

TE RŪNANGA O
NGĀTI MUTUNGA

CONSOLIDATED PERFORMANCE REPORT

TO 30 SEPTEMBER

2019



NGĀTI MUTUNGA
E KORE E MIMITI TE BUNA KORORUPU

Consolidated Performance Report

Te Rūnanga o Ngāti Mutunga Group
For the year ended 30 September 2019

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Entity Information

Te Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2019

Legal Name of Entity

Te Rūnanga o Ngāti Mutunga

Entity Type and Legal Basis

Private Trusts, Company, Limited Partnership and Māori Authorities

Registration Number

Ngāti Mutunga Investment Charitable Trust - CC23078
Ngāti Mutunga Community Development Charitable Trust- CC23076

Entity's Purpose or Mission

The Trust was established in 2006. The purposes for which the Rūnanga is established are to receive, manage and administer the Rūnanga assets on behalf of and for the benefit of the present and future members of Ngāti Mutunga in accordance with its governing Charter, including:

- (a) The promotion amongst Ngāti Mutunga of the educational, spiritual, economic, social and cultural advancement or well-being of Ngāti Mutunga and its whanau;
- (b) providing for the physical and administrative resources required for the maintenance and establishment of places of cultural or spiritual significance to Ngāti Mutunga;
- (c) the promotion amongst Ngāti 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 Ngāti Mutunga; and
- (e) any other purpose that is considered by the Runanga from time to time to be beneficial to Ngāti Mutunga

Entity Structure

This entity is comprised of Te Rūnanga o Ngāti Mutunga Trust, Ngāti Mutunga Investment Charitable Trust, Ngāti Mutunga Community Development Charitable Trust, Maruehi Fisheries Limited and Te Pou Herenga Pakihi Limited Partnership.

The Rūnanga is governed by a board of five nga kaitiaki who are elected by the registered members of Ngāti Mutunga iwi. The board employs a Pouwhakahaere who oversees staff in the Rūnanga office, and who is responsible for ensuring 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 Rūnanga 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 Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2019

Description of Entity's Outcomes

The Rūnanga annual plan contains a number of goals under the pou of Culture & Identity, Infrastructure & Capability, and Commercial and Economic Development. Some of the goals under the pou are delivered by other entities in the Group.

Description and Quantification of Entity's Outputs

Delivery of annual plan economic, infrastructure and social and cultural goals for iwi members which included:

- Consultation with uri throughout the motu on the development of a new Strategic Plan for the Rūnanga
- Involvement with other iwi in Taranaki on the Mounga and Taranaki Māori Trust Board negotiations with the Crown
- Involvement in the development of Tapuae Roa Regional Economic Development Strategy for Taranaki
- Developing a positive and supportive relationship with Urenui Pa Trustees by meeting regularly and assisting them with administrative support
- Increasing engagement with uri through increased focus on improving content and delivery of panui
- Providing a programme of education grants to assist uri across all vocational areas including trades, tertiary and employment grants.
- Implementation of a diverse annual events programme including wananga



Approval of Performance Report

Te Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2019

Nga Kaitiaki are pleased to present the approved performance report of Te Rūnanga o Ngāti Mutunga Group for year ended 30 September 2019.

APPROVED



Kaitiaki

Date: 20 December 2019



Kaitiaki

Date: 20 December 2019

Statement of Financial Performance

Te Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2019

	NOTES	2019	2018
Revenue			
Donations, fundraising and other similar revenue	1	88,328	23,456
Revenue from providing goods or services	1	143,274	144,757
Interest, dividends and other investment revenue	1	1,283,654	760,799
Other revenue	1	(293,400)	1,146,450
Total Revenue		1,221,856	2,075,462
Expenses			
Volunteer and employee related costs	2	467,668	521,115
Costs related to providing goods or service	2	301,779	391,920
Grants and donations made	2	32,391	25,939
Other expenses	2	119,215	362,872
Total Expenses		921,052	1,301,846
Surplus/(Deficit) for the Year		300,804	773,616
Income tax expense			
Income Tax Expense	10	120,754	130,931
Total Income tax expense		120,754	130,931
Surplus/(Deficit) for the Year after Tax		180,050	642,685

Statement of Financial Position

Te Rūnanga o Ngāti Mutunga Group
As at 30 September 2019

	NOTES	30 SEP 2019	30 SEP 2018
Assets			
Current Assets			
Bank accounts and cash	3	1,253,400	5,206,296
Debtors and prepayments	3	87,333	83,132
Inventory	3	3,772	3,772
Tax	3	(42,622)	203,799
Other Current Assets	3	104,561	3,035,300
Total Current Assets		1,406,444	8,532,300
Non-Current Assets			
Property, Plant and Equipment	4	1,379,033	1,383,073
Investments at Fair Value	3	21,620,920	16,120,446
Investments at Transfer Value	3	613,355	613,355
Other Investments	3	2,131,114	360,768
Total Non-Current Assets		25,744,422	18,477,642
Total Assets		27,150,866	27,009,942
Liabilities			
Current Liabilities			
Creditors and accrued expenses	5	46,620	58,454
Employee costs payable	5	23,779	24,463
Loans	5	28,535	26,597
Total Current Liabilities		98,933	109,514
Non-Current Liabilities			
Loans	5	161,871	190,417
Total Non-Current Liabilities		161,871	190,417
Total Liabilities		260,804	299,931
Total Assets less Total Liabilities (Net Assets)		26,890,061	26,710,011
Accumulated Funds			
Accumulated surpluses or (deficits)	6	26,890,061	26,710,011
Total Accumulated Funds		26,890,061	26,710,011

Statement of Cash Flows

Te Rūnanga o Ngāti Mutunga Group
For the year ended 30 September 2019

	2019	2018
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	88,328	6,098
Receipts from providing goods or services	145,408	159,143
Interest, dividends and other investment receipts	155,347	225,409
GST	(10,607)	5,050
Payments to suppliers and employees	(833,981)	(977,008)
Donations or grants paid	(32,391)	(25,939)
Net Tax Refunded/(Paid)	101,033	(174,253)
Total Cash Flows from Operating Activities	(386,863)	(781,500)
Cash Flows from Investing and Financing Activities		
Receipts from sale of investments	4,053,086	6,094,078
Payments to acquire property, plant and equipment	(22,167)	(180,053)
Payments to purchase investments	(7,570,346)	(3,020,233)
Repayments of loans borrowed from other parties	(26,607)	(25,148)
Loans made to other parties		
Total Cash Flows from Investing and Financing Activities	(3,566,034)	2,868,644
Net Increase/ (Decrease) in Cash	(3,952,897)	2,087,144
Cash Balances		
Cash and cash equivalents at beginning of period	5,206,297	3,119,153
Cash and cash equivalents at end of period	1,253,400	5,206,297
Net change in cash for period	(3,952,897)	2,087,144

Statement of Accounting Policies

Te Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2019

Basis of Preparation

Te Rūnanga o Ngāti 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, Ngāti Mutunga Investment Charitable Trust, Ngāti Mutunga Community Development Charitable Trust, Maruehi Fisheries Limited and Te Pou Herenga Pakihi Limited Partnership.

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

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Consolidation

The consolidated financial statements comprise the Te Rūnanga o Ngāti Mutunga Trust, Ngāti Mutunga Investment Charitable Trust, Ngāti Mutunga Community Development Charitable Trust, Maruehi Fisheries Limited and Te Pou Herenga Pakihi Limited Partnership. The Trust has elected to apply PBE IPSAS 6 *Consolidated and Separate Financial Statements*.

Maruehi Fisheries Limited is owned 100% by Te Rūnanga o Ngāti 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.

Fisheries Income

ACE lease income is recognised at the time the sale is entered into.



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

Ngāti Mutunga Investment Charitable Trust and Ngāti 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. 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



Impairment

Assets measured at fair value or assets Ngāti Mutunga intends to use to the end of its useful life, are not reviewed for impairment at balance date.

Assets intended to be sold prior to the end of their useful life or assets damaged or idle at balance date are reviewed to determine if any indicators of impairment exist. If indicators exist the asset is tested for impairment to ensure that the carrying amount of the asset is recoverable.

If the recoverable amount of an asset is determined to exceed its carrying amount then the resulting difference is recognised as an impairment loss in profit or loss for that period.

Investments

Moana New Zealand Shares

Moana New Zealand 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.

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.

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.

Other Investments

Other investments are stated at cost.

Payables

ASB Bank Loans, 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 Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2019

	2019	2018
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Grants Received	14,274	-
Koha Received	2,965	6,098
Sundry Income	71,088	17,358
Total Donations, fundraising and other similar revenue	88,328	23,456
Revenue from providing goods or services		
Fisheries Income	63,659	64,534
Land Lease	14,290	13,635
Maintenance Income	522	1,804
Merchandise Sales	977	2,011
Rental Income	63,826	61,722
Taranaki Tū Mai	-	1,050
Total Revenue from providing goods or services	143,274	144,757
Interest, dividends and other investment revenue		
Dividends	1,086,661	535,521
Interest Received	196,993	225,278
Total Interest, dividends and other investment revenue	1,283,654	760,799
Other revenue		
Investment Revaluation	(293,400)	1,146,450
Total Other revenue	(293,400)	1,146,450
Total Analysis of Revenue	1,221,856	2,075,462
	2019	2018

2. Analysis of Expenses

Volunteer and employee related costs		
ACC Levies	592	946
Board Member Expenses	15,453	5,075
Board Member Honorarium	94,417	95,000
Directors Fees	56,000	56,000
Staff Training & Welfare	650	-
Travelling Expenses	14,841	9,311
Wages and Salary	285,715	354,784
Total Volunteer and employee related costs	467,668	521,115
Costs related to providing goods or services		
Administration Expenses	-	1,468
Advertising	231	1,212
Assets Under \$500	-	3,083
Bank Charges	1,114	980

	2019	2018
Communication Costs	49,843	44,876
Computer Expenses	4,511	4,121
Election Expenses	18,561	12,702
Electricity	2,925	3,154
Environmental	20	-
Financial Investment Fee	38,818	71,034
General Expenses	1,296	2,921
Insurance	24,160	22,733
Kahui Kaumatua	1,015	931
Kai/Catering	992	1,531
Lease Payments	3,767	3,767
Levies	9,337	7,228
Loss on Sale of Fixed Assets	687	-
Meeting expenses	293	551
Merchandise Expenses	831	6,097
Mutungatanga	18,001	22,295
Newsletter Printing	13,122	29,172
Postage, Printing & Stationery	10,240	13,232
Repairs & Maintenance	15,088	36,164
Projects	30,931	41,483
Rates	7,365	6,866
Rent	-	3,300
Security Costs	821	1,570
Staff Expenses	3,763	2,790
Storage Fees	2,700	5,850
Subscriptions	15,592	8,455
Sundry Expenses	264	1,910
Takutai Moana	2,109	7,883
Te Pūia Tāpapa Costs	6,874	-
Taranaki Tū Mai	750	10,181
Te Rangi Hiroa Day	7,487	7,712
Validation Committee	400	500
Wahi Tapu Consultation	4,828	1,042
Xero Fees	3,044	3,127
Total Costs related to providing goods or services	301,779	391,920
Grants and donations made		
Grants	30,391	23,739
Koha	2,000	2,200
Total Grants and donations made	32,391	25,939
Other expenses		
Impairment Expense	-	229,789
Accountancy Fees	29,456	27,272
Auditors Remuneration	18,664	15,869
Consultancy Fees	21,594	19,539



	2019	2018
Depreciation	25,676	27,352
Distributions - Urenui Pa	10,000	10,000
Interest	11,017	12,723
Legal Fees	2,808	20,328
Total Other expenses	119,215	362,872
Total Analysis of Expenses	921,052	1,301,846

During the year ended 31 September 2018, the one off impairment cost of \$229,789 relates to the difference between the valuation of our property at 6 Ngakoti Street when transferred to the Limited Partnership, and the value including improvements made.

These improvements included earthquake strengthening to meet building code requirements as well as office remodeling to make it fit for purpose, and the refurbishment of the flat both to fix weather tightness issues in the thirty year old structure, and to meet our obligations as a Landlord under the Healthy Homes Guarantee Act.

	2019	2018
3. Analysis of Assets		
Bank accounts and cash		
ASB Bank	625,847	4,612,083
BNZ Bank	-	189,491
TSB Bank	627,552	404,723
Total Bank accounts and cash	1,253,400	5,206,296
Debtors and prepayments		
Accounts Receivable	34,833	36,967
GST	31,940	21,333
Interest Accrual	2,248	4,347
Prepayments	18,312	20,485
Total Debtors and prepayments	87,333	83,132
Inventory		
Stock on Hand	3,772	3,772
Total Inventory	3,772	3,772
Tax		
Taxation	(42,622)	203,799
Total Tax	(42,622)	203,799

Other current assets		
ASB Bank Term Deposits	-	3,000,000
IWI Investor	104,561	35,300
Total Other current assets	104,561	3,035,300

Investments at Fair Value		
BNZ - Bond Portfolio	-	3,086
Cleary Investments	1,569,838	1,814,276
IWI Investor	739,728	1,836,747
Rutherford Rede Investment	19,311,354	12,466,337
Total Investments at Fair Value	21,620,920	16,120,446



Investments at Transfer Value		
AFL Shares	613,355	613,355
Total Investments at Transfer Value	613,355	613,355
Other Investments		
Crown Quota Shares	6,093	6,093
Quota Shares	291,515	291,515
Tai-Hekenga Property Partnership	1,784,506	14,160
Te Pūia Tāpapa Limited Partnership	16,000	16,000
TSB Bank Term Deposit	33,000	33,000
Total Other Investments	2,131,114	360,768

2019 2018

4. Property, Plant and Equipment

Land		
Opening carrying value - Land	542,124	542,124
Purchases - Land	-	-
Depreciation	-	-
Total Land	542,124	542,124

Buildings		
Opening carrying value - Buildings	523,088	531,840
Purchases - Buildings	-	12,188
Depreciation	(15,700)	(9,374)
Impairment	-	(11,567)
Total Buildings	507,388	523,088

Computer Software and Equipment		
Opening carrying value - Computer Software and Equipment	5,897	6,858
Purchases - Computer Software and Equipment	1,295	4,280
Disposals - Computer Software and Equipment	(532)	-
Depreciation	(3,214)	(5,240)
Total Computer Software and Equipment	3,445	5,897

Land Improvements		
Opening carrying value - Land Improvements	22,162	22,162
Depreciation	-	-
Total Land Improvements	22,162	22,162

Plant and Equipment		
Opening carrying value - Plant and Equipment	26,705	23,104
Disposals	-	-
Purchases	-	14,308
Depreciation	(5,662)	(10,708)
Total Plant and Equipment	21,043	26,705

Property Improvements		
Opening carrying value - Property Improvements	263,098	334,073



	2019	2018
Purchases - Property Improvements	20,872	149,278
Depreciation	(1,099)	(2,031)
Impairment	-	(218,222)
Total Property Improvements	282,871	263,098
Total Property, Plant and Equipment	1,379,033	1,383,074

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.

2019 2018

5. Analysis of Liabilities

Current Liabilities		
Creditors and accrued expenses		
Accounts Payable	43,959	53,605
ASB Credit Card	2,661	4,849
Total Creditors and accrued expenses	46,620	58,454

Employee costs payable		
Holiday Pay Accrual	23,779	24,463
Total Employee costs payable	23,779	24,463

Loans		
ASB Bank Loans	28,535	26,597
Total Loans	28,535	26,597

Non-Current Liabilities		
Loans		
ASB Bank Loans	161,871	190,417
Total Loans	161,871	190,417

2019 2018

ASB Bank Security & Loan

Current	28,535	26,597
Non Current	161,871	190,417
Total ASB Bank Security & Loan	190,406	217,014

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 Te Rūnanga o Ngāti Mutunga 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 Te Pou Herenga Pakihi Limited Partnership.

The likelihood of the entity being required to make payment under the guarantee is not high.



	2019	2018
6. Accumulated Funds		
Accumulated Funds		
Opening Balance	26,710,011	26,067,327
Accumulated surpluses or (deficits)	180,050	642,685
Total Accumulated Funds	26,890,061	26,710,011
Total Accumulated Funds	26,890,061	26,710,011
	2019	2018

7. Operating Leases

As Lessee		
Commitments under non-cancellable operating leases.	-	-
Current	2,544	2,544
Non Current	5,511	8,055
Total As Lessee	8,055	10,599
As Lessor		
The Limited Partnership has entered into property lease agreements as a lessor. The minimum future lease payments receivable are as follows:	-	-
Not later than one year	49,445	6,593
Later than one year and no later than five years	144,693	-
Later than five years	-	-
Total As Lessor	194,138	6,593
	2019	2018

8. Trustee Remuneration

R Baker	13,833	15,000
S Julian	13,833	15,000
B Matuku	13,833	15,000
C Tuuta	18,250	20,000
J Tuuta	27,083	30,000
R Tuuta	7,583	-
Total Trustee Remuneration	94,417	95,000
	2019	2018

9. Director Fees

R Matuku	14,000	14,000
T McClurg	14,000	14,000
H Raumati - Tu'ua	28,000	28,000
Total Director Fees	56,000	56,000

	2019	2018
10. Tax Reconciliation		
Income as disclosed in the accounts	300,804	773,616
Adjustments for non deductible expenditure and non assessable income	389,219	(25,441)
Assessable Net Income	690,023	748,175
Tax expense at 17.5%	120,754	130,931

11. Fisheries Settlement - Te Ohu Kaimoana

As a result of the Māori Fisheries Act 2004, Te Ohu Kaimoana ("Te Ohu") was established. Legal name Te Ohu Kai Moana Trustee Limited. Te Ohu's main role is administrating allocating and transferring fisheries settlement assets to mandated iwi organisations along the allocation model contained within the Māori 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 Māori 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	613,355
	968,129

	2019	2018
12. Māori Authority Credit Account		
Opening Balance	358,934	304,832
Plus:	-	-
Tax paid	51,293	286,151
Less:	-	-
Tax refund	(179,647)	(32,049)
Tax credits attached to distributions	-	(200,000)
Total Māori Authority Credit Account	230,580	358,934

13. Torchlight Investment

Torchlight investment has been recorded at market value of NZD \$959,743 provided by Public Trust, Corporate Trustee Services as at 30 September 2019. The investment is included within Cleary Investments in note 3.

The Limited Partnership holds 541,968 units valued at \$1.6421 AUD per unit. Management decided due to the unlikely nature of receiving the full sum that the Limited Partnership would revalue each unit to \$1 which resulted in a revaluation adjustment of (\$375,285).



14. Related Parties

Maruehi Fisheries Ltd and Te Pou Herenga Pahiki Limited Partnership Director Hinerangi Ada Raumati-Tu'ua is also a Director of Sealord Group Ltd, Port Nicholson Fisheries LP and Moana New Zealand. The Companies have transacted with Maruehi as follows: Sealord \$31,497 income (balance outstanding at year end is \$21,826.78 GST Incl), Port Nicholson \$6,146 income (balance outstanding at year end is \$1281 GST Incl) and Moana New Zealand \$20,179 dividend income and \$1,470 expenses. (Last Year: \$Nil)

Hinerangi Raumati-Tu'ua was appointed by Te Pou Herenga Pakihi Limited Partnership to be a Director of Te Pūia Tāpapa GP Ltd which is the General Partner of the Te Pūia Tāpapa Limited Partnership. The capital paid was \$16,000 (Last Year: 16,000) . The Limited Partnership have paid \$6,874 for administration. The amount owed at balance date is \$3,953.

15. Commitments

Te Pou Herenga Pakihi Limited Partnership has entered into an agreement to become a limited partner in the Te Pūia Tāpapa Limited Partnership. Te Pou Herenga Pakihi Limited Partnership has committed \$2,000,000 of capital with \$16,000 paid as at balance date (Last Year: \$16,000).

Te Pou Herenga Pakihi Limited Partnership has entered into an agreement to become a limited partner in the Tai Hekenga Limited Partnership. Te Pou Herenga Pakihi Limited Partnership has committed \$2,500,000 of capital with \$1,784,506 paid as at balance date. (Last Year: \$14,160).

16. Contingent Liabilities

There are no contingent assets or liabilities at year end. (Last Year: \$Nil)

17. 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.

18. Ability to Continue Operating

The group will continue to operate for the foreseeable future with exception of Ngāti Mutunga Investment Charitable. The Trust does not intend continue to operate for more than 12 months in the future. The assets held by the Trust will be transferred to Ngāti Mutunga Community Development Charitable Trust, by way of debt instrument.

19. Audit

These financial statements have been subject to audit, please refer to Auditor's Report.



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INDEPENDENT AUDITOR'S REPORT

To the Trustees of Te Runanga o Ngati Mutunga

Report on the Consolidated Performance Report

We have audited the 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 2019, the consolidated statement of financial position as at 30 September 2019, and the statement of accounting policies and other explanatory information.

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 accompanying 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 consolidated financial position of Te Runanga o Ngati Mutunga and Group as at 30 September 2019, and its consolidated financial performance, and consolidated cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board

Basis for Opinion

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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Performance Report section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.



Responsibilities of the Trustees for the Consolidated Performance Report

The Trustees are responsible 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 on behalf of the entity 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 by the New Zealand Accounting Standards Board, and

(c) 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.

In preparing the consolidated performance report, the Trustees are responsible on behalf of the Group for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the consolidated performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Responsibility

This report is made solely to the Trustees, as a body, in accordance with section 10.2 of the Charter. 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.

Cameron Town
Silks Audit Chartered Accountants Limited
Whanganui, New Zealand

Date: 20 December 2019