The inefficient high cost leasing of vehicles was brought under better control and a well thought out car purchasing plan was initiated.

Managers were meeting fortnightly as a senior team at 7.30am to 8.30am then continuing on inhouse training for anything up to five hours more. All senior staff learnt the process of strategic planning, business planning, and budget reading. The organisation re-discovered its past, re-invigorated meaningful professional relationships externally, strengthened its pride, and asserted its mana. And while the Operations teams got to know the Board, the Board strengthened its relationship with its Operations.

The staff who stand before you to present this report are proud; not because they worked hard but simply because they turned whanau from merely a name to an operational reality.

Paul Stanley
General Manager

Waiora

Waiora is our Public Health Organisation and at this stage has an enrolled population of 27,000 patients. We endeavoured to work toward one PHO with Healthwest in Waitakere City. Regretfully Healthwest PHO did not adhere to a Heads of Agreement we executed, so it became impossible to work with Healthwest. Waiora has developed a Maori health plan, which for the first time sets priorities in regard to purchasing programmes that will actually deliver long term, tangible results.

Urban Maori Radio Limited

We own 50% of this company with the Manukau Urban Maori Authority. It controls 603AM Radio Waatea and George FM. Further it owns the full historical archive of Radio Aotearoa. The company is successful and has returned its first dividend to the Whanau.

CONCLUSION

It is with gratitude and total perseverance that, we are able to embrace the Aroha and Wairua of our whanau to move our vision forward.

For this, the current Trust Board and management are mindful of the support and encouragement given to us from within our community to "strive forward and achieve our goals and aspirations" for which it makes your Trust Board proud to be of service to you all.

*No reira e te
whanau, e
whakawhetai
ano kia koutou,
ito manaaki, me
to tautokongia I
tenei kaupapa
whakahirahira.
Ma te Atua
koutou, e
manaaki, e tiaki.*

Evelyn Taumaunu
Chairperson

John Tamihere
Chief Executive Officer

FUNDING & PLANNING

2006–2007 was the inaugural year for the operations of the Funding & Planning unit, originally established as part of a broader quality strategy to monitor the performance of all contracts.

The main areas of focus for this year have been:

- Contract Performance Management
- Contract Risk Management and Contingency Planning
- New Service Development
- Provider Development
- Strategic Relationship Liaison
- Quality & Risk Management

CONTRACT PERFORMANCE SNAPSHOT

Most contracts demonstrate an improvement in performance for the last financial year. Workforce development continues to be an issue, particularly in relation to the recruitment of nurses, dietitians and other specialist expertise.

This year saw the establishment of a new service for cardiac rehabilitation. This is a home-based support service for those people who have had a heart attack.

WHANAU ORA CANCER CARE NAVIGATOR

We are negotiating the establishment of a new pilot service. Initially this will include a full-time navigator position and will work closely with secondary care services. The role is one of service advocacy and support and has no output volumes, but will track and

document the cancer service pathway with the client.

MENTAL HEALTH & SOCIAL SERVICE CONTRACTS

These contracts continue to show performance improvement for this financial year. Every effort has been made to ensure that contracts stay on-task to succeed.

CONCLUSION

In summary, the establishment of this new business unit has been successful in that we have been able to secure the ongoing viability of all current contracts. The next most important task is to provide a business case and documentation to support the increase to current contract levels. We will be working with the General Manager to progress this initiative.

Edith McNeill

Manager Funding and Planning

MENTAL HEALTH & ADDICTIONS

The previous year has seen many changes in regard to staffing of different contracts, with individual workers moving on to other chosen career paths.

Staff morale has improved with the change in leadership, and the restructuring has improved the team's performance.

Clients receive a quality service from our unit. We have adopted a recovery approach to our clients, ie discussing exiting from the service as they become more independent. Clients have the option of returning should they have a serious mental health episode which sees them being hospitalised or requiring respite, or time out.

All approved training has seen the team's awareness of the Health & Disability Standards, ie Infection Control, Crisis Prevent Intervention, improve their work ethics. Audit training sessions by the District Health Board have given us a solid foundation for the organisation's Quality Control Committee to work from. Peer support groups have proven successful for clients.

Our relationship with our Kaumatua Roopu has improved steadily with their valued involvement with unit Powhiri, interviewing prospective workers and agency meetings.

The problem gambling contract has not had the client figures as anticipated, in spite of all external agencies presented with education sessions from our designated counsellor/educator.

New contract Respite Home has moved on to another affordable facility with restful surroundings. Environment plays a large part in the recovery process and management have been mindful of this fact when looking for new accommodation.

We as a team endeavour to establish a close relationship with all external agencies, with the goal to build open communication lines for our whanau to access the services needed to maintain the recovery journey.

We can look back with no regrets, acknowledging those who have gone on and have an excitement about the future of the Trust in anticipation of better and bigger things to come. Our goal is about recovery and best health, not working in crisis and chaos.

The Mental Health & Addictions unit services a high number of Maori clients (at least 100+) with 30 Pacific Island and 130+ other mainstream ethnic groups. Our workers' ethnic grouping is: 2 x Filipino, 4 x Pacific Island, 18 x Maori, 8 x Pakeha (5 of these are tangata whaiora/consumers).

Elaine Porter

Service Coordinator

WHANAU DEVELOPMENT

Whanau Development/Social Services has certainly had a busy year and experienced some significant changes, more so in the latter part of the reporting period.

The changes have involved the transfer of Behavioural & Support Wai Health to Social Services at the Trust, along with the appointment of two new senior staff members; the restructuring of the Specialist Family Home, and procuring the ACC contract.

BEHAVIOUR & SUPPORT

The Behaviour & Support team consists of three full-time workers and one part-time psychologist contracted to provide a regional service to people with intellectual disabilities.

Throughout the year, kaimahi attended hui with the Ministry of Health, advisory groups, Maori disability services, and other services relevant to their mahi. They also completed presentations to the Trust and Waitemata District Health Board, as well as initiating the first Auckland Regional Behaviour Support Forum.

SPECIALIST FAMILY HOME

The Specialist Family Home (SFH) is a Child Youth & Family Service national resource that caters for up to five rangatahi who have been subjected to a range of social ills and are custodians / guardians of the Chief Executive of CYFS.

Consisting of seven full-time and three casual kaimahi the SFH provides a 24/7 service to rangatahi. Their role and responsibilities are to ensure rangatahi are provided with a safe and secure environment and that their financial, psychological, educational, recreational, and emotional needs are being met.

In May 2007 a review of the SFH was carried out and the findings determined the immediate need to restructure the overall operations.

WHANAU DEVELOPMENT / YOUTH PROGRAMME

The Whanau Development Unit experienced a number of staff changes in this reporting period. In order to manage the volume of work, all external referrals were put on hold to enable our kaimahi to meet the demands of internal referrals and walk-ins. Despite these challenges, the Unit met its contractual obligations and acknowledgement must go to our kaimahi for her dedication and hard work.

The youth worker's Mau Rakau programme has proven to be a huge success within the primary and intermediate schools and Alternative Education Units. The positive responses received from not only the schools, but also from the students and parents, is testament to our youth worker's talent, skills and ability to engage with rangatahi.

BUDGETING AND FOODBANK

During this period there has been a significant increase in referrals from whanau with teenage children. School fees and uniforms, power costs, and market rentals have been the dominating factors that whanau are struggling to keep apace with. While the majority of whanau who sought assistance from both these services are beneficiaries, whanau who are in full-time employment but are low income earners are also struggling financially.

SOCIAL WORKERS IN SCHOOLS (SWIS)

The SWIS team is made up of four social workers who work in nine primary and intermediate schools in West Auckland. Over the reporting period, 148 families have accessed the service and received either family or social work intervention. In addition, a variety of early intervention/preventative programmes were delivered.

CONCLUSION

Whanau Development/Social Services has encountered many changes during 2006 – 2007.

Nevertheless recognition goes out to the staff still with the Unit, not only for their endurance during this time but, more importantly, for their allegiance to the Trust and commitment to the whanau they serve.

I was appointed to my position two months prior to the end of this reporting period, which turned out to be a very busy and interesting time. It involved getting in 'boots and all', asking questions of anyone and everyone, getting to know the 'Waipareira Way', attending training, and just 'doing it'. We look forward to the next 12 months with optimism and enthusiasm. It will be a time to implement the business plan; develop and up-skill staff; enhance the quality of service delivery; and put us in a position to seek new business opportunities.

Tena koutou katoa.

Betty Whakatau

Manager Whanau Development Unit

COMMUNITY HEALTH

The collective projects known as Wai Community Health were managed by an interim manager until June 2006 when a full-time Community Health Manager began.

Since then another Team Leader has been appointed to lead the Public Health outputs of the contracts.

There continues to be ongoing work to ensure the integration of services. It is a major task to ensure that staff understand the many facets of health Waipareira is involved in. Feedback from staff indicates an ongoing desire to further these inter-whanau relationships and explore the contractual components of each unit. Fortnightly team workshops ensure that this is able to happen; my thanks to Whaea Manuao Graham.

2006 was also the year of the Cancer Care Project, and this was supported by Community Health. The findings from that project gave a clear indication of the huge impact of cancer on our whanau, and a directive to move to addressing the need for better services for our whanau was identified. To this end, a project for caring for our whanau with cancer will roll out in April 2008.

The Te Whanau O Waipareira Kai Totika programme created a vehicle for our whanau to learn about the value of kai and its impact on hauora. The end of 2006 saw our nutritionist leave Waipareira. Matt Appleyard did, however, re-contract to the project and has worked with our new Public Health Team Leader to provide a Kai Totika course for the five Marae within the Kaipara region.

Our Home Based Support Service has grown and I would like to thank the dedicated group of workers led by Elenalini Asikona

(Whaea Lilly). Under her leadership the kaimahi are undertaking foundation skills training, which will assist them in their work and help improve the overall service we are able to deliver to this client group.

Dave Collier, who was running the Cardiac Prevention Programme, has moved on to work away from Waipareira. The programme has now moved up a step and negotiations are underway for it to be run by Anthony Stevens of Whakaatohea, who is a qualified exercise trainer with Les Mills.

Te Pumanawa Whakaoranga is a client-based cardiac rehabilitation pilot programme that aims to work with those who exit hospital and do not wish to participate in hospital-based programmes. It allows whanau to work one-on-one with a heart coach and is based on focusing on the hau ora in their lives and increasing this, rather than focusing solely on disease management.

Our emphasis needs to be hau ora based, which is what this programme will deliver.

Our early childhood intervention team has continued to deliver and although there have been challenges around getting referrals in some areas, good lines of communication have been developed to enable these issues to be dealt with.

Services designed for the care of our children are a high priority and we must make every effort to ensure that we continue. Our overdue immunisation service has had its challenges.

Kua tae ki te whakamutunga o tenei, he mihi tino nui rawa atu ki nga kai mahi katoa o tenei wahanga. Mai to ratou mahi ka tipu ake te hau ora o to tatou whanau o Waipareira. Heoi ano kaati tenei te mihi ki a koutou.

Greg Noda

Manager Community Health

WRAPAROUND SERVICES

The service has moved from a reactive to a proactive delivery style, and we are more focused on long-term quality outcomes as a result.

The change of style has also required a 're-think' as to the services we are offering, as we would not want to duplicate what can be delivered by one of our primary referrers such as Child, Youth and Family. We are looking for different experiences that our rangatahi have not been exposed to, in an effort to re-train while they are in a receptive mindset.

We are of the opinion that we need to be more creative with the funding we have and access programmes that build on the overall wellbeing of our rangatahi, in an effort to fill their 'kete of knowledge' in the short period of time that we work with them. We are certain this will give them more options to choose from when we end our association with them at the end of a year.

As a result, kaimahi whanau are hard at work strengthening the networks we already have and looking at resources that will provide the best outcomes for our rangatahi. They are also locating programmes that offer a component which might be implemented in a wraparound package that best suits an individual or group.

Youth Court Judges often promote the service by suggesting whanau refer themselves, or by making a recommendation in court that the young person be referred to the service. There are also senior members of Child, Youth and Family, the Coordinators Bureau, and Police who continue to refer to the service.

LEARNER'S LICENSE WORKSHOP

Since 2005, the Wraparound learner's license workshops have maintained a high pass rate. This has been a necessity given the nature of the rangatahi we work with as they are often used to failure. The workshop has provided a forum where they have been able to learn and develop a process where they can achieve their learner's license.

The rewards from completing and obtaining their learner's license have had long-term benefits in the confidence they develop and the rapport that has been built with staff and other participants. The process learned can be applied to many other situations where they wish to excel and this is promoted during their contact with others.

Thirteen candidates applied for the last workshop – 12 passed, one continued his association with the Police when he should have returned to Automobile Association for testing.

ALCOHOL AND DRUG AND ANGER MANAGEMENT PROGRAMME

Wraparound has continued to network in the South Auckland area when it comes to alcohol and drug services. We have strong ties with Te Atea Marino, who are the Maori service provider for Community Alcohol and Drug Services (CADS).

For some of our rangatahi, CADS have not been the ideal provider and quite often they have attended CADS services but not responded well to the therapy.

As an option, we thought we might access A&D and a component of anger management through the Trust.

We approached Elaine Porter and the Addictions Team from West Auckland, and Maggie Robson and Fraser Le Noel ran a 'Facts and Effects' workshop at the end of 2006 which was successful.

The workshop fulfilled some of our rangatahi obligations in regard to court matters where they had been ordered to attend A&D. Enquiries also came from the Corrections Department seeking such a resource for their clients in the 17–19 year age bracket. Corrections contact details were forwarded to the Addictions Team to respond.

CLIENT MANAGEMENT

We are running above our contractual obligations, but this is being rectified. Communication problems with whanau and rangatahi have been a contributing factor, as has the access to our database. Staff members have tended to leave the administrative end of their mahi until our own internal systems are more user-friendly. Again, Greg Northover is aware of the problems we are having and has discussed a contingency to deal with this.

It is envisaged we will be back in step by the end September 2007, although it is expected that approximately 30% more young people will access the service than we are contracted to do and unfortunately this doesn't look likely to change in the near future.

Client ethnic proportion of service is reflective in staffing, with approximately 55% Maori, 40% Pacific Island and 5% other.

John M Ormsby
Service Coordinator

WAI HEALTH CLINIC

2006 – 2007 saw the resignation of Dr Nikki Turner, our clinical director, and Dr Jenny Warlow. While we thought this would have quite a high impact on patient numbers we have in fact increased our patient numbers from 5439 to 6005 in July 2007.

That's an increase of 566 patients, and those numbers are still rising.

Revenue has also increased from \$150,456.7113 in July 2006 to \$174,273.1139 in July 07. However we are still not earning at our maximum capacity so a strategy has been developed for this. Our strategy is outlined at the end of this report.

PERFORMANCE ACHIEVEMENT

Wai Health Practice Clinic holds a three (3) year accreditation under the Royal New Zealand College of General Practitioners aiming for excellence programme.

Contracted Services provided by the clinic include:

GP Practice, Smoking Cessation, Podiatry, Kai Mahi Whanau, Mobile Nursing, Cervical Screening, Physiotherapy and Nutrition, Primary Mental Health project, Care Plus, Diabetes Get Checked, Nursing Outreach.

New Services include:

Optometry Services – provided by Infar Vision Ltd, offers eye testing / examinations.

Services under development:

Kaumatua Care Clinic – developed in conjunction with the Waitemata District Health Board. A day clinic provided specifically to meet the wide ranging needs of our kaumatua roopu.

This clinic was established and due to staff changes has not been fully implemented. The WDHB has given the clinic the use of a Nurse Practitioner, Michal Boyd to implement and provide this project however to date she has not been utilised to the best of our ability.

New Initiatives:

Health TV – a health communication strategy aimed at using video media in waiting rooms to promote health awareness programmes and services in our communities. This is working well and we have accessed Maori specific health promotion information for this.

Nursing Recruitment Strategy – a joint strategy with UNITEC aimed at providing training opportunities for nursing students. Currently this has not been successful however we have had a number of excellent nursing students join us on a part time basis. We have been short staffed in the nursing department and have used a host of locum nurses which is not providing continuity of care and is an issue for the new financial year.

ACC Rehabilitation Services – Exploring opportunities to provide vocational assessment and return to work options for registered claimants (Whanau). Risk in this area is there are a number of claimants not wanting to return to work. Investigations into how we improve this situation are still being completed.

Waioara Healthcare – Joint training programmes approved for clinical and administration staff development. We have had a number of training opportunities provided to us by Waioara and continue to work with them in this area. To date these have been very successful.

STRATEGY FOR MOVING FORWARD

- We will put processes in place to ensure we are capturing all revenue streams including staff training

- We will place greater emphasis on quality and improvement of health statistics for our whanau

- We will cross-train staff to ensure when people leave the clinic the knowledge base is still there.
- We will ensure all Wai Health Clinic staff are paid market rates so that recruitment and retention are no longer a challenge
- We will utilise our Health Assistants to the best of their ability to ensure Nurses are working at a higher level of competency.

Renee Muru

Practice Manager

BUSINESS SUPPORT SERVICES

'Ko te mana I ahau no aku Tupuna no tuawhakarere'

'My strength comes from my Ancestors from long ago' - (Karetu 1987)

This unit has been at the forefront of the Trust since the early founding days and was established in 1983 when the first Trust office was opened in Ratanui Street. Then in 1984 when the Trust purchased the old Police Station in Henderson, this unit took on a new look and new initiatives began to develop. So this unit has come a long way and has played a significant part in the development of the Trust in the past and currently provides a welcoming service to all that enters into their place of work.

OUR BUSINESS

- Financial and Account Services
- Legal Services
- Maintaining properties & facilities
- Administration of Reception
- Human Resources
- Relationship building
- Support to Chief Executive Officer
- Business and Governance support
- Policy & Procedural standards
- Public Relations & Communication

OUR MARKETING STRATEGY

- We will market the Trust image by providing a welcoming & warm entry into Waipareira
- We will market the Trusts strategic direction by distributing & preparing an excellent marketing package
- We will market an excellent package of professional financial and legal advice to both internal and external stakeholders
- We will market a model of best practice in the Human Resources services to all internal units by initiating information dialogues and information for external users

OUR STRENGTHS

- We have the potential
- We will start a new approach and promotion of services in the new financial year
- We have a very professional and qualified team
- We the business support team have fully consolidated ourselves as one
- We have Whanau O Waipareira focused staff to prove 'the Waipareira Way'

Mauri Ora

Ngaire Te Hira and Diane Tuari
Executive Officers

TE RITO O WAIPAREIRA BI-LINGUAL EARLYCHILDHOOD CENTRE

NGA KAUPAPA

'Ki te whai Te Mana Maori Motuhake, ki te Rangatiratanga, ki Te Kotahitanga I roto I te Whanau'

Te Rito 'seeks to realize the potential of our Maori People and to realize the leadership of our Maori People and join the people together as whanau'

COMPETITIVE ADVANTAGE

- Our service is licensed as a registered 'bi-lingual early childhood centre'
- Our service has recently, in September 2007, completed the Education Review Office audit and the Ministry of Education's financial audit and has now been registered to operate for the next three years.
- Our service is operating with qualified teachers
- Our service is accessible in our work place
- Our service is totally committed to servicing our whanau workers and their children
- Our service is totally focused to delivering an academic curriculum of learning to all children within Te Rito.

OUR SERVICE

- Offers the highest quality care & education in a safe and nurturing environment. Where child and whanau are encouraged to participate in all aspects of care and learning according to their circumstances
- Uphold Nga Mana O Nga Mokopuna by looking for the child's strengths, abilities and empower them to enjoy learning
- Promote education opportunities which support interactive tamariki learning processes

To all our babies who have graduated over the past five years from Te Rito we commend this to you all, our pioneers and leaders of tomorrow, we thank you for allowing us to sing your songs, tell your stories and promote your success.

To all our Graduates of Te Rito
– *Mihi Mai Koutou*

Whaea Marina Vasau
Centre Manager of Te Rito

AUDITORS' REPORT

We have audited the financial statements on pages 2 to 23 of the audited accounts. The financial statements provide information about the past financial performance of the Te Whanau O Waipareira Trust and group and its financial position as at 30 June 2007.

This information is stated in accordance with the accounting policies set out on pages 7 to 10 of the audited accounts.

TRUSTEES RESPONSIBILITIES

The Trustees are responsible for the preparation in accordance with New Zealand law and generally accepted accounting practice of financial statements which give a true and fair view of the financial position of the trust and group and of the results of its operations and cashflows for the year ended 30 June 2007.

AUDITORS' RESPONSIBILITIES

It is our responsibility to express an independent opinion on the financial statements presented by the Trustees and report our opinion to you.

BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Trust and Group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditors we have no relationship with, or interests in, Te Whanau O Waipareira Trust and Group.

UNQUALIFIED AUDIT OPINION

We have obtained all the information and explanations we have required. In our opinion:

- proper accounting records have been kept by the Trust and Group as far as appears from our examination of those records; and
- the financial statements on pages 2 to 23 of the audited accounts:
 - comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of the financial position of Te Whanau O Waipareira Trust and group as at 30 June 2007 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 2 November 2007 and our unqualified opinion is expressed as at that date.

Hayes Knight Audit

Hayes Knight Audit
Chartered Accountants

FINANCES

As indicated last year the Group has experienced a major turnaround in its performance of \$2,245,771.

This year's operating surplus is \$418,730 against the previous year's loss of \$1,827,041. After accounting for our share of surplus from associated entities and realised gains on the sale of shares the Group's surplus for the year was \$3,006,993 against the previous year's surplus of \$414,812.

Operating Revenues were up by \$525,560 but this includes Interest and Dividend income of \$1,076,743 so there was a reduction in income from operating activities reflecting the cessation in 2006 of Waitech Ltd and the Call Centre.

Operating Expenses were down by \$1,720,211 also reflecting the cessation of Waitech Ltd and the Call Centre but also a significant reduction in financing costs of \$401,894. As indicated in last year's report we are replacing our leased vehicle fleet as the leases expire with Group-owned vehicles. This exercise commenced in May 2007 and will take approximately a year to work out all remaining leases and therefore will impact on financing costs in the 2007-2008 year.

The Trust posted an operating surplus for the year of \$934,099 against the prior year deficit of \$2,288,787 – a turnaround of \$3,222,886. After accounting for our share of surplus from associated entities and realised gains on the sale of shares the Trust made a surplus for the year of \$3,522,362. Historically, the revaluations of the shares held in New Zealand Retail Property Group Ltd were treated as Group assets rather than Trust assets. The \$12,701,831 adjustment in the statement of movement in equity corrects the position.

Operating Revenues for the Trust were down substantially on the previous year but significantly offset by dividends and interest received. The main factor being the reduced inter-company revenues received. Other contributors were the lack of special projects in the year, the cessation of Unity and reduced rental income from subleasing properties we no longer lease.

Operating Expenses for the Trust were also down substantially on the previous year from \$6,247,628 to \$2,479,822 or \$3,767,806.

Again, the major factor being the write off of inter-company debts. Other contributing factors were a reduction in finance costs, occupancy costs, and administration expenses.

Operating cashflows for the Group have substantially improved over prior years with a net cash inflow of \$273,786. In the previous year there was a net cash outflow from operations of \$1,582,002.

Both the Group and the Trust's Statement of Financial Position show a strong position with working capital at \$11,149,405 and \$14,751,114 respectively, a marked improvement on the previous year's deficits of \$1,069,987 for the Group and \$2,259,409 for the Trust. This improvement resulted from the sale of the New Zealand Retail Property Group Ltd shares. The funds so released are currently invested in term deposits with our bankers and invested in marketable Bonds and short term mortgages.

We replaced the Groups accounting systems during the year with the intent of providing better and more accessible reports to managers on performance. The benefits of this will be more apparent in the 2007-2008 year. The Board and managers were involved in reviewing the Group's vision for the future and following on from that, strategic planning and the preparation of budgets for 2007-2008. With our new budgeting tool we are more able to manage and consolidate the large number of budgets resulting from the exercise.

This last year, generally speaking, has been a year of consolidation.

Tracey Adams

Chief Financial Officer

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 30 June 2007

	Note	Group		Trust	
		2007	2006	2007	2006
OPERATING REVENUE		\$9,571,832	\$9,046,272	\$3,413,921	\$3,958,841
OPERATING EXPENSES		9,153,102	10,873,313	2,479,822	6,247,628
OPERATING SURPLUS	2	418,730	(1,827,041)	934,099	(2,288,787)
Gain on Sale of Fixed Assets and share of Surplus of Associated Entities	3	2,588,263	2,241,853	2,588,263	-
TOTAL SURPLUS (DEFICIT) FOR THE YEAR		\$3,006,993	\$414,812	\$3,522,362	(\$2,288,787)

STATEMENT OF MOVEMENTS IN EQUITY

For the Year Ended 30 June 2007

	Note	Group		Trust	
		2007	2006	2007	2006
EQUITY - 1 July		\$15,116,938	\$14,743,876	\$1,177,541	\$3,508,078
Reclassification Adjustment	4	-	-	12,701,831	-
Total Surplus (Deficit) for the Year		3,006,993	414,812	3,522,362	(2,288,787)
Investment Write-down		-	(41,750)	-	(41,750)
Equity in Associated Entities		1,037,014	-	1,037,014	-
EQUITY - 30 June		\$19,160,945	\$15,116,938	\$18,438,748	\$1,177,541

The Statement of Accounting Policies (pages 7 to 10) and the Notes to the Financial Statements (pages 11 to 23) both of the audited accounts, form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2007

	Note	Group		Trust	
		2007	2006	2007	2006
CURRENT ASSETS					
Cash at Bank		314,567	77,392	82,518	26,142
Bank - Short Term Deposits		11,317,684	-	-	-
Accounts Receivable		786,624	801,312	250,906	223,932
Due by Related Entities	14	10,740	34,321	10,740	34,321
Intercompany Debtors		-	-	15,479,366	644,553
Other Assets	6	64,600	40,944	64,600	40,944
Total Current Assets		12,494,215	953,968	15,888,130	969,892
CURRENT LIABILITIES					
Accounts Payable		1,064,536	1,306,017	986,398	645,317
Bank Overdraft	11	6	200,840	-	199,240
Current Portion of Term Liabilities		7,371	15,654	-	913
Deferred Revenue	10	61,600	132,977	60,891	-
Employee Entitlements		211,297	155,648	89,727	54,176
Intercompany Creditors		-	-	-	2116,838
Short Term loan		-	212,818	-	212,818
Total Current Liabilities		1,344,810	2,023,955	1,137,016	3,229,300
WORKING CAPITAL SURPLUS/(DEFICIT)		11,149,405	(1,069,987)	14,751,114	(2,259,409)
TERM ASSETS					
Investments in Other Entities	7	1,201,595	15,004,250	1,201,595	2,302,419
Other Investments	9	3,645,750	-	-	-
Property, Plant & Equipment	8	3,164,195	2,398,276	2,486,039	2,342,760
Total Term Assets		8,011,540	17,402,526	3,687,634	4,645,179
		19,160,945	16,332,539	18,438,748	2,385,771
TERM LIABILITIES					
		-	1,215,601	-	1,208,230
NET ASSETS		19,160,945	15,116,938	18,438,748	1,177,541
Retained Earnings	5	17,355,946	12,691,499	16,633,749	(1,247,898)
Asset Revaluation Reserve	5	1,804,999	2,425,439	1,804,999	2,425,439
TOTAL EQUITY		19,160,945	15,116,938	18,438,748	1,177,541

The Statement of Accounting Policies (pages 7 to 10) and the Notes to the Financial Statements (pages 11 to 23) both of the audited accounts, form an integral part of these Financial Statements.