

Performance Report

Te Runanga o Ngati Mutunga Group
For the year ended 30 September 2016

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Entity Information

Te Runanga o Ngati Mutunga Group For the year ended 30 September 2016

Legal Name of Entity

Te Rūnanga o Ngāti Mutunga

Entity Type and Legal Basis

Private Trusts, Company and Maori Authorities

Registration Number

Ngati Mutunga Investment Charitable Trust - CC23078

Ngati Mutunga Community Development Charitable Trust - CC23076

Entity's Purpose or Mission

The purposes for which the Runanga is established are to receive, manage and administer the Runanga's assets on behalf of and for the benefit of the present and future members of Ngati Mutunga in accordance with its governing Charter, including, without limitation:

- (a) The promotion amongst Ngati Mutunga of the educational, spiritual, economic, social and cultural advancement or well-being of Ngati Mutunga and its whanau;
- (b) the maintenance and establishment of places of cultural or spiritual significance to Ngati Mutunga;
- (c) the promotion amongst Ngati Mutunga of mental health and well-being of the aged or those suffering from mental or physical sickness or disability;
- (d) to act as the Mandated Iwi Organisation and the Iwi Aquaculture Organisation for Ngati Mutunga; and
- (e) any other purpose that is considered by the Runanga from time to time to be beneficial to Ngati Mutunga

Entity Structure

This entity is comprised of Te Runanga o Ngati Mutunga Trust, Ngati Mutunga Investment Charitable Trust, Ngati Mutunga Community Development Charitable Trust and Maruehi Fisheries Limited.

The Runanga is governed by a board of five nga kaitiaki who are elected by the registered members of Ngati Mutunga iwi. The board employs a Pouwhakahaere who oversees staff in the Runanga office, and who is responsible for ensure the goals of the Trust, including implementing the Strategic Plan and achieving the goals set each year in the annual plan.

Volunteers support with various activities throughout the year.

Main Sources of Entity's Cash and Resources

The Runanga earns income from the investment of Treaty of Waitangi settlement cash assets in a diversified portfolio and also ground leases on several properties owned by the Trust.

Physical Address

6 Ngakoti Street, Urenui

Statement of Service Performance

Te Runanga o Ngati Mutunga Group For the year ended 30 September 2016

Description of Entity's Outcomes

Main non financial outputs stemmed from annual plan goals in the areas of communication, relationship building through consulting with landowners on changes to the District Plan. It also includes the review and monitoring of site management plans for cultural properties owned by the Runanga. Included distributions to other Group Charitable entities to provide benefits to registered members of the iwi.

	2016	2015
Description and Quantification of the Entity's Outputs		
Communication strategy developed and implemented, regular feedback to iwi including magazine	3	3
Consultation meetings with land owners on new District Plan wahi tapu extents	26	10
Review of site management plans for cultural properties owned by TRoNM	10	19
Distributions to other Group entities to provide benefits to registered iwi members.	2	1
Delivery of iwi events for the year	2	4
Development of Educational Grants policy and distribution of grants to iwi applicants	9	-

Additional Information

The events schedule was impacted by a cancellation due to illness of a presenter, and the prioritising of other programmes underway during the year such as the Charter Review roadshow.

Approval of Performance Report

Te Runanga o Ngati Mutunga Group
For the year ended 30 September 2016

The Trustees are pleased to present the approved performance report of Te Runanga o Ngati Mutunga Group for year ended 30 September 2016.

APPROVED



Trustee
Date 8/12/16



Trustee
Date 8/12/16

Statement of Financial Performance

Te Runanga o Ngati Mutunga Group
For the year ended 30 September 2016

	NOTES	2016	2015
Revenue			
Donations, fundraising and other similar revenue	1	16,392	12,193
Revenue from providing goods or services	1	186,212	112,663
Interest, dividends and other investment revenue	1	1,008,299	1,978,301
Total Revenue		1,210,903	2,103,157
Expenses			
Volunteer and employee related costs	2	343,466	316,659
Costs related to providing goods or service	2	321,880	294,141
Grants and donations made	2	309,663	3,685
Other expenses	2	(657,715)	353,005
Total Expenses		317,294	967,490
Surplus/(Deficit) for the Year		893,609	1,135,667
Income tax expense			
Income Tax Expense		31,995	95,673
Total Income tax expense		31,995	95,673
Surplus/(Deficit) for the Year after Tax		861,614	1,039,994

Statement of Financial Position

Te Runanga o Ngati Mutunga Group

As at 30 September 2016

	NOTES	30 SEP 2016	30 SEP 2015
Assets			
Current Assets			
Bank accounts and cash	3	1,658,876	293,768
Debtors and prepayments	3	77,280	121,906
Inventory	3	5,773	6,513
Tax	3	86,320	845,178
Other Current Assets	3	972,916	772,244
Total Current Assets		2,801,165	2,039,610
Non-Current Assets			
Property, Plant and Equipment	5	1,359,957	1,059,578
Investments at Fair Value	3	18,709,841	18,881,465
Investments at Transfer Value	3	613,355	613,355
Other Investments	3	1,535,578	1,552,060
Total Non-Current Assets		22,218,731	22,106,458
Total Assets		25,019,896	24,146,068
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	98,372	38,286
Employee costs payable	4	12,990	11,172
Other current liabilities	4	56,007	83,385
Total Current Liabilities		167,370	132,843
Non-Current Liabilities			
Loans	4	265,924	288,236
Total Non-Current Liabilities		265,924	288,236
Total Liabilities		433,294	421,079
Total Assets less Total Liabilities (Net Assets)		24,586,602	23,724,988
Accumulated Funds			
Accumulated surpluses or (deficits)	8	24,586,602	23,724,988
Total Accumulated Funds		24,586,602	23,724,988

Statement of Cash Flows

Te Runanga o Ngati Mutunga Group
For the year ended 30 September 2016

	2016	2015
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	37,692	5,949
Receipts from providing goods or services	164,218	116,996
Interest, dividends and other investment receipts	64,936	30,150
GST	(13,294)	(14,031)
Payments to suppliers and employees	(740,176)	(710,500)
Donations or grants paid	(298,163)	(3,985)
Net Tax Refunded/(Paid)	830,480	119,920
Total Cash Flows from Operating Activities	45,692	(455,501)
Cash Flows from Investing and Financing Activities		
Receipts from sale of investments	2,455,360	4,275,564
Proceeds from loans borrowed from other parties	1,090	290,000
Payments to acquire property, plant and equipment	(326,695)	(115,048)
Payments to purchase investments	(788,038)	(4,482,109)
Repayments of loans borrowed from other parties	(22,301)	(617,537)
Loans made to other parties	(0)	(1,986)
Capital repaid to owners or members	0	899,907
Total Cash Flows from Investing and Financing Activities	1,319,415	248,790
Net Increase/ (Decrease) in Cash	1,365,108	(206,711)
Cash Balances		
Cash and cash equivalents at beginning of period	293,768	500,480
Cash and cash equivalents at end of period	1,658,876	293,768
Net change in cash for period	1,365,108	(206,712)

Statement of Accounting Policies

Te Runanga o Ngati Mutunga Group For the year ended 30 September 2016

Basis of Preparation

Te Runanga o Ngati Mutunga is a Trust formed on 21 December 2005. The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future. The consolidated performance report comprise the Trust and its subsidiaries, Ngati Mutunga Investment Charitable Trust, Ngati Mutunga Community Charitable Trust and Maruehi Fisheries Limited. Amounts in the performance report are rounded to the nearest dollar (\$).

Tier 2 PBE Accounting Standards Applied

The Trust has adopted PBE IPSAS 6 *Consolidated and Separate Financial Statements* for the Consolidated Performance Report and PBE IPSAS 29 *Financial Instruments: Recognition and Measurement* for the recognition and measurement of Managed Fund Investments.

Changes in Accounting Policies

The policy in respect of depreciation has changed during the year to permit the charitable entities to now depreciate over the expected useful life of the asset. The change provides reliable, relevant information to users. The change in policy has impacted the financial reports by increasing depreciation and decreasing the asset value. All other accounting policies were applied on a consistent basis during the year. However, it should be noted that the basis of preparation has changed from using GAAP to Tier 3 Public Benefit Entity Simple Format Reporting – Accrual (Not-for-Profit) guidance issued by the External Reporting Board.

Consolidation

The consolidated financial statements comprise the Te Runanga o Ngati Mutunga Trust, Ngati Mutunga Investment Charitable Trust, Ngati Mutunga Community Charitable Trust and Maruehi Fisheries Limited. The figures are presented as the full financial year. The Trust has elected to apply PBE IPSAS 6 *Consolidated and Separate Financial Statements*.

Maruehi Fisheries Limited is owned 100% by Te Runanga o Ngati Mutunga.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Interest, Dividends and Investment revenue

Interest revenue is recorded as it is earned. Dividend revenue is recorded when the dividend is declared. Distributions are recorded on receipt of the cash.

Investment Revaluation

Investment Revaluations are the gains and losses from investments in Managed Funds and are recognised in Other Revenue for the movements in fair value of the assets.

Lease and Rental Revenue

Revenue is recorded on a straight-line basis over the term of the agreement.

Expenses

Volunteer and Employee related costs

Expenses are recorded as staff provide services and become entitled to wages and salaries and leave entitlements.

Grants and Donations

Expenses are recorded when donation/grant has been approved and the recipient advised.

Other expenses

Expenses are recorded when the cost is incurred.

Income Tax

Te Runanga o Ngati Mutunga Tust and Maruehi Fisheries Limited are registered Maori Authority's for taxation purposes and will be liable for taxation on its assessable net income at the relevant Maori Authority tax rate. Taxation is charged for the current year is based on the estimated taxation payable.

Ngati Mutunga Investment Charitable Trust and Ngati Mutunga Community Development Charitable Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits).

Cash is measured at the amount held.

Goods and Services Tax

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Debtors

Debtors are measured at the amount owed. When it is likely that the amount owed will not be collected an impairment is recorded and the loss treated as a bad debt expense.

Other Current Assets

Iwi Investor cash is measured at the amount receivable. These funds haven't been included with cash and cash equivalents as the cash is held by the fund manager.

Inventories

Inventories are recognised at the lower of cost and selling price determined on a first-in first-out basis.

Property, Plant and Equipment

Depreciation has been charged over the expected useful life of the asset using the depreciation rates and methods below. The group has the following asset classes:

Buildings – at cost	2%	Straight Line
Land – at cost	0%	Straight Line
Land Improvements – at cost	7.2%	Diminishing Value
Plant & Equipment – at cost	9.6-67%	Diminishing Value

Investments

Aotearoa Fisheries Ltd Shares

Aotearoa Fisheries Ltd Shares are stated at cost less any accumulated impairment loss. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired. Cost is based on the transfer price when transferred from Te Ohu Kaimoana in 2007.

Quota Shares

Quota Shares are stated at cost less any accumulated impairment loss. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired. Cost is based on the transfer price when transferred from Te Ohu Kaimoana in 2007.

Term Deposits

Term deposits are measured at amounts receivable.

BNZ Bond Portfolio, Cleary Investments, Iwi Investor and Rutherford Rede

These investments are measured at fair value in accordance with PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Gains and losses on the values of the investments are recorded in the statement of financial performance.

Emission Trading Scheme

Maruehi Fisheries Ltd has been allocated 112 NZU. These were transferred into the companies NZEUR holding account in September 2010.

Quota Shares

Quota transferred from Te Ohu Kai Moana is valued at Te Ohu's assessed value for Quota shares which only values those quota which have been traded or where there has been significant catches. Quota purchased is valued at cost.

Other Investments

Other investments are stated at market value.

Payables

Creditors and Employee Costs Payable are recorded at the amount owing to settle the liability.

Leases

Group entities lease certain plant and equipment.

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the lease items, are included in the determination of the net surplus in equal installments over the period of the lease.

Notes to the Performance Report

Te Runanga o Ngati Mutunga Group
For the year ended 30 September 2016

	2016	2015
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Koha Received	2,060	260
Feasibility Study	-	10,000
Rebate Income	1,526	-
Sundry Income	12,706	1,693
Wahi Tapu Income	-	240
Total Donations, fundraising and other similar revenue	16,392	12,193
Revenue from providing goods or services		
Fisheries Income	62,965	76,645
Land Lease	33,597	21,759
Rental Income	59,751	11,092
Merchandise Sales	1,500	3,167
Taranaki Tumai	28,398	-
Total Revenue from providing goods or services	186,212	112,663
Interest, dividends and other investment revenue		
Distributions Received	517,378	-
Dividends Received	18,154	329,377
Interest Received	472,767	749,017
Te Tai a Kupe Distribution	-	899,907
Total Interest, dividends and other investment revenue	1,008,299	1,978,301
	2016	2015

2. Analysis of Expenses

Volunteer and employee related costs		
ACC Levies	666	797
Board Member Expenses	10,543	4,616
Board Member Honorarium	57,502	53,337
Staff Training & Welfare	7,475	-
Travelling Expenses	13,807	14,340
Wages and Salary	253,473	243,569
Total Volunteer and employee related costs	343,466	316,659
Costs related to providing goods or services		
Administration Expenses	4,320	3,584
Advertising	3,170	4,764
Assets Under \$500	2,659	1,214
Bank Charges	916	636
Telephone, Fax & Internet	5,027	5,025
Computer Expenses	8,640	5,402
Election Expenses	19,628	21,907



	2016	2015
Entertainment - Deductible	-	173
Feasibility Costs	3,850	22,464
Financial Investment Fee	77,619	80,366
Levies	10,679	10,199
General Expenses	1,134	-
Insurance	23,128	19,549
Kahui Kaumatua	2,104	712
Kai/Catering	1,352	6,673
Lease Payments	3,794	3,199
Meeting expenses	1,219	1,005
Merchandise Expenses	857	888
Miscellaneous Projects	3,533	3,023
Mutungatanga	11,264	15,079
Ballot/Newsletters	13,989	11,941
Picnic at the Pa	1,000	7,689
Postage, Printing & Stationery	13,137	11,006
Electricity	2,639	3,073
Projects - Charter Review	13,759	-
Repairs & Maintenance	11,523	10,471
Rates	6,359	5,103
Security Costs	2,095	363
Staff Expenses	628	2,585
Storage Fees	325	-
Subscriptions	15,939	15,315
Sundry Expenses	28	4,672
Taranaki Tumai	40,723	-
Te Rangihiroa Day	11,054	14,859
Validation Committee	600	600
Wahi Tapu Consultation	1,067	600
Xero Fees	2,121	-
Total Costs related to providing goods or services	321,880	294,141
Grants and donations made		
Grant - Urenui Pa Project	290,000	-
Grants	11,500	-
Koha	8,163	3,685
Total Grants and donations made	309,663	3,685
Other expenses		
Accountancy Fees	17,205	9,871
Auditors Remuneration	13,814	14,314
Doubtful Debts Written off	-	(2,183)
Consultancy Fees	46,952	35,992

Cultural Activities	-	615
Depreciation	26,836	16,002
Interest	15,603	1,825
Investment Revaluation	(852,292)	253,053
Legal Fees	74,167	23,395
Non-Deductible expenses	-	121
Total Other expenses	(657,715)	353,005

2016 2015

3. Analysis of Assets

Bank accounts and cash

ASB Bank	5,520	6,310
BNZ Bank	123,904	83,524
TSB Bank	1,529,452	203,934
Total Bank accounts and cash	1,658,876	293,768

Debtors and prepayments

Accounts Receivable	22,947	20,729
GST	34,023	19,079
Interest Accrual	2,366	60,052
Prepayments	17,944	22,046
Total Debtors and prepayments	77,280	121,906

Inventory

Stock on Hand	5,773	6,513
Total Inventory	5,773	6,513

Tax

Taxation	86,320	845,178
Total Tax	86,320	845,178

Other current assets

IWI Investor	972,916	772,244
Total Other current assets	972,916	772,244

Investments at Fair Value

BNZ - Bond Portfolio	2,898,828	2,863,041
Cleary Investments	1,133,827	1,342,979
IWI Investor	4,471,618	6,117,455
Rutherford Rede Investment	10,205,568	8,557,990
Total Investments at Fair Value	18,709,841	18,881,465

	2016	2015
Investments at Transfer Value		
AFL Shares	613,355	613,355
Total Investments at Transfer Value	613,355	613,355
Other Investments		
BNZ Bank Term Deposit	1,198,481	1,021,452
Crown Quota Shares	6,093	6,093
Property Capex	3,179	-
Quota Shares	291,515	291,515
Tai-Hekenga Property Partnership	3,309	-
TSB Bank Term Deposit	33,000	233,000
Total Other Investments	1,535,578	1,552,060

Concentration of Iwi Investor investments:

The investments are held in investments with a range of financial institutions managed by Iwi Investor. Trustees have addressed the risk of non recovery of those investments by prudent investment strategies and an appropriately diversified portfolio.

The trustees have entrusted Iwi Investor to manage the funds within low risk defensive portfolio parameters.

The investments are subject to interest rate risk which is mitigated by diversifying the maturities of fixed interest investments.

	2016	2015
4. Analysis of Liabilities		
Creditors and accrued expenses		
Accounts Payable	98,372	32,901
Income Received in Advance	-	5,385
Total Creditors and accrued expenses	98,372	38,286
Employee costs payable		
Holiday Pay Accrual	12,990	11,172
Total Employee costs payable	12,990	11,172
Other current liabilities		
Urenui Pa Trustees	56,007	83,385
Total Other current liabilities	56,007	83,385
Loans		
ASB Bank Loans	265,924	288,236
Total Loans	265,924	288,236
	2016	2015
ASB Bank Security & Loan		
Current	23,752	21,996
Non Current	242,172	266,240
Total ASB Bank Security & Loan	265,924	288,236

This is a secured Facility and security for the Facilities is set out below.

- A limited guarantee and indemnity on ASB Bank's standard form, from NGATI MUTUNGA INVESTMENT CHARITABLE TRUST, limited to \$350,000.
- A registered all obligations Mortgage to the ASB Bank over all the property situated at 18 Ngakoti St, Urenui described as identifier number(s) 468842

The property of 18 Ngakoti St, Urenui is owned by Ngati Mutunga Investment Charitable Trust.
 The likelihood of the entity being required to make payment under the guarantee is not high.

	2016	2015
5. Property, Plant and Equipment		
Land		
Opening carrying value - Land	407,807	327,215
Purchases - Land	75,050	82,589
Reclassified assets	59,267	-
Depreciation	-	(1,997)
Total Land	542,124	407,807
Buildings		
Opening carrying value - Buildings	618,808	34,460
Purchases - Buildings	19,950	584,348
Reclassified assets	(85,000)	-
Depreciation	(10,842)	-
Total Buildings	542,916	618,808
Computer Software and Equipment		
Opening carrying value - Computer Software and Equipment	9,617	7,800
Purchases - Computer Software and Equipment	4,696	6,620
Depreciation	(5,266)	(4,803)
Total Computer Software and Equipment	9,048	9,617
Land Improvements		
Reclassified - Land Improvements	25,733	-
Depreciation	(1,853)	-
Total Land Improvements	23,881	-
Plant and Equipment		
Opening carrying value - Plant and Equipment	23,345	11,017
Purchases	7,780	21,530
Depreciation	(7,622)	(9,203)
Total Plant and Equipment	23,503	23,345
Property Improvements		
Purchases - Property Improvements	219,739	-

	2016	2015
Depreciation	(1,253)	-
Total Property Improvements	218,486	-
Total Property, Plant and Equipment	1,359,957	1,059,578

Treaty Cultural Redress Properties

As part of the Treaty Deed of Settlement dated 31 July 2005, ownership of ten "cultural redress properties" were transferred to the Runanga.

These are: Onaero Site, Pukemiro Site, Te Rau O Te Huia Pa Site, Hgapapa Site, Urenui Site, Te Urenui Pa Site, Okoki Pa Site, Okoki Pa Historic Reserve, Onaero Domain Recreation Reserve, and Urenui Domain Recreation Reserve.

	2016	2015
6. Operating Leases		
Commitments under non-cancellable operating leases.	-	-
Current	3,257	3,679
Non Current	-	3,372
Total Operating Leases	3,257	7,051
	2016	2015

7. Trustee Remuneration

R Baker	15,002	20,004
M Evans	-	2,500
S Julian	10,000	7,500
H Tamati	10,000	10,000
C Tuuta	10,000	10,000
J Tuuta	12,500	-
R Tuuta	-	3,333
Total Trustee Remuneration	57,502	53,337
	2016	2015

8. Accumulated Funds

Accumulated Funds		
Opening Balance	23,724,988	22,684,994
Accumulated surpluses or (deficits)	861,614	1,039,994
Total Accumulated Funds	24,586,602	23,724,988
Total Accumulated Funds	24,586,602	23,724,988



9. Fisheries Settlement - Te Ohu Kaimoana

As a result of the Maori Fisheries Act 2004, Te Ohu Kaimoana ("Te Ohu") was established. Legal name Te Ohu Kai Moana Trustee Limited. Te Ohu's main role is administering allocating and transferring fisheries settlement assets to mandated iwi organisations along the allocation model contained within the Maori Fisheries Act.

All fishing quota and the majority of cash held directly by the Treaty of Waitangi Fisheries Commission were transferred to mandated iwi organisations to manage these assets on behalf of all of their iwi members. These assets represent around half of the settlement assets estimated at \$350 million.

Each of the 57 iwi recognised in Schedule 3 of the Maori Fisheries Act 2004 will receive (or have received) a mix of:

- Quota
- Income shares in Aotearoa Fisheries Limited ("AFL") - a subsidiary of Te Ohu
- Cash

Refer to www.teohu.maori.nz for further information.

Assets Transferred (at valuation methods as per the policies in note 1) were as follows

Asset Type	Valuation
Cash	63,259
Quota share value	291,515
Shares in AFL	<u>613,355</u>
	968,129

	2016	2015
10. Maori Authority Credit Account		
Opening Balance	1,047,877	932,176
Plus:	-	-
Tax paid	256,338	163,171
Less:	-	-
Tax refund	(846,912)	(47,469)
Tax credits attached to distributions	(136,818)	-
Total Maori Authority Credit Account	320,485	1,047,878
	2016	2015

11. Tax Reconciliation

Income as disclosed in the accounts	893,609	1,135,788
Adjustments for non deductible expenditure and non assessable income	(710,781)	(589,088)
Assessable Net Income	182,829	546,700
Tax expense at 17.5%	31,995	95,673

12. Urenui Pa Trustees

The amount of \$56,007.40 is being held on behalf of Urenui Pa Trustees until they have charitable status. (Last year - \$83,385.07).

13. Commitments

There are no commitments as at 30 September 2016 (Last year - Ngati Mutunga Investment Charitable Trust is committed to earthquake strengthening of the trusts buildings. The commitment is approximately \$145,970.95 + GST).

14. Contingent Liabilities

There are no contingent liabilities or guarantees as at 30 September 2016 (Last year - nil).

15. Related Parties

The Trustees of Te Runanga o Ngati Mutunga may also be Trustees of the other entities.

During the period to 30 September 2016, Ngati Mutunga Investment Charitable Trust received weekly rent of \$82.78 from Te Runanga o Ngati Mutunga (Total : \$4,304.35 annually).

During the period to 30 September 2016, Maruehi Fisheries Ltd paid a net dividend of \$85,000 to Te Runanga o Ngati Mutunga with \$18,030.30 Maori Authority Tax Credits attached.

During the period to 30 September 2016, Te Runanga o Ngati Mutunga Trust paid a gross distribution \$575,578.3 to Ngati Mutunga Investment Charitable Trust with \$100,757.58 Maori Authority Tax Credits attached.

During the period to 30 September 2016, Te Runanga o Ngati Mutunga Trust paid a gross distribution \$103,030 to Ngati Mutunga Community Development Charitable Trust with \$18,030.30 Maori Authority Tax Credits attached.

16. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

17. Ability to Continue Operating

The group will continue to operate for the foreseeable future.

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Te Runanga o Nagti Mutunga

We have audited the accompanying consolidated performance report of Te Runanga o Ngati Mutunga and Group on pages 3 to 19 which comprises the entity information, the statement of service performance, the consolidated statement of financial performance and consolidated statement of cash flows for the year ended 30 September 2016, the consolidated statement of financial position as at 30 September 2016, and the statement of accounting policies and other explanatory information.

The Responsibility of the Trustees' for the Consolidated Performance Report

The Trustees are responsible on behalf of the entity for:

(a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;

(b) the preparation and fair presentation of the consolidated performance report which comprises:

- the entity information;
- the statement of service performance; and
- the consolidated statement of financial performance, consolidated statement of financial position, consolidated statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and

(c) for such internal control as the Trustees determine is necessary to enable the preparation of the consolidated performance report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated performance report based on our audit. We conducted our audit of the consolidated statement of financial performance, consolidated statement of financial position, consolidated statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated performance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated performance report, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated performance report, 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 consolidated performance report 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 made by management, as well as evaluating the overall presentation of the consolidated performance report.

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 auditor we have no relationship with, or interests in, Te Runanga o Ngati Mutunga or any of its subsidiaries.

Opinion

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the consolidated performance report on pages 3 to 19 presents fairly, in all material respects,
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of Te Runanga o Ngati Mutunga and Group as at 30 September 2016, and its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

Restriction on Responsibility

Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Silks Audit
Chartered Accountants
Whanganui, New Zealand

Date: 8 December 2016