

Consolidated Performance Report

Te Rūnanga o Ngāti Mutunga Group
For the year ended 30 September 2020

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Entity Information

Te Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2020

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 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 whānau;
- (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 Rūnanga 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 six ngā kaitiaki who are elected by the registered members of Ngāti Mutunga iwi. The board employs a Pouwhakahaere who oversees the operations of the Group, 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 2020

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:

- Pou Putea - Providing a range of educational grants and scholarships to assist uri across trades and tertiary fields. A total of \$15,250 was granted.
- Pou Tangata - Implementation of an annual events programme featuring both in person and virtual events and wānanga. A total of 7 wānanga were held with a total attendance of 97 uri
- Pou Tangata – initiating Ra Mutunga celebration day reinforcing our Mutungatanga through history, origin and waiata
- Pou Turangawaewae – we continued to assist the Urenui Pa Trustees with increased administration support to carry out their roles
- Pou Taiao – we actively sought to enhance the mana of our whenua and awa and strongly advocate for improvement by proactively monitoring and reporting changes in environment quality
- Pou Tikanga - we made the transition to virtual hui and wānanga to utilise technology to involve more of our uri

Approval of Performance Report

Te Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2020

Ngā Kaitiaki are pleased to present the approved performance report of Te Rūnanga o Ngāti Mutunga Group for year ended 30 September 20.

APPROVED

Kaitiaki

Date: 21 December 2020

Kaitiaki

Date: 21 December 2020

Statement of Financial Performance

Te Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2020

	NOTES	2020	2019
Revenue			
Donations, fundraising and other similar revenue	1	67,596	88,328
Revenue from providing goods or services	1	270,505	143,274
Interest, dividends and other investment revenue	1	933,578	1,283,654
Other revenue	1	1,076,320	(293,400)
Total Revenue		2,347,998	1,221,856
Expenses			
Volunteer and employee related costs	2	528,560	467,668
Costs related to providing goods or service	2	447,917	301,779
Grants and donations made	2	17,450	32,391
Other expenses	2	112,408	119,215
Total Expenses		1,106,334	921,052
Surplus/(Deficit) for the Year		1,241,664	300,804
Income tax expense			
Income Tax Expense	10	53,418	120,754
Total Income tax expense		53,418	120,754
Surplus/(Deficit) for the Year after Tax		1,188,246	180,050

Statement of Financial Position

Te Rūnanga o Ngāti Mutunga Group

As at 30 September 2020

	NOTES	30 SEP 2020	30 SEP 2019
Assets			
Current Assets			
Bank accounts and cash	3	1,401,177	1,253,400
Debtors and prepayments	3	138,508	87,333
Inventory	3	364	3,772
Other Current Assets	3	-	104,561
Total Current Assets		1,540,050	1,449,066
Non-Current Assets			
Property, Plant and Equipment	4	1,359,513	1,379,033
Investments at Fair Value	3	24,334,141	23,405,426
Investments at Transfer Value	3	613,355	613,355
Other Investments	3	684,168	346,608
Total Non-Current Assets		26,991,176	25,744,422
Total Assets		28,531,226	27,193,488
Liabilities			
Current Liabilities			
Creditors and accrued expenses	5	234,604	46,620
Employee costs payable	5	43,394	23,779
Loans	5	31,110	28,535
Tax	5	12,888	42,622
Total Current Liabilities		321,997	141,555
Non-Current Liabilities			
Loans	5	130,922	161,871
Total Non-Current Liabilities		130,922	161,871
Total Liabilities		452,918	303,427
Total Assets less Total Liabilities (Net Assets)		28,078,308	26,890,061
Accumulated Funds			
Accumulated surpluses or (deficits)	6	28,078,308	26,890,061
Total Accumulated Funds		28,078,308	26,890,061

Statement of Cash Flows

Te Rūnanga o Ngāti Mutunga Group
 For the year ended 30 September 2020

	2020	2019
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	77,222	88,328
Receipts from providing goods or services	230,377	145,408
Interest, dividends and other investment receipts	294,524	155,347
GST	(20,810)	(10,607)
Payments to suppliers and employees	(1,006,244)	(833,981)
Donations or grants paid	(17,450)	(32,391)
Net Tax Refunded/(Paid)	(80,380)	101,033
Total Cash Flows from Operating Activities	(522,761)	(386,863)
Cash Flows from Investing and Financing Activities		
Receipts from sale of investments	1,613,274	4,053,086
Payments to acquire property, plant and equipment	(1,705)	(22,167)
Payments to purchase investments	(912,657)	(7,570,346)
Repayments of loans borrowed from other parties	(28,374)	(26,607)
Loans made to other parties		
Total Cash Flows from Investing and Financing Activities	670,538	(3,566,034)
Net Increase/ (Decrease) in Cash	147,777	(3,952,897)
Cash Balances		
Cash and cash equivalents at beginning of period	1,253,400	5,206,297
Cash and cash equivalents at end of period	1,401,177	1,253,400
Net change in cash for period	147,777	(3,952,897)

Statement of Accounting Policies

Te Rūnanga o Ngāti Mutunga Group For the year ended 30 September 2020

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 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 Investments at Fair Value.

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.

Ngāti Mutunga Investment Charitable Trust was wound up on 30 September 2019 therefore there are no figures for the Trust in the 2020 financial year.

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 Authorities for taxation purposes and will be liable for taxation on its assessable net income at the relevant Māori Authority tax rate which is 17.5%. Taxation is charged for the current year is based on the estimated taxation payable.

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, Rutherford Rede and Tai Hekenga Limited Partnership

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.

For the 2020 year, Tai Hekenga Limited Partnership have been reclassified as recorded at fair value instead of recorded at cost as the investment property in the LP has been revalued and the revaluation gains have been transferred down to the limited partners in their share of profit.

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 2020

	2020	2019
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Grants Received	-	14,274
Grants - Te Puni Kokiri	45,000	-
Koha Received	7,946	2,965
Sundry Income	14,651	71,088
Total Donations, fundraising and other similar revenue	67,596	88,328
Revenue from providing goods or services		
Fisheries Income	45,648	63,659
Land Lease	12,940	14,290
Lease/Rental Income	57,583	63,826
Maintenance Income	-	522
Merchandise Sales	1,564	977
Project Income	152,768	-
Total Revenue from providing goods or services	270,505	143,274
Interest, dividends and other investment revenue		
Dividends	753,816	1,086,661
Interest Received	22,647	196,993
Tai Hekenga LP Income	174,187	-
Te Pūia Tāpapa LP Income/(loss)	(17,072)	-
Total Interest, dividends and other investment revenue	933,578	1,283,654
Other revenue		
Investment Revaluations	1,076,320	(293,400)
Total Other revenue	1,076,320	(293,400)
Total Analysis of Revenue	2,347,998	1,221,856
	2020	2019

2. Analysis of Expenses

Volunteer and employee related costs		
ACC Levies	-	592
Board Member Expenses	6,195	15,453
Board Member Honorarium	109,000	94,417
Directors Fees	56,000	56,000
Staff Training & Welfare	-	650
Travelling Expenses	9,585	14,841
Wages and Salary	347,780	285,715
Total Volunteer and employee related costs	528,560	467,668
Costs related to providing goods or services		
Advertising	846	231



	2020	2019
Bank Charges	1,041	1,114
Board Member Training	1,147	-
Calendar	22,612	-
Communication Costs	29,562	49,843
Communications - Website/E Panui/Photos/Branding	18,900	-
Computer Expenses	8,113	4,511
Election Expenses	-	18,561
Electricity	2,719	2,925
Environmental	89,090	20
Financial Investment Fee	30,372	38,818
General Expenses	2,385	1,296
Insurance	22,002	24,160
Kāhui Kaumātua	-	1,015
Kai/Catering	1,453	992
Lease Payments	3,767	3,767
Levies	10,478	9,337
Loss on Sale of Fixed Assets	-	687
Low Value Assets	5,318	-
Meeting expenses	1,395	293
Merchandise Expenses	6,861	831
Mutungatanga	2,471	18,001
Newsletter Printing	-	13,122
Postage, Printing & Stationery	317	10,240
Repairs & Maintenance	21,785	15,088
Projects	48,502	30,931
Protective Clothing	193	-
Ra Mutunga (inc. Te Rangi Hīroa Day)	21,176	7,487
Rates	7,831	7,365
Security Costs	2,035	821
Staff Expenses	3,072	3,763
Storage Fees	2,700	2,700
Subscriptions	18,312	15,592
Sundry Expenses	167	264
Takutai Moana	6,655	2,109
Te Pūia Tāpapa Costs	3,437	6,874
Taranaki Tū Mai	15,629	750
Validation Committee	2,000	400
Wahi Tapu Consultation	1,025	4,828
Wānanga	30,000	-
Xero Fees	2,549	3,044
Total Costs related to providing goods or services	447,917	301,779
Grants and donations made		
Grants	15,250	30,391



	2020	2019
Koha	2,200	2,000
Total Grants and donations made	17,450	32,391
Other expenses		
Accountancy Fees	19,880	29,456
Auditors Remuneration	16,927	18,664
Consultancy Fees	25,479	21,594
Depreciation	23,277	25,676
Distributions - Urenui Pa	5,000	10,000
Interest	8,655	11,017
Legal Fees	13,190	2,808
Total Other expenses	112,408	119,215
Total Analysis of Expenses	1,106,334	921,052
	2020	2019

3. Analysis of Assets

Bank accounts and cash		
ASB Bank	888,739	625,847
TSB Bank	512,438	627,552
Total Bank accounts and cash	1,401,177	1,253,400
Debtors and prepayments		
Accounts Receivable	64,560	34,833
GST	52,750	31,940
Interest Accrual	2,807	2,248
Prepayments	18,391	18,312
Total Debtors and prepayments	138,508	87,333
Inventory		
Stock on Hand	364	3,772
Total Inventory	364	3,772
Other current assets		
IWI Investor	-	104,561
Total Other current assets	-	104,561
Investments at Fair Value		
Cleary Investments	838,493	1,569,838
IWI Investor	-	739,728
Rutherford Rede Investment	20,175,787	19,311,354
Tai-Hekenga Property Partnership	3,319,861	1,784,506
Total Investments at Fair Value	24,334,141	23,405,426
Investments at Transfer Value		
Moana New Zealand 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
Te Pūia Tāpapa Limited Partnership	353,560	16,000
TSB Bank Term Deposit	33,000	33,000
Total Other Investments	684,168	346,608

2020 2019

4. Property, Plant and Equipment

Land

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

Buildings

Opening carrying value - Buildings	507,388	523,088
Purchases	-	-
Depreciation	(15,775)	(15,700)
Impairment	-	-
Total Buildings	491,613	507,388

Computer Software and Equipment

Opening carrying value - Computer Software and Equipment	3,445	5,897
Purchases	521	1,295
Disposals	-	(532)
Depreciation	(1,874)	(3,214)
Total Computer Software and Equipment	2,092	3,445

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	21,043	26,705
Disposals	-	-
Purchases	3,235	-
Depreciation	(4,529)	(5,662)
Total Plant and Equipment	19,749	21,043

Property Improvements

Opening carrying value - Property Improvements	282,871	263,098
Purchases	-	20,872
Depreciation	(1,099)	(1,099)
Impairment	-	-
Total Property Improvements	281,772	282,871

Total Property, Plant and Equipment	1,359,512	1,379,033
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2020

2019

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, Ngapapa Site, Urenui Site, Te Urenui Pa Site, Okoki Pa Site, Okoki Pa Historic Reserve, Onaero Domain Recreation Reserve, and Urenui Domain Recreation Reserve.

2020

2019

5. Analysis of Liabilities

Current Liabilities

Creditors and accrued expenses

Accounts Payable	231,925	43,959
ASB Credit Card	2,679	2,661
Total Creditors and accrued expenses	234,604	46,620

Employee costs payable

Holiday Pay Accrual	43,394	23,779
Total Employee costs payable	43,394	23,779

Loans

ASB Bank Loans	31,110	28,535
Total Loans	31,110	28,535

Tax

Tax Payable	12,888	42,622
Total Tax	12,888	42,622

Non-Current Liabilities

Loans

ASB Bank Loans	130,922	161,871
Total Loans	130,922	161,871

2020

2019

ASB Bank Security & Loan

Current	31,110	28,535
Non Current	130,922	161,871
Total ASB Bank Security & Loan	162,032	190,406

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.



2020 2019

6. Accumulated Funds

Accumulated Funds

Opening Balance	26,890,061	26,710,011
Accumulated surpluses or (deficits)	1,188,246	180,050
Total Accumulated Funds	28,078,308	26,890,061
Total Accumulated Funds	28,078,308	26,890,061

2020 2019

7. Operating Leases

As Lessee

Commitments under non-cancellable operating leases.	-	-
Current	2,544	2,544
Non Current	2,967	5,511
Total As Lessee	5,511	8,055

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	49,445
Later than one year and no later than five years	95,248	144,693
Later than five years	-	-
Total As Lessor	144,693	194,138

2020 2019

8. Trustee Remuneration

R Baker	13,000	13,833
S Julian	13,000	13,833
B Matuku	13,000	13,833
C Tuuta	17,000	18,250
J Tuuta (Chair)	25,000	27,083
R Tuuta	13,000	7,583
A Cameron	5,000	-
K Cameron	5,000	-
T Blackburn	5,000	-
Total Trustee Remuneration	109,000	94,417

2020 2019

9. Director Fees

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



	2020	2019
10. Tax Reconciliation		
Income as disclosed in the accounts	1,241,664	300,804
Adjustments for non deductible expenditure and non assessable income	(936,417)	389,219
Assessable Net Income	305,247	690,023
Tax expense at 17.5%	53,418	120,754
	2020	2019

11. Māori Authority Credit Account

Opening Balance	230,580	358,934
Plus:	-	-
Tax paid	83,152	51,293
Less:	-	-
Tax refund	-	(179,647)
Tax credits attached to distributions	-	-
Total Māori Authority Credit Account	313,732	230,580

12. Fisheries Settlement - Te Ohu Kaimoana

As a result of the Maori Fisheries Act 2004, Te Ohu Kaimoana Trust ("Te Ohu") was established. 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 Te Ohu was transferred to mandated iwi organisations to manage these assets on behalf 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 share in Aotearoa Fisheries Limited ("AFL") - a subsidiary of Te Ohu
- Cash

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

To receive the assets Te Rūnanga o Ngāti Mutunga set up a subsidiary Maruehi Fisheries Limited as its mandated iwi organisation and assets were transferred to this company during the 2007 year.

Assets were transferred as follows:

Cash - \$63,259

Quota share value - \$291,515

486 Shares in AFL - \$613,355

There are legislative caveats on the use of settlement quota.

13. Torchlight Investment

Torchlight investment has been recorded at market value of NZD \$974,421 provided by Public Trust, Corporate Trustee Services as at 30 September 2019. (Last Year: \$ 959,743) The investment is included within Cleary Investments in note 3.

The Limited Partnership holds 541,968 units valued at \$1.6366 AUD per unit. (Last Year : \$1.6421)

During the 2019 year, 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 Director Hinerangi 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 \$32,009 income (Last Year: \$31,497), Port Nicholson \$3,034 (Last Year: \$6,147) income and Moana New Zealand \$26,556 dividend income (Last Year: \$20,179).

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. During the year, capital of \$356,745 was paid. Less the impairment of \$17,072, which leaves a carrying balance of \$353,560 (Last Year: 16,000). The Te Pou Herenga Pakihi Limited Partnership have paid Te Pūia Tāpapa Limited Partnership \$3,437 for administration.

Maruehi Fisheries Ltd Director Thomas McClurg is also a Director of Port Nicholson Fisheries LP.

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 \$370,503 paid as at balance date (Last Year - \$16,000).

16. Contingent Liabilities

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

17. Impacts of COVID-19

On March 11, 2020, the World Health Organisation declared the outbreak of a coronavirus (COVID-19) a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. As a result, economic uncertainties have arisen which could negatively affect our operations and services.

At this time, it is difficult to determine the full financial impact of the COVID-19 pandemic that may affect the Group. (Last Year: \$Nil)

18. 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.

19. Additional Information

Ngāti Mutunga Investment Charitable was wound up on the 30th of September 2019. The assets held by the Trust will be transferred to Ngāti Mutunga Community Development Charitable Trust, by way of debt instrument.

20. Audit

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

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Te Rūnanga o Ngāti Mutunga

Report on the Consolidated Performance Report

We have audited the consolidated performance report of Te Rūnanga o Ngāti 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 2020, the consolidated statement of financial position as at 30 September 2020, 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 18, except for the possible effects of the matter described under the basis for opinion section, 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 Rūnanga o Ngāti Mutunga and Group as at 30 September 2020, 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 Qualified Opinion on Financial Position

As disclosed in note 3 to the financial statements the Group has an investment in Torchlight Investment to the value of \$838,493 (clearly investments still have not furnished information as to the breakdown of this value). There is insufficient audit evidence to ascertain whether the investment recorded is impaired. Due to the uncertainty of the available information of the investment any realisation between the reported fair value of the investment and the ultimate recoverable amount maybe different and could be material.

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,

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Te Rūnanga o Ngāti 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 financial statements as a whole are 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) 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 these financial statements.

A further description of the auditors responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>

Restriction on Responsibility

This report is made solely to the trustees, as a body, in accordance with the trust deed. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the





trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Silks Audit

Talia Anderson-Town
Silks Audit Chartered Accountants Limited
Whanganui, New Zealand

Date: 21 December 2020

