

Consolidated Performance Report

Te Rūnanga o Ngāti Mutunga Group
For the year ended 30 September 2017

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Entity Information

Te Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2017

Legal Name of Entity

Te Rūnanga o Ngāti Mutunga

Entity Type and Legal Basis

Private Trusts, Company, Limited Partnership and Maori 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 2017

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


	Actual*	Budget	Actual*
Description and Quantification (to the extent practicable) of the Entity's Outputs:*	This Year	This Year	Last Year
Completion of Charter Review and passing of changes at Special General Meeting	Achieved	\$ 36,620.00	N/A
Establishment of new investment entity Te Pou Herenga Pakihi Limited Partnership to manage investment assets.	Achieved	\$ 106,566.00	N/A
Involvement in the development of the Taranaki Regional Development Strategy Tapaue Roa and workstreams.	Achieved	\$ 1,250.00	N/A
Communications Strategy and Plan developed and implemented.	Achieved	\$ 21,782.00	N/A

Approval of Performance Report

Te Runanga o Ngati Mutunga Group
For the year ended 30 September 2017

The Trustees are pleased to present the approved performance report of Te Runanga o Ngati Mutunga Group for year ended 30 September 2017.

APPROVED



Trustee

Date: 7 December 2017



Trustee

Date: 7 December 2017

Statement of Financial Performance

Te Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2017

	NOTES	2017	2016
Revenue			
Donations, fundraising and other similar revenue	1	12,564	16,392
Revenue from providing goods or services	1	164,368	186,212
Interest, dividends and other investment revenue	1	1,250,159	1,008,299
Other revenue	1	1,068,665	852,292
Total Revenue		2,495,756	2,063,194
Expenses			
Volunteer and employee related costs	2	423,455	343,466
Costs related to providing goods or service	2	368,216	321,880
Grants and donations made	2	31,281	309,663
Other expenses	2	179,680	194,577
Total Expenses		1,002,632	1,169,586
Surplus/(Deficit) for the Year		1,493,124	893,609
Income tax expense			
Income Tax Expense	12	12,413	31,995
Total Income tax expense		12,413	31,995
Surplus/(Deficit) for the Year after Tax		1,480,712	861,614

Statement of Financial Position

Te Rūnanga o Ngāti Mutunga Group

As at 30 September 2017

	NOTES	30 SEP 2017	30 SEP 2016
Assets			
Current Assets			
Bank accounts and cash	3	3,119,153	1,658,876
Debtors and prepayments	3	88,638	77,280
Inventory	3	3,772	5,773
Tax	3	80,717	86,320
Other Current Assets	3	1,238,091	972,916
Total Current Assets		4,530,371	2,801,165
Non-Current Assets			
Property, Plant and Equipment	5	1,460,161	1,359,957
Investments at Fair Value	3	19,472,927	18,709,841
Investments at Transfer Value	3	613,355	613,355
Other Investments	3	340,535	1,535,578
Total Non-Current Assets		21,886,978	22,218,731
Total Assets		26,417,349	25,019,896
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	89,409	98,372
Employee costs payable	4	18,452	12,990
Other current liabilities	4	-	56,007
Total Current Liabilities		107,861	167,370
Non-Current Liabilities			
Loans	4	242,162	265,924
Total Non-Current Liabilities		242,162	265,924
Total Liabilities		350,022	433,294
Total Assets less Total Liabilities (Net Assets)		26,067,327	24,586,602
Accumulated Funds			
Accumulated surpluses or (deficits)	9	26,067,327	24,586,602
Total Accumulated Funds		26,067,327	24,586,602

Statement of Cash Flows

Te Rūnanga o Ngāti Mutunga Group
 For the year ended 30 September 2017

	2017	2016
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	11,219	37,692
Receipts from providing goods or services	153,320	164,218
Interest, dividends and other investment receipts	311,299	64,936
GST	7,640	(13,294)
Payments to suppliers and employees	(872,805)	(740,176)
Donations or grants paid	(31,281)	(298,163)
Net Tax Refunded/(Paid)	(6,810)	830,480
Total Cash Flows from Operating Activities	(427,418)	45,692
Cash Flows from Investing and Financing Activities		
Receipts from sale of investments	2,098,481	2,455,360
Proceeds from loans borrowed from other parties	0	1,090
Payments to acquire property, plant and equipment	(124,399)	(326,695)
Payments to purchase investments	(6,618)	(788,038)
Repayments of loans borrowed from other parties	(23,762)	(22,301)
Loans made to other parties	(56,007)	(0)
Total Cash Flows from Investing and Financing Activities	1,887,695	1,319,415
Net Increase/ (Decrease) in Cash	1,460,277	1,365,108
Cash Balances		
Cash and cash equivalents at beginning of period	1,658,876	293,768
Cash and cash equivalents at end of period	3,119,153	1,658,876
Net change in cash for period	1,460,277	1,365,108

Statement of Accounting Policies

Te Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2017

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 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 Charitable Trust, Maruehi Fisheries Limited and Te Pou Herenga Pakihi Limited Partnership. The figures are presented as the full financial year with the exception of Te Pou Herenga Pakihi Limited Partnership which was formed 17 March 2017. 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.

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 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.

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

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 cost.

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 Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2017

	2017	2016
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Koha Received	5,590	2,060
Rebate Income	1,345	1,626
Sundry Income	5,628	12,706
Total Donations, fundraising and other similar revenue	12,564	16,392
Revenue from providing goods or services		
Fisheries Income	64,226	62,965
Land Lease	14,257	33,597
Merchandise Sales	1,752	1,500
Rental Income	59,064	59,751
Maunga Negotiations	20,000	-
Taranaki Tumai	5,070	28,398
Total Revenue from providing goods or services	164,368	186,212
Interest, dividends and other investment revenue		
Dividends	883,331	535,532
Interest Received	366,828	472,767
Total Interest, dividends and other investment revenue	1,250,159	1,008,299
Other revenue		
Investment Revaluation	1,068,665	852,292
Total Other revenue	1,068,665	852,292
	2017	2016

2. Analysis of Expenses

Volunteer and employee related costs		
ACC Levies	577	666
Board Member Expenses	14,275	10,543
Board Member Honorarium	79,167	57,502
Directors Fees	54,950	-
Staff Training & Welfare	465	7,475
Travelling Expenses	13,903	13,807
Wages and Salary	260,118	253,473
Total Volunteer and employee related costs	423,455	343,466
Costs related to providing goods or services		
Administration Expenses	6,062	4,320
Advertising	2,732	3,170
Assets Under \$500	1,352	2,659
Bank Charges	928	916
Communication Costs	5,860	5,027

	2017	2016
Communications - Website/E Panui/Photos/Branding	21,783	-
Computer Expenses	4,877	8,640
Election Expenses	16,023	19,628
Feasibility Costs	-	3,850
Financial Investment Fee	75,468	77,619
Levies	9,724	10,679
General Expenses	2,391	1,134
Insurance	22,221	23,128
Kahui Kaumatua	1,364	2,104
Kai/Catering	1,016	1,352
Lease Payments	2,932	3,794
Loss on Sale of Fixed Assets	499	-
Meeting expenses	1,436	1,219
Merchandise Expenses	2,020	857
Mutungatanga	13,321	11,264
Newsletter Printing	13,876	13,989
Picnic at the Pa	4,777	1,000
Postage, Printing & Stationery	11,931	13,137
Electricity	2,710	2,639
Repairs & Maintenance	13,203	11,523
Projects	62,668	17,292
Rates	7,018	6,359
Rent	5,250	-
Security Costs	720	2,095
Staff Expenses	1,559	628
Storage Fees	7,717	325
Subscriptions	8,859	15,939
Sundry Expenses	1,890	28
Takutai Moana	19,340	-
Taranaki Tumai	956	40,723
Te Rangihiroa Day	6,893	11,054
Validation Committee	800	600
Wahi Tapu Consultation	3,286	1,067
Xero Fees	2,756	2,121
Total Costs related to providing goods or services	368,216	321,880
Grants and donations made		
Grants	25,500	301,500
Koha	5,781	8,163
Total Grants and donations made	31,281	309,663
Other expenses		
Accountancy Fees	18,815	17,205

Auditors Remuneration	15,966	13,814
Consultancy Fees	46,686	46,952
Depreciation	26,876	26,836
Interest	14,068	15,603
Legal Fees	57,269	74,167
Total Other expenses	179,680	194,577

2017 2016

3. Analysis of Assets

Bank accounts and cash

ASB Bank	2,005,817	5,520
BNZ Bank	329,786	123,904
TSB Bank	783,550	1,529,452
Total Bank accounts and cash	3,119,153	1,658,876

Debtors and prepayments

Accounts Receivable	33,995	22,947
GST	26,383	34,023
Interest Accrual	7,507	2,366
Prepayments	20,753	17,944
Total Debtors and prepayments	88,638	77,280

Inventory

Stock on Hand	3,772	5,773
Total Inventory	3,772	5,773

Tax

Taxation	80,717	86,320
Total Tax	80,717	86,320

Other current assets

IWI Investor	1,238,091	972,916
Total Other current assets	1,238,091	972,916

Investments at Fair Value

BNZ - Bond Portfolio	2,951,232	2,898,828
Cleary Investments	1,539,465	1,133,827
IWI Investor	3,507,986	4,471,618
Rutherford Rede Investment	11,474,244	10,205,568
Total Investments at Fair Value	19,472,927	18,709,841

Investments at Transfer Value

AFL Shares	613,355	613,355
Total Investments at Transfer Value	613,355	613,355

	2017	2016
Other Investments		
BNZ Bank Term Deposit	-	1,198,481
Crown Quota Shares	6,093	6,093
Property Capex	-	3,179
Quota Shares	291,515	291,515
Tai-Hekenga Property Partnership	9,927	3,309
TSB Bank Term Deposit	33,000	33,000
Total Other Investments	340,535	1,535,578

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.

	2017	2016
4. Analysis of Liabilities		
Creditors and accrued expenses		
Accounts Payable	86,838	98,372
ASB Credit Card	2,571	-
Total Creditors and accrued expenses	89,409	98,372
Employee costs payable		
Holiday Pay Accrual	18,452	12,990
Total Employee costs payable	18,452	12,990
Other current liabilities		
Urenui Pa Trustees	-	56,007
Total Other current liabilities	-	56,007
Loans		
ASB Bank Loans	242,162	265,924
Total Loans	242,162	265,924
	2017	2016

ASB Bank Security & Loan

Current	25,090	23,752
Non Current	217,072	242,172
Total ASB Bank Security & Loan	242,162	265,924

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 Ngāti 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 Ngāti Mutunga Investment Charitable Trust.
The likelihood of the entity being required to make payment under the guarantee is not high.

	2017	2016
5. Property, Plant and Equipment		
Land		
Opening carrying value - Land	542,124	407,807
Purchases - Land	-	75,050
Reclassified assets	-	59,267
Depreciation	-	-
Total Land	542,124	542,124
Buildings		
Opening carrying value - Buildings	542,916	618,808
Purchases - Buildings	-	19,950
Reclassified assets	-	(85,000)
Depreciation	(11,075)	(10,842)
Total Buildings	531,840	542,916
Computer Software and Equipment		
Opening carrying value - Computer Software and Equipment	9,048	9,617
Purchases - Computer Software and Equipment	2,473	4,696
Depreciation	(4,664)	(5,266)
Total Computer Software and Equipment	6,858	9,048
Land Improvements		
Opening carrying value - Land Improvements	23,881	-
Reclassified - Land Improvements	-	25,733
Depreciation	(1,719)	(1,853)
Total Land Improvements	22,162	23,881
Plant and Equipment		
Opening carrying value - Plant and Equipment	23,503	23,345
Disposals	(770)	-
Purchases	6,675	7,780
Depreciation	(6,304)	(7,622)
Total Plant and Equipment	23,104	23,503
Property Improvements		
Opening carrying value - Property Improvements	218,486	-

	2017	2016
Purchases - Property Improvements	118,392	219,739
Depreciation	(2,805)	(1,253)
Total Property Improvements	334,073	218,486
Total Property, Plant and Equipment	1,460,160	1,359,957

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.

	2017	2016
6. Operating Leases		
Commitments under non-cancellable operating leases.	-	-
Current	2,544	3,257
Non Current	10,174	-
Total Operating Leases	12,718	3,257

	2017	2016
7. Trustee Remuneration		
R Baker	12,500	15,002
S Julian	12,500	10,000
H Tamati	2,500	10,000
C Tuuta	15,000	10,000
J Tuuta	26,667	12,500
B Matuku	10,000	-
Total Trustee Remuneration	79,167	57,502

	2017	2016
8. Director Fees		
R Matuku	13,708	-
T McClurg	13,708	-
H Raumati - Tu'ua	27,533	-
Total Director Fees	54,949	-

	2017	2016
9. Accumulated Funds		
Accumulated Funds		
Opening Balance	24,586,602	23,724,988

	2017	2016
Accumulated surpluses or (deficits)	1,480,725	861,614
Total Accumulated Funds	26,067,327	24,586,602
Total Accumulated Funds	26,067,327	24,586,602

10. 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

	2017	2016
11. Maori Authority Credit Account		
Opening Balance	320,849	1,047,877
Plus:	-	-
Tax paid	90,318	256,338
Less:	-	-
Tax refund	(106,335)	(846,912)
Tax credits attached to distributions	-	(136,818)
Total Maori Authority Credit Account	304,832	320,485

	2017	2016
12. Tax Reconciliation		
Income as disclosed in the accounts	1,493,124	893,609
Adjustments for non deductible expenditure and non assessable income	(1,422,192)	(710,781)
Assessable Net Income	70,932	182,829
Tax expense at 17.5%	12,413	31,995

13. Torchlight Investment

Torchlight Investment has been recorded at market value of NZD \$848,295 provided by PublicTrust, Corporate Trustee Services as at 30 September 2017. This investment is included within Cleary Investments in Note 3.

We are aware that the Torchlight LP has current court proceedings filed against it by certain limited partners. These proceedings are scheduled to be heard in December 2017. The Trustees of Ngāti Mutunga Investment Charitable Trust have not provided for any impairment in this performance report due to the unknown impact from the court proceeding judgement.

The Trust holds 541,968 units valued at \$1.4389 AUD per unit. The investment has been valued independently by Duff & Phelps, corporate finance valuers and the units are not traded on the open market. There is no observable market data to accurately measure the fair value of the Torchlight Investment. The Trustees have relied upon the information provided by Public Trust, Corporate Trustee Services.

Due to the inherent uncertainty in the valuation and range of possible outcomes of the court hearing the ultimate recoverable amount could be different from the reported fair value of the investment. This difference could be material.

14. Related Parties

The Trustees of Te Rūnanga o Ngāti Mutunga may also be Trustees of the other entities.

During the period to 30 September 2017, Ngāti Mutunga Investment Charitable Trust received weekly rent of \$116.35 from Te Rūnanga o Ngāti Mutunga (Total : \$6,050 annually).

15. Urenui Pa Trustees

Urenui Pa Trustees received charitable status in March 2017, funds of \$56,007.40 that were being held on behalf were paid in June 2017. (Last year - \$56,007.40)

16. Commitments

There are no commitments as at 30 September 2017 (Last year - Nil).

17. Contingent Liabilities

There are no contingent liabilities or guarantees as at 30 September 2017 (Last year - Nil).

18. Events After the Balance Date

Ngāti Mutunga Investment Charitable Trust is expected to be wound up within the next 12 months. The debt owed by Te Rūnanga o Ngāti Mutunga Trust of \$3,436,179 to Ngāti Mutunga Investment Charitable Trust will be transferred to Ngāti Mutunga Community Development Charitable Trust along with all assets and liabilities of Ngāti Mutunga Investment Charitable Trust with the exception of commercial investments.

In November 2017, Ngāti Mutunga Investment Charitable Trust sold to Te Pou Herenga Pakihi Limited Partnership the following properties:

- 4 Ngakoti Street (Computer Freehold Register 738302)
- 6-10 Ngakoti Street (Computer Freehold Registers TN129/191 & TN138/143), and
- 18 Ngakoti Street (Computer Freehold Register 468842)

19. Ability to Continue Operating

The group will continue to operate for the foreseeable future with exception of Ngāti Mutunga Investment Charitable Trust which is expected to be wound up with the next 12 months.

Audit Report

Te Rūnanga o Ngāti Mutunga Group
For the year ended 30 September 2017