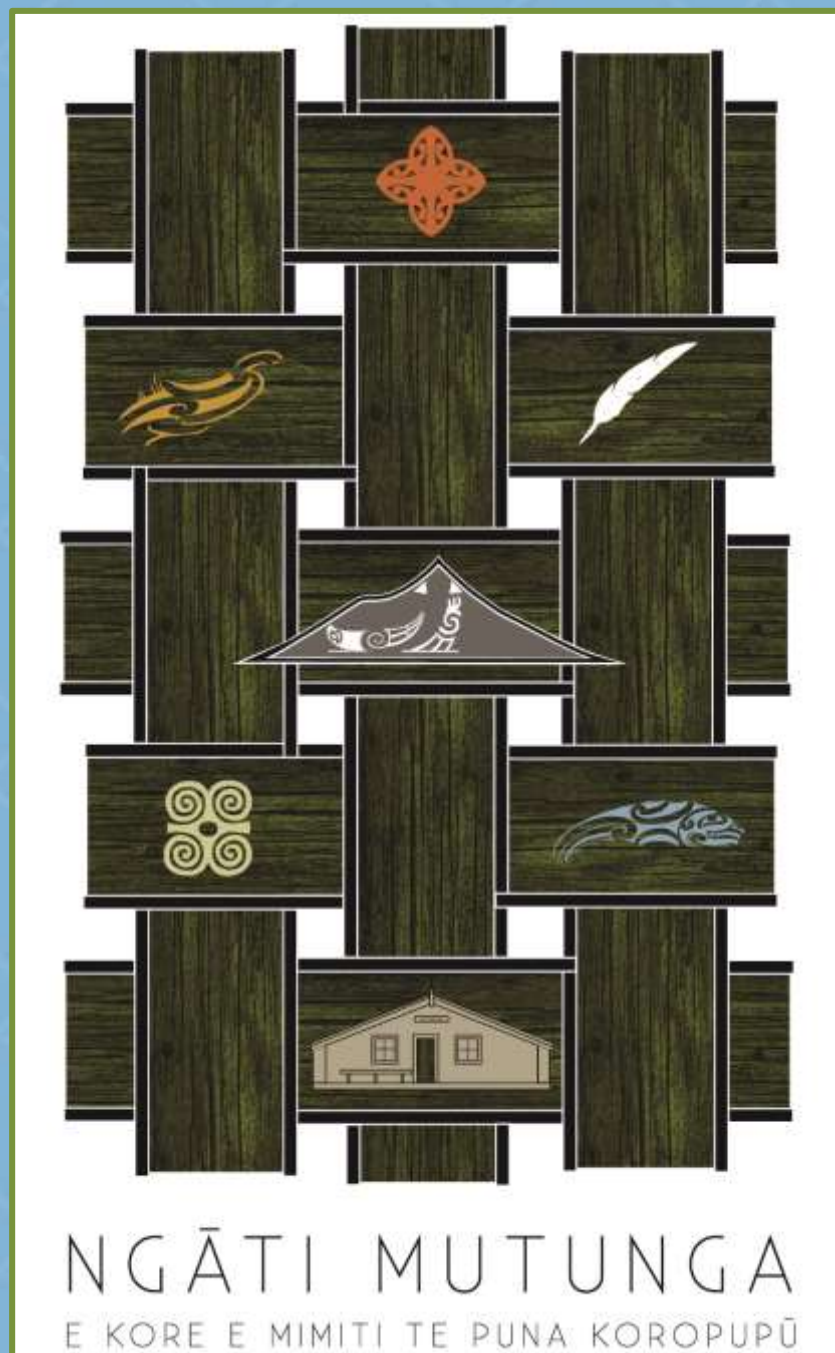


# TE RŪNANGA O NGĀTI MUTUNGA

Annual Report to 30 September 2015



# Our Vision

Ngāti Mutunga is culturally strong, secure in its identity and economically prosperous.

# Our Purpose

Whiria te tangata Whiria te kaupapa Whiria ngā taonga tuku iho o Ngāti Mutunga.

# Our Mission

To facilitate the growth and development of our people and our culture, Ngāti Mutungatanga. To prudently accelerate the growth of our assets.

# Our Values

Ngāti Mutungatanga informs all aspects of the Rūnanga's vision and purpose and guides our decisions and actions.

## Ngāti Mutungatanga

We celebrate our Ngāti Mutunga culture, identity and whakapapa and recognise that these are the heart and foundation of who we are and what we do

## Mahakitanga

We will conduct ourselves internally and in our relations with other parties with respect, humility and with confidence in our own identity

## Kaitiakitanga

We acknowledge and respect our obligation to protect the spiritual wellbeing of our people and our natural resources.

## Rangatiratanga

We are committed to upholding the Rangatiratanga of Ngāti Mutunga whānau, Marae and Iwi to protect and develop what belongs to them

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# ORGANISATIONAL INFORMATION

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BOARD MEMBERS	Rodney Baker Howie Tamati Colleen Tuuta Raymond Tuuta Sandra Julian	Chairperson
REGISTERED OFFICE	Te Rūnanga o Ngāti Mutunga PO Box 32 6 Ngakoti Street Urenui 4349 Taranaki	
PHONE	06-752-3247	
FAX	06-752-3347	
EMAIL	<a href="mailto:office@ngatimutunga.iwi.nz">office@ngatimutunga.iwi.nz</a>	
WEBSITE	<a href="http://www.ngatimutunga.iwi.nz">www.ngatimutunga.iwi.nz</a>	
ACCOUNTANT	VanBurWray Chartered Accountants Ltd New Plymouth	
AUDITOR	Silks Audit Whanganui	
BANKERS	TSB Bank Whaitara	
	BNZ New Plymouth	
INVESTMENT ADVISOR	Ross Fowler (Fi360) Tauranga	
SOLICITOR	Auld Brewer Mazengarb & McEwen New Plymouth	
DATE ESTABLISHED	21 December 2005	

# AGENDA

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TE RŪNANGA O NGĀTI MUTUNGA

ANNUAL GENERAL MEETING

URENUI MARAE

10.00am 12<sup>th</sup> DECEMBER 2015

1. Karakia/Mihimihi
2. Apologies
3. Minutes of Previous Meeting
4. Chairman's Report
5. CEO's Report and Receive and Adopt Annual Accounts and Reports
6. Announcement of Board of Trustee Election Result
7. Special Resolutions
  - a) Appointment of Auditor for Financial Year ending 30 September 2016  
***THAT the members of Ngāti Mutunga appoint Silks Chartered Accountants as the auditor for Te Rūnanga o Ngāti Mutunga for the financial year ended 30 September 2016.***
  - b) Approval of Trustee Remuneration for Financial Year ending 30 September 2016  
***THAT the members of Ngāti Mutunga approve up to \$60,000 per annum (excluding GST) as the amount payable to Trustees of Te Rūnanga o Ngāti Mutunga for Governance services to Te Rūnanga o Ngāti Mutunga***
8. General Business

# MINUTES FROM HUI A TAU 2014

---

Hui-a Tau

10.00am Sunday 13<sup>TH</sup> December 2014

At Urenui Pa

The Hui-a-Tau (AGM) opened at 10.00am with a karakia/mihimihi by Jamie Tuuta.

## PRESENT:

Matehuirua Limmer, Jan Ruru, Sandra Julian, Tahu Rawiri, Manu Magrath-Jonasson, Miriama Evans, Philip Evans, Jamie Tuuta, Janica Herlihy, Josie Herlihy, Hurimoana Haami, Mahere Tuuta, Piki Tapara, Karen Tuut-Papuni, Debra Tuuta, Rodney Baker, Mana Hodgetts, Samuel Maxwell, Barry Matuku, Ngaropi Cameron, Swhina Cameron, Te Rangitutahi Morrell, Charles Toa Jnr, Charles Toa Snr, Delecia Toa, Colleen Tuuta, Kapua Harlow, Ngarongokitua Callaghan, Patsy Crow, Tere Hodges, Howie Tamati, Raymond Tuuta, Paul Cummings (CEO) & Wainui Bedford (minutes)

## APOLOGIES:

Neville Baker, Brenda Baker, Denise Baker, Melanie Baker, Te Amoroa Clifton, Raniera Potaka, Audra Potaka, Raukura Limmer, Teri Limmer, Michael Kapo, Ngapuna Julian, Niki Walker Chapman, Deb Henare, Tracy Hughes, Mat Tuuta Rawiri, Christy Tuuta Rawiri, Jean Matuku, Joey Kapo, Harriet Turner, Richard Evans, Ranui Ngarimu, Sean Ellison, Kume Leilua, Des Austin, Jemma Wirihana, Hinehuia, Mangu Wallace, Carol Damien, Melissa Henare, Pauline Tuuta, Megan Tuuta, Andrea Henare, Jason Tuuta, Shanin Tuuta-Hughes, Michael Tuuta-Hughes, Stirling Tuuta, Kelly Ann Tuuta & Kayleen Minhinnick-Tuuta, Howie Tamati late.

**(Moved R Baker Seconded: M Evans CARRIED)**

## MINUTES FROM AGM OF TE RUNANGA O NGATI MUTUNGA 15<sup>th</sup> December 2013:

The minutes of the AGM held on Sunday 15<sup>th</sup> December 2013 were read and received.

**(Moved: R Baker Seconded: C Tuuta, CARRIED)**

## MATTERS ARISING:

There were no matters arising.

The minutes of the AGM held on Sunday 15<sup>th</sup> December 2013 were received as a true and correct record.

**(Moved: R Baker Seconded: C Tuuta, CARRIED)**

## CHAIRPERSON'S REPORT

Rodney Baker read the Chairman's report highlighting the board focus for 2015 and the future. Key points from the Chairman's report

- The 15 month financial period
- Investment review undertaken and completed
- Otakou ope to the opening of Te Rangi Hiroa College
- Purchase of the old Scout Hall
- Purchase of land neighbouring Urenui Pā, to be used for an iwi urupā.
- Providing support to Urenui Pā Trustees and their mahi.

The Chairman announced Miriama Evans retirement from the TRoNM Board. Her strong resolute and determined contribution made to the Iwi Authority and then the Rūnanga has set foundation for future development.

She has been a mentor for many and her commitment and dedication to Iwi and whanau has been un-wavering.

Jamie Tuuta on behalf of the Rūnanga presented her with a carved kohatu from the Maunga and a paua pearl pendant from Wharekaui.

Acknowledgement from Miriama for the sentiments and gift.

It was moved that the Chairman's report be received and accepted.

**(Moved: R Baker Seconded: J Tuuta CARRIED)**

## CEO'S REPORT

The CEO spoke to his report highlighting events and programmes that were held during the year.

## FINANCIAL REPORT

The financial results for year were not directly comparable with last year due to the shift in the year-end balance date in order to align the GST periods for all entities, which means this year's report is for a fifteen month period.

Profit, total assets and overall group equity are all up on the 2013 result as the Rūnanga continues to build a strong base for the future.

## RECEIVE AND ADOPT ANNUAL ACCOUNTS AND REPORTS

It was moved that the Financial Statements for the year ended 30 September 2014 be received and accepted as a true and correct record.

**(Moved: R Baker Seconded: C Tuuta CARRIED)**



## SPECIAL RESOLUTIONS

### APPOINTMENT OF AUDITOR TO TE RŪNANGA O NGĀTI MUTUNGA

The Hui agreed:

**THAT** the members of Ngāti Mutunga appoint Silks Audit Chartered Accountants as the auditor for Te Rūnanga o Ngāti Mutunga for the financial year ended 30 September 2015.

**(Moved: J Tuuta Seconded: M Evans CARRIED)**

### TRUSTEE REMUNERATION

The Hui agreed:

**THAT** the members of Ngāti Mutunga approved up to \$60,000 per annum (excluding GST) as the amount payable to Trustees of Te Rūnanga o Ngāti Mutunga for Governance services to Te Rūnanga o Ngāti Mutunga.

**(Moved: TR Morrell Seconded: M McGrath CARRIED)**

## ANNOUNCEMENT OF BOARD OF TRUSTEE ELECTION RESULT

The chairman announced the results from the 2014 Annual Elections of Trustees for Te Rūnanga o Ngāti Mutunga.

Colleen Tuuta	264 votes received
Raymond Tuuta	262 votes received
Sandra Julian	192 votes received
Melissa Henare	154 votes received
Bill Simpson	148 votes received

It was then declared that Colleen Tuuta and Raymond Tuuta be reappointed as Trustees of Te Rūnanga o Ngāti Mutunga for another term, and Sandra Julian was welcomed to the Board to fill the vacancy left by Miriama Evans who did not seek re-election.

An acknowledgement was also made to all candidates who had put themselves forward for election.

Sandra Julian thanked Iwi for their support and to those who took the time to vote. Sandra is looking forward to the next three years working with the Board and moving the Iwi forward into the next phases of commercial opportunities.

Colleen Tuuta thanked the Iwi for re-electing her to the Rūnanga board. She also acknowledged the work done in the past by Theresa Wallace, Jamie Tuuta and Miriama Evans. She welcomed Sandra to the Board and looked forward to having her at the table and the skills she will bring.

Raymond Tuuta thanked the Iwi also and also acknowledge the privilege it was to work with the Trustees.



## **TRUSTEE ROTATION**

Due to resignations over the years the Trustee rotation process is out of kilter and the process is to be re-addressed in the next twelve months after a review of the Charter then a Special General meeting will be called to adoption the required changes to the charter.

## **GENERAL BUSINESS**

### **2015 EVENTS**

The 2015 calendar produced has noted special events significant to Ngāti Mutunga Iwi in order to assist with planning for 2015. Events highlighted to Iwi were:-

Picnic at the Pā – 14<sup>th</sup> March

Mahi Tamariki Holiday Programme 7<sup>th</sup> – 10<sup>th</sup> April

Taranaki Tū Mai – November

Wānanga 4 planned for 2015 to occur 18<sup>th</sup>-19<sup>th</sup> of the month.

Iwi members present were provided further details regarding the selection of the dates for the wānanga and the purpose they will serve in regard to the kaupapa of the wānanga planned, with the core kaupapa reflecting on whakapapa, whanaungatanga, tikanga and reflection on the 18<sup>th</sup> the connection to Parihaka and to interact as a people.

There being no further business Rodney thanked those present for their attendance and wished everyone a Merry Christmas.

The Hui was closed by Jamie Tuuta with a Karakia at 12.02 pm.

# REPORT FROM THE CHAIRMAN

---

Tena koutou,

I take pleasure in presenting this annual report for the period 1 October 2014 to 30 September 2015.

This has been a year of many highlights for the Runanga, but before we look at those, I want to acknowledge those who have passed within the iwi this year, at this a difficult time of year for those whānau who have lost members, and extend our aroha to them.

From a cultural perspective, we had several enjoyable wananga during the year, and Urenui Pa also hosted our bi-annual whanau event Picnic at the Pa which was held on a fine Urenui day and was very well supported by our whanau.

On the property front we took possession of land adjacent to Urenui Pa for an iwi urupa, we also took possession of the old Scout Hall building at Yandle Park, and made our first direct business investment in Urenui with our purchase of the Mud Bay café building.

The urupa is to be developed for the future, and we are yet to put together any plans for the old Scout Hall building which will require some work to strengthen it in the future, as we will be focusing first on the earthquake strengthening of our offices at 6 Ngakoti Street with that project due to start in early 2016.

During the year we purchased the building that the Mud Bay café operates from in Urenui. This was an opportunity to invest directly in a new commercial property in a good location which offered an attractive return.

Last year I spoke about the commitment by the Runanga to support the Pa Trustees with their work. This year we have committed funds to underwrite the essential work they are doing in replacing the septic tank system, improving the drainage, and replacing the lower toilets. The work also involves some repairs to Titohea due to water damage caused by the lack of drainage.

I also want to acknowledge the Pa Trustees for the mahi they have been doing this year around the charter, and wish them well in bringing this work to a conclusion next year.

The year wouldn't be complete without mentioning hosting all of the iwi of Taranaki at Tū Mai in Urenui this November. A full report will be in our December magazine, but I just wanted to acknowledge the work of Raymond Tuuta and his hardworking organising committee for spearheading such a successful event.

We couldn't have done it without the generous support of our sponsors, partners and of course our kaimahi who all combined to make it the success that it was.

Our year closed out with the recent Te Rangi Hiroa weekend celebrations, which were well received and all who attended were treated to several interesting speakers and a large Hakari.

Finally, I want to wish all of our whanau a safe, relaxing and enjoyable festive period and holiday.

Rodney Baker  
Chairperson, Te Rūnanga o Ngāti Mutunga

# THE YEAR IN A FEW PICTURES.....



Picnic at the Pā, March 2015



Working Bee, Urenui Pā February 2015



Tornado aftermath, May 2015



Ngāti Mutunga o Wharekauri visit, September 2015



Kaumatua Morning Tea, October 2015

# REPORT FROM THE CHIEF EXECUTIVE

As we close the year we can reflect on a number of projects completed and a number of initiatives underway.





Operationally, a sub-committee of the Rūnanga consisting of two trustees and two iwi members has been reviewing the Rūnanga Charter, with a view to looking at the effectiveness of the arrangements in the current Charter, and reporting back on their findings. The Charter has been in place since 2005, and it is important that we review it now to see if all of the clauses are still appropriate, and if they will reflect the needs of Ngāti Mutunga into the future.

We are still waiting to formally review our Memorandum of Understanding (MOU) with New Plymouth District Council, although trustees did attend an informal meeting with councillors and staff earlier in the year. It is anticipated that this will be progressed in the New Year.

## FINANCIAL RESULTS SUMMARISED

The table below summarises the results for the financial period. Positive trends are indicated by the green arrows (both up and down), while negative trends are indicated by the red arrows.

Note that the 2014 figures represent a 15 month period to September, so a direct comparison with the current year is not possible.

Category	2014	2015	Change	Variance
Profit (Loss)	1,083,097	1,039,994		43,103
Total Assets	22,850,711	24,147,954		1,297,243
Total Liabilities	165,716	422,966		257,250
Equity	22,684,995	23,724,988		1,039,993

### Financial Position (Group)

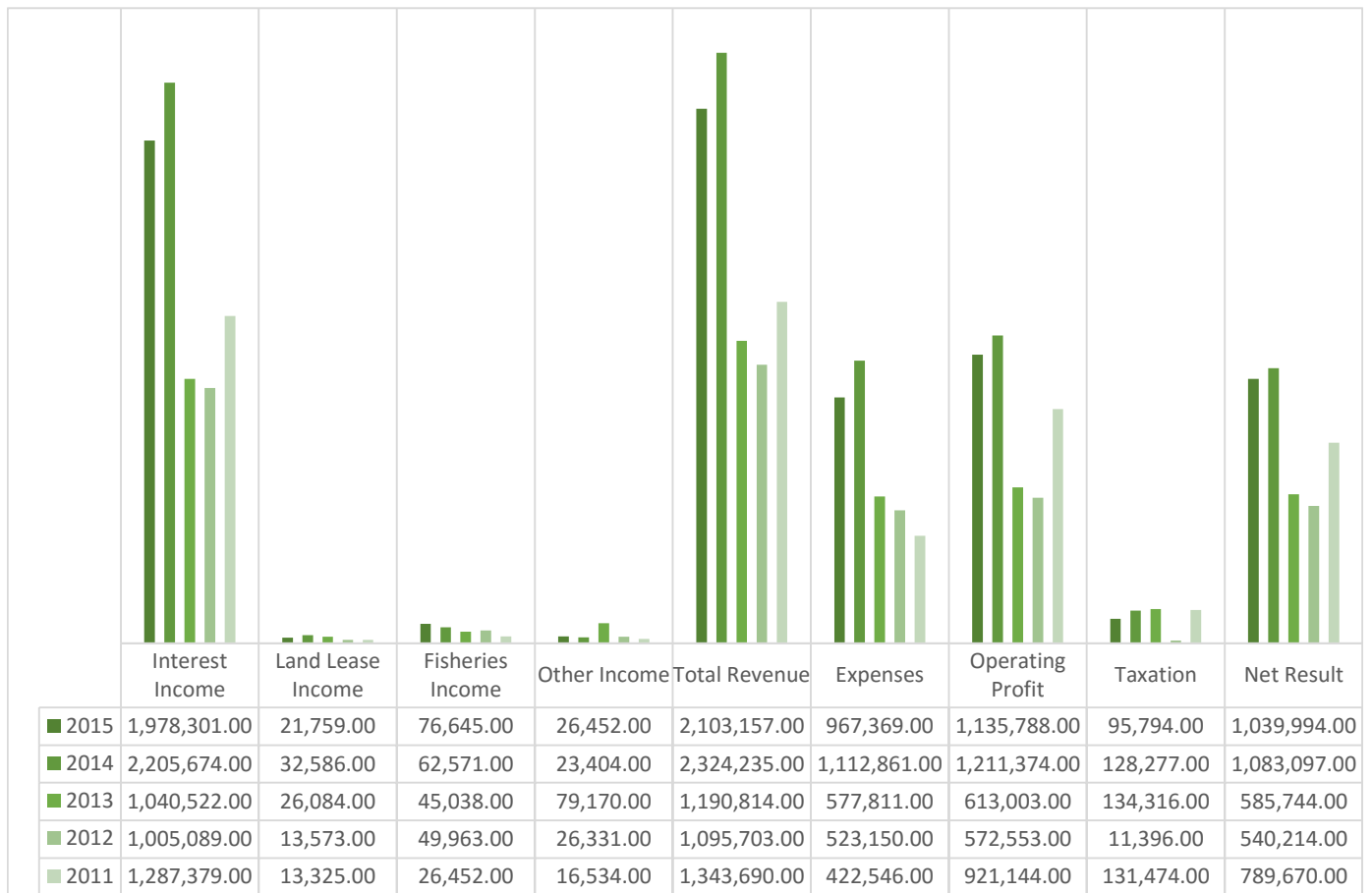
Profit is slightly down on last year – although this was a fifteen month period.

In the nine years since settlement, group assets have increased by over 60%, in line with the initial primary goal of the Rūnanga to grow our asset base for the future. This year, assets have grown by just over 5%.

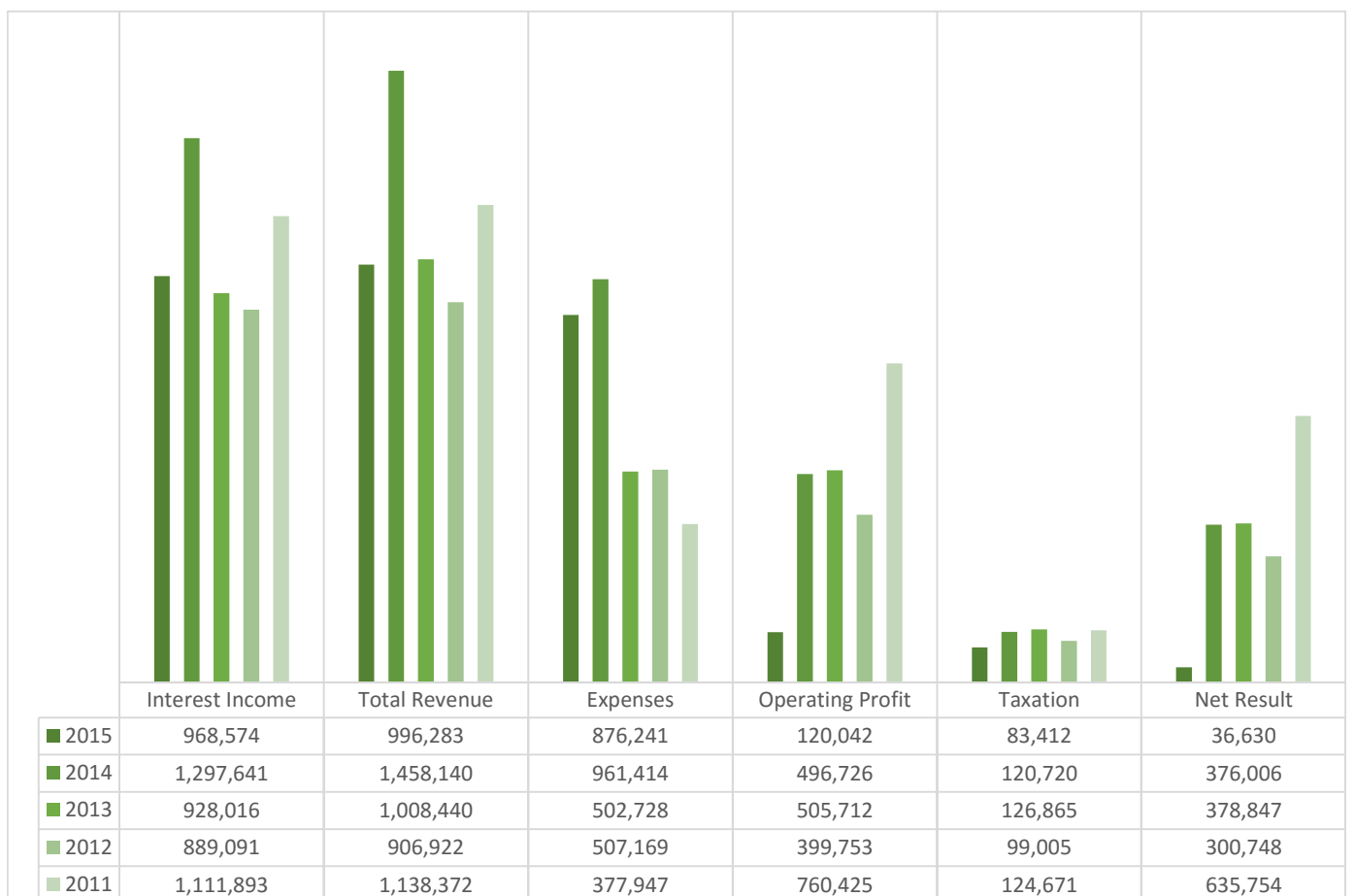
Liabilities have increased this year also, reflecting term lending taken on to part fund the purchase of the Mud Bay Café building.

The graphs on the next page show a more detailed breakdown of income and expenditure items with a five year comparison.

## FINANCIAL MOVEMENT (GROUP)



## FINANCIAL MOVEMENT RŪNANGA (PARENT)



## DETAILED FINANCIAL RESULTS SUMMARISED

Revenue for the group at \$2,103,157 is down a little on last year's fifteen month result of \$2,324,235. The result this year reflects a steady performance from our investment portfolio, helped by a contribution from funds received from a former fisheries partnership that we were involved in with other Taranaki iwi before forming Maruehi Fisheries Limited.

We have also seen an improved revenue contribution from Maruehi Fisheries Limited of \$76,645, up from the previous \$62,571 resulting from our entry into a partnership with Sealord Group along with other iwi of Taranaki and the lower North Island, and improved sales from lease of other fish species.

The Sealord partnership sees us commit some of our our biggest deepsea fish stocks we receive annually to the partnership, and in return we receive a share of the profits the joint venture makes on top of the income from the lease of the fish stocks to the partnership.

This also leaves us free to negotiate sales of other fish stocks which Sealord don't want to other providers, and the company has developed some good industry relationships with buyers in the last couple of years, resulting in both an increase in the income received for these stocks, and an increase in the overall number of our fish stocks which we are able to lease out.

Any annual fish stock allocations which we are unable to sell are a lost opportunity, so this is an important way to increase revenue.

Expenses for the Group are down at \$967,369 on last year's \$1,112,861, although this comparison is against a previous fifteen month period as already noted.

Board honorarium costs at \$55,337 are down on 2014 reflecting the resignation of Raymond Tuuta in February 2015. Consultancy fees at \$35,992 are up on last year, representing specific advice around structure, tax, and investments we have received this year.

We also had feasibility study costs of \$22,464 which reflects the costs of investigating potential investments, such as the Mud Bay café building purchase, and other acquisitions which the Board looked into during the year where we either decided not to invest, or where we were unsuccessful in purchasing.

An increase in legal fees for the year to \$23,395 reflects the purchase of the Mud Bay building and associated financing, as well as the iwi urupa, and specific advice around the charter, as well as operational issues.

The increase in subscriptions for the year represents the license fees for the BoardPad programme which we purchased this year in conjunction with iPads for trustees to use preparing for and at board meetings.

The Rūnanga purchased iPads for trustees to own, with trustees repaying the costs through deductions from their honorariums over their trustee term.

## LOOKING AHEAD TO 2016

Our Charter review is a major focus going into 2016, so look out for further communication around this.

One of the looming issues for us to tackle on the investment front over the next six months is what to do with funds previously in our bond portfolio which are maturing.

The bonds we can purchase now are showing much lower returns in line with the general investment market, and if we don't address the situation, it could have the effect of reducing the income available to us, meaning we have less money to fund our events and programmes, and will also slow the growth of our asset base.

In conjunction with our advisors, trustees will be looking at the various alternative options which are available to us for reinvestment, and we will keep you updated on this.



# TE RŪNANGA O NGĀTI MUTUNGA GROUP

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 SEPTEMBER 2015

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## TE RUNANGA O NGATI MUTUNGA GROUP

CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
12 MONTHS ENDED 30 SEPTEMBER 2015

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### Directory

Trustees	R Baker - Chairperson S Julian H Tamati R Tuuta C Tuuta
Address	6 Ngakoti Street Urenui Taranaki 4375
Accountant	Vanburwray Chartered Accountants Ltd 7 Liardet Street New Plymouth
Auditors	Silks Audit Chartered Accountants 24 Bell Street Wanganui
Bank	TSB Bank Ltd 47 McLean Street Waitara
Solicitor	Auld Brewer Mazengarb and McEwen New Plymouth

## TE RUNANGA O NGATI MUTUNGA GROUP

### Statement of Financial Performance

for the 12 Months Ended 30 September 2015

		Group		Parent	
	Notes	2015	2014	2015	2014
<b>Income</b>					
Lease Income - Administration	3	21,759	32,586	13,325	16,169
Sundry Income - Administration	3	26,452	23,404	14,384	144,330
Investment Income	4	1,978,301	2,205,674	968,574	1,297,641
Fisheries Income	5	76,645	62,571	-	-
		<u>2,103,157</u>	<u>2,324,235</u>	<u>996,283</u>	<u>1,458,140</u>
<b>Expenses</b>					
Administration	3	623,751	738,796	544,474	617,906
Investment	4	333,419	359,338	331,767	343,508
Fisheries	5	10,199	14,727	-	-
		<u>967,369</u>	<u>1,112,861</u>	<u>876,241</u>	<u>961,414</u>
<b>Net Operating Income before extra Ordinary Items</b>		<u>1,135,788</u>	<u>1,211,374</u>	<u>120,042</u>	<u>496,726</u>
<b>Net Surplus after extra ordinary items</b>		<u>1,135,788</u>	<u>1,211,374</u>	<u>120,042</u>	<u>496,726</u>
Taxation	11	95,673	128,277	83,321	120,720
Non Deductible expenses		121		91	
<b>Net Surplus after tax for year</b>		<u>1,039,994</u>	<u>1,083,097</u>	<u>36,630</u>	<u>376,006</u>

## TE RUNANGA O NGATI MUTUNGA GROUP

### Statement of Movements in Equity

as at 30 September 2015

	Group		Parent	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Equity at start of year	22,684,995	21,601,898	13,513,903	16,673,611
Plus				
Net Surplus	1,039,994	1,083,097	36,630	376,006
Less				
Maori Authority Distribution	-	-	-	3,535,714
Equity at end of year	<u>23,724,989</u>	<u>22,684,995</u>	<u>13,550,533</u>	<u>13,513,903</u>

## TE RUNANGA O NGATI MUTUNGA GROUP

### Statement of Financial Position

as at 30 September 2015

	Notes	Group		Parent	
		2015	2014	2015	2014
<b>Current Assets</b>					
Bank Accounts		293,768	500,481	87,168	27,009
Interest Accrual		60,052	5,090	55,430	604
Prepayments		22,046	15,675	18,205	15,675
GST refund		20,525	5,039	21,103	9,257
Sundry Debtors		20,729	11,580	5,326	8,481
Tax Refund		845,619	822,508	92,420	71,489
Stock on Hand		6,513	6,790	6,513	6,790
IWI Investor Limited	6	772,244	512,448	772,244	512,448
		<u>2,041,496</u>	<u>1,879,611</u>	<u>1,058,409</u>	<u>651,753</u>
<b>Property, Plant and Equipment</b> (as per schedule)	2	1,059,578	380,491	320,792	307,673
<b>Investments</b>					
Term Deposits		1,268,453	198,000	33,000	33,000
IWI Investor Limited	6	6,117,455	9,833,060	6,117,455	9,833,060
Cleary Investments	6	1,328,978	1,624,409	350,587	454,872
Rutherford Rede	6	8,557,990	5,312,924	6,222,269	3,222,552
BNZ - Bond Portfolio		2,863,041	2,711,253	2,863,041	2,711,253
Maruehi Fisheries Ltd		-	-	7,435	7,435
AFL Shares		613,355	613,355	-	-
Quota Shares	12	291,515	291,515	-	-
Crown Quota Shares		6,093	6,093	-	-
		<u>21,046,880</u>	<u>20,590,609</u>	<u>15,593,787</u>	<u>16,262,172</u>
<b>TOTAL ASSETS</b>		<u>24,147,954</u>	<u>22,850,711</u>	<u>16,972,988</u>	<u>17,221,598</u>
		2015	2014	2015	2014
<b>Liabilities</b>					
Accounts Payable		30,701	31,192	33,073	26,280
Credit Card		2,200	5,024	2,200	5,024
GST payment		1,446	-	-	-
Prepaid Income		5,385	-	-	-
PAYE Accrual		11,172	9,500	11,172	9,500
ASB Loans - Current	20	21,996	-	21,996	-
ASB Loans - Non-current	20	266,240	-	266,240	-
Taxation		441	-	-	-
Urenui Pa Trustees		83,385	120,000	-	-
Beneficiaries Current Accounts		-	-	3,087,772	3,666,891
		<u>422,966</u>	<u>165,716</u>	<u>3,422,453</u>	<u>3,707,695</u>
<b>TOTAL LIABILITIES</b>		<u>422,966</u>	<u>165,716</u>	<u>3,422,453</u>	<u>3,707,695</u>
<b>NET ASSETS</b>		<u>23,724,988</u>	<u>22,684,995</u>	<u>13,550,535</u>	<u>13,513,903</u>

 Trustee

 R Baker - Chairperson

7 December 2015

Date

## TE RUNANGA O NGATI MUTUNGA GROUP

### Beneficiaries Current Accounts

for the 12 Months Ended 30 September 2015

	Group 2015	2014	Parent 2015	2014
<b>Ngati Mutunga Community Development Charitable Trust</b>				
Balance at start of year	-	-	126,442	126,442
<b>Plus</b>				
Distribution Received	-	-	-	-
<b>Less</b>				
Expenses paid on Behalf	-	-	-	-
Distributions paid out	-	-	-	-
Maori Authority Tax Credits	-	-	-	-
Balance as at 30 September 2015	-	-	126,442	126,442
<b>Ngati Mutunga Investment Charitable Trust</b>				
Balance at start of year	-	-	3,540,449	131,390
<b>Plus</b>				
Distribution Received	-	-	-	4,285,714
<b>Less</b>				
Expenses paid on Behalf	-	-	579,118	4,735
Debt Remitted	-	-	-	131,390
Distributions paid out	-	-	-	-
Maori Authority Tax Credits	-	-	-	750,000
Balance as at 30 September 2015	-	-	2,961,331	3,540,449
<b>Total Current Accounts as disclosed in Balance Sheet</b>	-	-	<b>3,087,773</b>	<b>3,666,891</b>



## TE RUNANGA O NGATI MUTUNGA GROUP

### Notes to the Financial Statements

for the 12 Months Ended 30 September 2015

#### 1 Statement of General Accounting Policies

##### Reporting Entity

Te Runanga O Ngati Mutunga is a Trust formed on 21 December 2005. The Runanga is a Maori Authority and not exempt from taxation.

The Runanga qualifies for differential reporting as it is not publicly accountable and is not large as defined by the Framework for Differential Reporting. The Runanga has taken advantage of all available differential reporting exemptions.

##### Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Runanga. Reliance is placed on the fact that the Runanga is a going concern. Accrual accounting is used to match expenses and revenues.

##### Principles of Consolidation

The consolidated financial statements have been prepared by combining the financial statements of the parent entity, Te Runanga O Ngati Mutunga and its subsidiary, Maruehi Fisheries Ltd and two charitable trusts. Maruehi Fisheries Ltd is owned 100% by Te Runanga O Ngati Mutunga.

Consistent accounting policies are used in the preparation and presentation of the consolidated financial statements. In preparing these consolidated financial statements, all inter entity balances and transactions are eliminated.

##### Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of profit and the financial position have been applied.

Goods and Services Tax - These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

Property, Plant and Equipment - Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation has been charged as per the tax rates stipulated by the Inland Revenue Department.

The group has the following asset classes:

Buildings - at cost	0% Diminishing Value
Land - at cost	0% Straight Line
Land - at cost	7.2% Diminishing Value
Plant & Equipment - at Cost	0% - 50% Diminishing Value

##### Accounts Receivable

Accounts receivable are recognised at their net realisable value. Bad Debts are written off in the year in which they are identified.

##### Inventories

Inventories are recognised at the lower of cost, determined on a first in first out basis, and net realisable value.

##### Investment - Shares in Te Tai A Kupe Ltd

These shares are valued at cost.

##### Investment - Shares in Aotearoa Fisheries Ltd

These shares are valued at the value assessed by Te Ohi based on the net equity of AFL as at 30 September 2006. The company owns 486 out of a total of 250,000 income shares in AFL.

The shareholding therefore has a book value of \$802,316 based upon the latest AFL audited financial statements as at September 2014, (2014 : \$786,31).

##### Investments - Iwi Investor and Cleary

These investments are stated at market value.

##### Other Investments

Other investments are stated at market value.

##### Emission Trading Scheme

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

## TE RUNANGA O NGATI MUTUNGA GROUP

### Notes to the Financial Statements

for the 12 Months Ended 30 September 2015

#### 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.

#### Fisheries Income

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

#### Grants

Grants received are included in operating revenue. If particular conditions are attached to a grant that would require it to be repaid if those conditions are not met, then the grant is recorded as a liability until the conditions are satisfied.

#### 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.

#### Income Tax

Income tax is accounted for using the taxes payable method, ie the income tax expense charged to the statement of financial performance is based on the return to the Inland Revenue Department.

Deferred Tax accounting has not been adopted by the Group

The following entities are tax exempt:

Ngati Mutunga Community Development Charitable Trust  
Ngati Mutunga Investment Charitable Trust

#### Changes in Accounting Policies

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

2 Property, Plant and Equipment	Group		Parent	
	2015	2014	2015	2014
Land at cost	415,655	367,757	289,700	289,700
Buildings; Plant & Equipment at cost	710,101	62,912	88,375	61,788
Less Accumulated Depn	66,179	50,178	57,283	43,815
	643,922	12,734	31,092	17,973
Book value	1,059,577	380,491	320,792	307,673

#### 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.

No monetary amounts have been assigned to these properties to recognise them in the Statement of Financial Position.



## TE RUNANGA O NGATI MUTUNGA GROUP

### Notes to the Financial Statements

for the 12 Months Ended 30 September 2015

3 Administration	Group		Parent	
	2015	2014	2015	2014
<b>Income</b>				
Land Lease	21,759	32,586	13,325	16,169
Sundry	26,452	16,364	14,384	8,499
Greymouth Petroleum	-	4,440	-	4,440
Grants	-	2,600	-	-
Subsidiary Debt Written Off	-	-	-	131,390
	<u>48,211</u>	<u>55,990</u>	<u>27,709</u>	<u>160,498</u>
<b>Expenses</b>				
Accountancy	9,871	11,431	7,131	8,887
ACC levies	797	1,366	797	1,366
Administration - Office expenses	3,584	4,961	3,584	4,961
Advertising	4,764	5,806	4,764	5,806
Assets under \$500	1,214	597	1,214	597
Audit	14,314	13,363	9,850	9,150
Ballot/Newsletters	11,941	11,619	11,941	11,619
Bank fees	636	568	395	318
Board member Honorarium	53,337	77,612	53,337	77,612
Board Member Expenses	4,616	732	4,616	732
Computer expenses	5,402	5,204	3,879	3,382
Consultancy	35,992	33,441	29,054	31,520
Cultural Activities	615	-	615	-
Database Administration fee	-	669	-	669
Depreciation	16,002	13,409	13,469	10,443
Miscellaneous Projects	3,023	4,551	3,023	4,551
Doubtful debts written off	(2,183)	16,737	-	-
Educational Grants	-	16,250	-	-
Electricity	3,073	3,877	3,073	3,877
Election Costs	21,907	25,081	21,907	25,081
Entertainment	173	208	17	154
Feasibility costs	22,464	-	22,020	-
Grant - Urenui Pa Trustee	-	20,000	-	-
Insurance - Trustee Indemnity	19,549	16,660	19,549	16,660
Interest	1,825	-	1,802	-
Kai/Catering	6,673	8,174	3,382	8,106
Kahui Kaumatua	712	743	-	-
Koha payment	3,685	2,732	1,180	2,007
Legal fees	23,395	2,832	12,913	2,112
Lease Expenses	3,199	4,029	3,199	4,029
Merchandise Expenses	888	8,008	370	8,008
Meeting Expenses	1,005	1,149	1,005	1,149
Ngati Mutungatanga	15,079	49,005	2,606	24,898
Picnic at the Pa	7,689	-	-	-
Repairs and Maintenance	10,471	30,452	7,883	18,406
Rates	5,103	5,474	2,358	2,820
Rent	-	-	3,850	-
Security	363	445	363	445
Staff Expenses	2,585	1,440	2,585	809
Stationery	11,006	17,638	10,952	17,631
Subscriptions	15,315	1,834	15,271	1,739
Sundry	4,672	7,889	1,380	7,770
Staff Training	-	1,669	-	1,226
Te Rangihiroa Day	14,859	5,023	-	-
Telephone	5,025	4,371	4,884	4,282
Travel	14,340	29,926	9,485	23,263
Validation Committee	600	450	600	450
Waihi Tapu	600	6,670	600	6,670
Wages	243,569	264,701	243,569	264,701
	<u>623,751</u>	<u>738,796</u>	<u>544,472</u>	<u>617,906</u>
Net Surplus (Deficit) Administration	<u>(575,540)</u>	<u>(682,806)</u>	<u>(516,763)</u>	<u>(457,408)</u>

## TE RUNANGA O NGATI MUTUNGA GROUP

### Notes to the Financial Statements

for the 12 Months Ended 30 September 2015

4 Investment	Group		Parent	
	2015	2014	2015	2014
<b>Income</b>				
Interest & Dividend Income	1,078,394	1,455,674	968,574	1,297,641
Distribution Received	899,907	-	-	-
Clearly Investment Income	-	-	-	-
Dividend - Aotearoa Fisheries Ltd	-	-	-	-
Maori Authority Distribution	-	750,000	-	-
	1,978,301	2,205,674	968,574	1,297,641
<b>Expenses</b>				
Financial investment fee	80,366	105,833	70,803	100,349
Taxation Advice	-	-	-	-
Investment revaluation	253,053	253,505	260,964	243,159
	333,419	359,338	331,767	343,508
<b>Net Surplus</b>	<b>1,644,882</b>	<b>1,846,336</b>	<b>636,807</b>	<b>954,133</b>

5 Fisheries	Group		Parent	
	2015	2014	2015	2014
<b>Income</b>				
Fisheries Settlement	13,043	18,980	-	-
Quota income	63,602	43,591	-	-
	76,645	62,571	-	-
<b>Expenses</b>				
Levies	10,199	14,727	-	-
	10,199	14,727	-	-
<b>Net Surplus</b>	<b>66,446</b>	<b>47,844</b>	<b>-</b>	<b>-</b>

6 IWI Investor Limited Non Current Investment	Group		Parent	
	2015	2014	2015	2014
Cash	258,965	200,830	258,965	200,830
Term Deposits	513,279	311,618	513,279	311,618
Australasian Equity	848,871	800,777	848,871	800,777
Secured Loans	5,268,584	9,032,283	5,268,584	9,032,283
	6,889,699	10,345,508	6,889,699	10,345,508
Current portion	772,244	512,448	772,244	512,448
Term Portion	6,117,455	9,833,060	6,117,455	9,833,060
	6,889,699	10,345,508	6,889,699	10,345,508

Investments are stated at market value as at balance date.

#### Concentration of 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 these 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.

## TE RUNANGA O NGATI MUTUNGA GROUP

### Notes to the Financial Statements

for the 12 Months Ended 30 September 2015

#### Cleary Investments Ltd Non Current Investment

	Group		Parent	
	2015	2014	2015	2014
Cash	16,706	343,089	7,451	130,410
Australasian Shares	808,118	950,466	-	-
International Shares	504,154	330,854	343,136	324,462
	<u>1,328,978</u>	<u>1,624,409</u>	<u>350,587</u>	<u>454,872</u>

Investments are stated at market values as at balance date.

#### Rutherford Rede

	Group		Parent	
	2015	2014	2015	2014
Cash	260,949	169,494	88,090	32,000
International Fixed Interest	3,125,328	919,495	2,818,285	643,390
Australian Equities	2,165,315	1,335,819	1,652,885	892,094
International Equities	2,709,308	2,626,794	1,663,008	1,655,068
New Zealand Fixed Interest	297,090	261,322	-	-
	<u>8,557,990</u>	<u>5,312,924</u>	<u>6,222,268</u>	<u>3,222,552</u>

Investments are stated at market values as at balance date.

	2015	2014	2015	2014
<b>BNZ Portfolio</b>				
Cash	688,016	441,684	688,016	441,684
Fixed Interest	2,175,025	2,269,570	2,175,025	2,269,570
	<u>2,863,041</u>	<u>2,711,254</u>	<u>2,863,041</u>	<u>2,711,254</u>

BNZ investments are stated at market value at balance date.

#### 7 Extra Ordinary Items

There have been no extra ordinary items for the 2015 year

#### 8 Contingent Liabilities

There are no contingent liabilities at year end, (2014 Nil)

#### 9 Capital Commitments

At 30 September 2015, Ngati Mutunga Investment Charitable Trust is committed to earthquake strengthening of the trusts buildings. The commitment is approximately \$145,970.95 + GST (2014: \$2,026)

#### 10 Maori Authority Credit Account

	Group		Parent	
	2015	2014	2015	2014
Opening Balance	932,176	774,873	86,720	682,918
<b>Plus</b>				
Tax Paid	163,171	194,565	147,150	191,064
<b>Less</b>				
Transfers to Maruehi Fisheries	-	-	-	-
Transfers to other tax types	-	-	-	-
Tax credits attached to distributions	-	-	-	750,000
Terminal tax refund	47,469	37,262	42,899	37,262
Closing Balance	<u>1,047,877</u>	<u>932,176</u>	<u>190,971</u>	<u>86,720</u>

## TE RUNANGA O NGATI MUTUNGA GROUP

### Notes to the Financial Statements

for the 12 Months Ended 30 September 2015

#### 11 Tax Reconciliation

	Group		Parent	
	2015	2014	2015	2014
Income as disclosed in the accounts	1,135,788	1,211,374	120,042	496,726
Adjustments for non deductible expenditure and non assessable income	(589,088)	(478,363)	356,079	193,102
Charitable Donations				
Assessable Net Income	<u>546,700</u>	<u>733,011</u>	<u>476,121</u>	<u>689,828</u>
Tax expense at 17.5%	95,673	128,277	83,321	120,720

During the period of 30 September 2014, Ngati Mutunga Investment Charitable Trust has a tax refund of \$750,000. The refund is in relation to the Maori Authority Distribution received from Te Runanga O Ngati Mutunga. These tax credits are refundable as described in Section YA 1 of the Income Tax Act 2007.

#### 12 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](http://www.teohu.maori.nz) for further information.

To receive the assets Te Runanga O Ngati Mutunga set up a subsidiary Maruehi Fisheries Limited as it's mandated iwi organisation and assets were transferred to this company during the 2007 year.

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>
	<u>968,129</u>



## TE RUNANGA O NGATI MUTUNGA GROUP

### Notes to the Financial Statements

for the 12 Months Ended 30 September 2015

#### 13 Entities included in these Consolidated Financial Statements

	Percentage Holding	
	2015	2014
Maruehi Fisheries Limited	100%	100%
Ngati Mutunga Community Development Charitable Trust	100%	100%
Ngati Mutunga Investment Charitable Trust	100%	100%

All the entities are direct subsidiaries of Te Runanga O Ngati Mutunga.

#### 14 Operating Leases

Commitments under non-cancellable operating leases.

	2015	2014
Current	3,679	3,679
Non Current	3,372	7,051
	<u>7,051</u>	<u>10,730</u>

#### 15 Trustee Remuneration

The gross Trustee Remuneration for the 12 Months is as follows.

	2015	2014
R Baker	20,004	25,005
M Evans	2,500	13,230
C Tuuta	10,000	13,230
R Tuuta	3,333	12,917
D Tuuta	-	-
H Tamati	10,000	13,230
S Julian	7,500	-
	<u>53,337</u>	<u>77,612</u>

#### 16 Events occurring after balance date

There have been no material events subsequent to balance date. (Last Year: Ngati Mutunga Community Development Trust is in the process of purchasing a property at 150 Mokau Road, Urenui for \$65,000.)

#### 17 Comparative Figures

The financial statements for 2015 span 12 months from 1 October 2014 to 30 September 2015.  
The financial statements for 2014 span 15 months from 1 July 2013 to 30 September 2014.

#### 18 Urenui Pa Trustees

The amount of \$83,385.07 is being held on behalf of Urenui Pa Trustees until they have charitable status.

#### 19 Related Parties

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

During the period to 30 September 2015, Ngati Mutunga Investment Charitable Trust received weekly rent of \$74 from Te Runanga O Ngati Mutunga (Total : \$3,850 annually). During the period to 30 September 2014, Ngati Mutunga Investment Charitable Trust received a gross Maori Authority Distribution of \$4,285,714, (\$3,535,714 cash, plus \$750,000 Maori Authority Credits). Ngati Mutunga Investment Charitable Trust also wrote off the opening balance of the Te Runanga O Ngati Mutunga debt being \$131,390

Loans to Trustees	2015	2014
R Baker	1,074	0
H Tamati	1,074	0
C Tuuta	1,074	0
S Julian	1,074	0
	<u>4,296</u>	<u>0</u>
Inter-Entity Balances	2015	2014
Maruehi Fisheries Ltd	(7,435)	(7,435)
Ngati Mutunga Community Development Trust	126,441	126,441
Ngati Mutunga Investment Trust	2,961,331	3,540,449
	<u>3,080,337</u>	<u>3,659,455</u>

## TE RUNANGA O NGATI MUTUNGA GROUP

### Notes to the Financial Statements

for the 12 Months Ended 30 September 2015

#### 20 ASB Security & Loan

	2015	2014
Loan		
Current	21,996	0
Non Current	266,240	0
	<u>288,236</u>	<u>0</u>

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

A new limited guarantee and indemnity on ASB Bank's standard form, from NGATI MUTUNGA INVESTMENT CHARITABLE TRUST, limited to \$350,000

A new 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



24 Bell Street  
Wanganui 4500  
PO Box 7144  
Wanganui 4541  
New Zealand

T: (06) 345 8539  
F: (06) 345 2212  
E: [silks@silks.co.nz](mailto:silks@silks.co.nz)  
[www.silksaudit.co.nz](http://www.silksaudit.co.nz)

## INDEPENDENT AUDITORS REPORT

To the beneficiaries of Te Runanga o Ngati Mutunga

### Report on the financial statements

We have audited the financial statements of Te Runanga o Ngati Mutunga and group on pages 17 to 28 which comprise the consolidated and separate statement of financial position of Te Runanga o Ngati Mutunga as at 30 September 2015, the consolidated and separate statement of financial performance, statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Trustee's Responsibility for the financial statements

The Trustees are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of matters to which they relate and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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, as well as evaluating the overall presentation of the financial statements.

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, the Trust or any of its subsidiaries.

### Opinion

In our opinion the financial statements of Te Runanga o Ngati Mutunga for the year ended 30 September 2015

- comply with generally accepted accounting practice in New Zealand;
- gives a true and fair view of the financial position of Te Runanga o Ngati Mutunga as at 30 September 2015 and the results of its operations for the year ended on that date.

Silks Audit  
Chartered Accountants  
Wanganui, New Zealand

Date: 7 December 2015

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Principals: Cameron Town, Talia Anderson – Town, Consultant: David Fraser

Wanganui

Taranaki

Manawatu

Central Plateau



# TRUSTEE INTERESTS

## Rodney Baker

Ngāti Mutunga Investment Charitable Trust  
Ngāti Mutunga Community Development Trust  
Maruehi Fisheries Limited  
Bruskaz Ltd t/a Moana Cottages  
Taranaki Māori Trust Board

## Chairman

**Trustee**  
**Trustee**  
**Director**  
**Director**  
**Trustee**

## Howie Tamati

Ngāti Mutunga Investment Charitable Trust  
Ngāti Mutunga Community Development Trust  
Sport Taranaki  
New Plymouth District Council  
Port Nicholson Trust  
New Zealand Rugby League  
Matāra Ltd  
North Taranaki Sport & Recreation Trust  
Te Ana Trust  
Te Pou Te Ringa

## Trustee

**Trustee**  
**Trustee**  
**CEO**  
**Councillor**  
**Trustee**  
**President**  
**Director**  
**Chairman**  
**Trustee**  
**Trustee**

## Colleen Tuuta

Ngāti Mutunga Investment Charitable Trust  
Ngāti Mutunga Community Development Trust  
Albatross Enterprises Limited  
Te Kahui Rongoa

## Trustee

**Trustee**  
**Trustee**  
**Director**  
**Trustee**

## Raymond Tuuta

The Kai Cupboard

## Trustee

Director

## Sandra Julian

Ngāti Mutunga Investment Charitable Trust  
Ngāti Mutunga Community Development Trust  
Auaha Ltd  
Auaha Events Ltd  
Otaikokako Waka Ama Club Taranaki Inc  
Raukura Whanau Trust

## Trustee

**Trustee**  
**Trustee**  
**Director**  
**Director**  
**Treasurer**  
**Trustee**



