



**NGĀTI MUTUNGA O
WHAREKAURI IWI TRUST**

**ANNUAL REPORT
2017**

Wharekauri te moutere

Noninga remu Taiko e

He pā akeake

Ngana hau au e

Puhia ra e te hau

Uaina e te ua e

Ko Matipo, ko Kopi

Whakamāurutanga e

Korihi te Tui korari

Koē te Weka one e

Ngā mihi whakatau

Maioha e

Whakatau mai ki Te One

Te iti, te rahi e

Ki te takapou whāriki

Whakamaharatanga e



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Whakatūwhera

Kei a mātou nei ngā uri o tātou rangatira, Kaumātua, kuia katoa kua tae rātou i raro i ngā parirau o Taranaki mounga ki te kauawhi o Pipitarawai. Koia ngā tūpuna nana i toha toha ki Wharekauri, a, ko Ngāti Mutunga e

Te mihi hoki ki o tātou hunga mate. Haere rātou ki te po uriuri, ki te po tangotango. Moe mai te moe roa. Kati, ka huri ki a koutou ngā kanohi o rātou kua riro, tēnā koutou.

Nei ra te mihi nui, te mihi mahana ki a tātou nei ngā uri o ngā tūpuna na rātou i hangā te whare ora mo tātou katoa. Tihe mouri ora.

It's with real pleasure that I present the 2017 Annual Report on behalf of the board, directors, and staff of Ngāti Mutunga o Wharekauri Iwi Trust. This annual report is presented in a new format that I believe will better inform and engage you the Iwi member. We are endeavouring to ensure our communications are clearer and create a real picture of just how far we've progressed as an organisation.

Mā te kotahi o te waihoe ka tae to tātou waka ki uta.



Paula Page

Chair

Nā Te Kaiwhakahaere

The year in review has been a challenging yet rewarding one for us all. Much of our collective focus has been on the settlement of our longstanding Treaty of Waitangi claim against the Crown. For those of us going through our second settlement (the first was our fishing claim) the road is as tough as it was the first time. The Crown process is difficult, contentious, and at times frustrating. We work in an environment where the process is stacked heavily against Iwi looking to emerge with a favourable settlement.

Yet against such a formidable process we have a team of negotiators led by the exceptional 'mahi a rangatira' of our lead negotiator Tom McClurg. The settlement as at the conclusion of our reporting period is delicately poised. There are aspects of the Crown offer that require further fleshing out. I do want to emphasise that our tino rangatiratanga, along with a meaningful offer to settle our claim, remains our primary focus. Mana Whenua, Mana Moana is our overarching and 'non-negotiable' position. Ngāti Mutunga o Wharekauri is the Moana and it is our Moutere. Our settlement offer from the crown must reflect this. Our settlement matters are reported on separately in the annual report.

The course of the year in review has seen great progress against our plan of activities. We were privileged to host the Honourable Minister Te Ururoa Flavell and our whanaunga Di Grennell from Te Puni Kōkiri on our motu. The Minister arrived to formalise and celebrate the passing across of our tohora taonga. We had a wonderful day at Whakamaharatanga marae with our Kaumātua and tamariki. At that hui the Minister also passed over a cheque for \$2 million to establish the Chatham Islands Housing Partnership Trust. This was a major step forward in providing housing outcomes for our Island and cementing in our Chatham Islands kotahitanga.



Nā Te Kaiwhakahaere

I am particularly proud of our support for educational outcomes. We instituted our educational secondary school boarding grants to support our families and the education of our Ngāti Mutunga rangatahi. This is the first action stemming from our Education Strategy. This year we gave out 29 grants to whanau members. This is a new initiative and set to run for years to come. We have more educational outcomes we intend to initiate during the course of the year.

As a board we took major steps to enhancing good governance for our Iwi. Our trustee training with the Institute of Directors trainers Guy Royal and Catherine McMillan was an outstanding success and has been reflected in a new found collegiality and focus on our programme of works. The programme included trustees, settlement governance group members, negotiators, and staff of the Iwi Trust. I have been very privileged to lead a committed board focused on settling our claim and growing and developing our Iwi. This focus is underpinned by the tireless work of our asset managers and directors, and of course our Iwi Trust staff.

The pathway forward for the coming financial year will be difficult. We are committed to concluding our treaty settlement negotiations and presenting an offer to you the Iwi to consider. This will include detailing our representative entity for your feedback. Coming together is a beginning, staying together is progress, working together is success.

Kiaora Tatou Katoa



\$26m

Trust Equity

Financial Overview

Our financial performance for the year shows that the Operating Net Surplus amounted to \$1.91 million for the year. This represented a \$136 thousand (8%) increase against the previous year's 1.78 million result. Net equity (after distributions to our Iwi Trust) increased by \$1.36 million or 5.5%.

In the past five financial years the net surplus has increased nearly 30% from \$1.4 million to \$1.9 million at a compound annual growth rate of 5%. The fact the Iwi Trust has maintained its operating budget at \$550 thousand over the past three years shows the Trustees focus on budget discipline is ensuring the foundation for the growth of the Iwi asset base is solid.

As a consequence our equity has now surpassed the \$26 million mark.

\$1.9m

Net Surplus

5%

Compound
Annual Growth Rate

	2016-17	2015-16	Movement
	\$000	\$000	\$000
Working Capital	-\$46	-\$103	\$57
Seafood Quota	\$16,295	\$16,295	\$0
Port Nicholson Fisheries Investment	\$2,157	\$2,177	\$40
AFL Shares	\$414	\$414	\$0
Cash Investments	\$5,875	\$4,614	\$1,261
Property	\$1,783	\$1,796	-\$13
Housing NZ Loan	-\$334	-\$352	\$17
EQUITY (Net Assets)	\$26,144	\$24,841	\$1,362

Iwi Trust—A Mātou Nei Mahi

Our goals for 2016/2017 focused on three core areas: Treaty Settlement, Promoting Good Governance, and Strategic Engagement to Promote Our Iwi Identity.

Progress against objectives remains a key measure for whanau to gauge the effectiveness of the Iwi Trust.

The Iwi Trust lays down at the beginning of each financial year, a set of objectives that it will work to achieve for the benefit of the Iwi. Those objectives are outlined at the AGM. They detail the various workstreams the Iwi Trust commits to undertaking.

In this section we overview the work achieved in:

- Treaty Settlements
- Organisational Capacity Building
- Building our Ngāfi Mutunga ahua
- Communication
- Tribal Footprint
- Registrations for 2016/17

56

New Registrations

1,204

Total Registered

50%

**Register Growth
Since 2012**

Progress Against Objectives

Treaty Settlement

The end of 2016 saw our treaty negotiators appointed and in action with their Crown counterparts. The level of engagement with our people up to April 2017 included:

- 10 hui-a-iwi both on Wharekauri and back in Aotearoa
- Individual engagement hui by our negotiators with our whanau throughout both motu
- Monthly negotiation hui with Crown negotiators

Underpinning our approach been whanau engagement to ensure our Iwi aspirations are at the front of our negotiation position. We have used our hui-a-iwi to gain additional focus on these matters.

Our dream to have a Ngāti Mutunga o Wharekauri Iwi marae and pa remains active. We are using the settlement process to include a marae as a component of our cultural redress. This is about cultural revitalisation as demanded by our Ngāti Mutunga people. The marae will enable us to centre our revitalisation activities such as reo wānanga. We expect this to gain real traction in the upcoming financial year.

Mana Moana and Mana Whenua sits at the front of our negotiation philosophy. Our Ngāti Mutunga presence is defined by these concepts and is front and centre of our negotiations with the Crown.

We established Mana Whenua when we settled our Island and we are uncompromising in our assertion of that Mana.

We expect 2017/18 to be the year we present a comprehensive settlement package to you for consideration.



Progress Against Objectives

Building Capacity

Substantial progress was made with through the appointment of our general manager Gail Amaru. This enabled the Iwi Trust to move forward with its programme of activities in a coordinated and focussed way.

The year in review also saw new Trustee Steven Tuuta on-board with Melodie Eruera-Fraser re-elected back to the Trust. To coincide with these new appointments the Iwi Trust instituted a governance training programme led by the Institute of Directors to provide governance training. A three day wānanga was convened, led by Guy Royal, and Catherine McMillan from the Institute of Directors. The wānanga focused on:

- The duties of trustees and directors
- Financial management and oversight
- How to take a strategic view of the Iwi Trust mission
- How to engage more closely with the Iwi 'constituency' (our whanau)

This training was attended by all trustees, settlement governance group, negotiators and Iwi Trust staff and was a resounding success.

Communication

Effective communication with our whanau remains our focus. The world is changing and social media is increasingly becoming the preferred mode of engagement particularly with our Rangatahi. Our Facebook page continues to get the most attention from our Iwi and has become a primary source of engagement.

We continued to engage in more traditional avenues. Three pānui were sent out to whanau which were also available on line. Our e-mail 'chimp' continued to be a mode of communication. And hui-a-iwi remains the core method of engagement with over 10 run in the year in review.



Progress Against Objectives

Tribal Footprint

The passing of the Takutai Moana Act (Marine and Coastal Area Act) 2011 saw the Iwi Trust make the deadline to submit the Iwi application for recognition of our title to our foreshore and seabed. Whilst we remain dissatisfied that we are unable to take a full private title claim to the area in question, recognition of our customary rights is a major step forward after the land grab through the Foreshore and Seabed Act 2004.

Our programme of engagement continued unabated. For a small island we have a large number of people we have to engage with to ensure our voice is not subsumed. The visit of Te Ururoa Flavell and Di Grennell of Te Puni Kōkiri was a time of celebration as the Minister passed back our tohora taonga, signed the Trust Deed for the establishment of our Chatham Island Partnership, and passed across a cheque for \$2 million.

Strengthening relationships with our whanau and community is a key focus for Trustees and management. Our representative role on behalf of Ngāti Mutunga o Wharekauri Iwi remains our overarching focus. Ensuring our governance structure is robust and competent to undertake the task of managing our Trust and assets, as well as enhancing the community we represent, is critical. We are determined to ensure our on-island presence is visible, engaged, and acknowledged.

During the course of the year we meet with a myriad of agencies including:

- Chatham Islands Council
- Chatham Islands Enterprise Trust
- Ha o te Ora o Wharekauri Trust
- Chatham Community Focus Trust
- Chatham Islands Stakeholders Forum
- Hokotehi Moriori Trust
- Te Puni Kōkiri

- Te Taura Whiri I Te Reo Māori
- Memorial Park Alliance
- Department of Conservation
- Ministry for Primary Industries
- Ministry of Education
- New Zealand Police
- Education Review Office
- Department of Internal Affairs

Our efforts to increase our tribal footprint have also born fruit. Our commercial partnership with Port Nicholson Fisheries now sees over 30 Iwi directly involved in the business. The addition of Aotearoa Fisheries Limited provides a further avenue for a number of other Iwi to engage indirectly with Ngāti Mutunga o Wharekauri.

Progress Against Objectives

Tribal Footprint

We hosted our Ngāti Mutunga whanaunga from Urenui during the course of the year. The Ngāti Mutunga Rūnanga trustees and Kaumātua visited Wharekauri as part of their consultation review of their charter. This was another milestone in the forging of our whakapapa links with our Iwi.

This year we began our programme of educational support for whanau and our tamariki. We set up the Secondary School Boarding Grants to help all our whanau who send our rangatahi to boarding school. We gave out 29 grants to our whanau. This is a proud moment for the Iwi Trust and indication that our whanau are being listened to.

During the course of the year the Iwi Trust supported our cultural identity by running two reo wānanga. One wānanga was held at Whakamaharatanga marae and tutored by our whanaunga from Te Reo o Taranaki.

Of great note was our Ngāti Mutunga o Wharekauri reo wānanga that was held in the rohe of our Ngāti Tama relations. This was a real occasion to renew our links to our closest relatives.



We also attended Maui Pomare day at Owae marae. It was a time of whanaungatanga with our Ngāti Mutunga, Te Ati Awa, Ngāti Tama, Taranaki Iwi, Ngāti Maru, Nga Rauru Kitahi, Ngāti Ruanui, and

Ngāruahine whanau. Our whakapapa are intertwined and the renewal of those links is a vital expression of our Mutungatanga.

We also ran taiaha wānanga for our rangatahi/tamariki. These wānanga are now an integral part of our programme of activity. The growth in our rangatahi ability, along with the growth in their mana Maori, is enormous and has been well worth the investment of energy.

Being supported by, and supporting our Kaumātua remains a key priority. The Iwi Trust maintained its focus on hui with the Kaunihera Kaumātua. We also ran the annual Christmas lunch for our Kaumatua. This was a great day with our Kaumātua in attendance who were entertained by our taiaha warriors with a display of their prowess. This is an annual event that is now an integral part of Chatham Island social calendar.

Our People



Ngāti Mutunga o Wharekauri Asset Holding Company Limited



Joseph Thomas

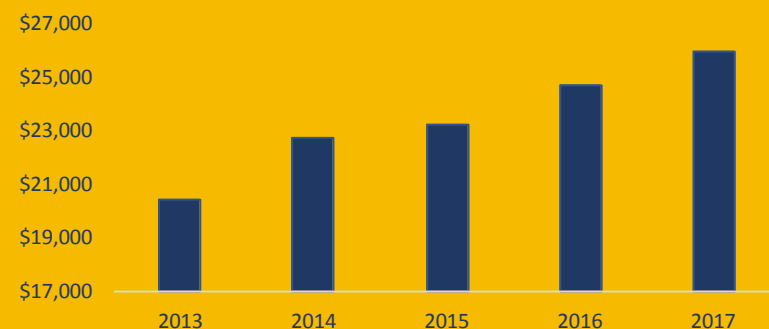
Chair—AHC

On behalf of the directors of the Ngāti Mutunga o Wharekauri Asset Holding Company, I am pleased to report the ongoing success of our programme of asset management. Our result has again exceeded that of our previous financial year.

We are proud to be tasked with providing a wealth base on behalf of Ngāti Mutunga o Wharekauri that will support Iwi aspirations as expressed through the Ngāti Mutunga o Wharekauri Iwi Trustees instructions to us.

The Iwi Trust provides a robust collegial framework that gives us the direction we require to ensure the best outcome for Ngāti Mutunga o Wharekauri Iwi—the people who have entrusted us with the assets.

5 Year Equity Growth (\$000)



\$1.91m

Operating Net
Surplus

5.5%

Equity Growth

Asset Holding Company Report

Financial Performance

Fisheries Investments

Annual earnings from AHC's seafood/fisheries based investments through 2016-17 increased \$122k (6.8%) on last year to \$1,925k and \$324k over the last 5 years at an average 4% compound annual growth rate.

The following summary highlights the key year on year comparatives:

- Crayfish income increased \$48k (4%) on 2015-16 as a result of higher ACE income and share of PNF profits, the latter largely due to the inclusion of AFL as a limited partner from 1 April 2016.
- Paua ACE income increased \$76k (23%) as the export market recovery continued.
- Blue cod and kina ACE continued to be sold to, and caught by, NMOW fishers (in addition to the crayfish and paua) with income increasing \$16k on last year. However, of this, \$13k related to 2015-16 ACE which was received in 2016-17, hence the year on year increase is the residual \$3k (5%).

	2016-17 \$'000s	2015-16 \$'000s	2014-15 \$'000s	2013-14 \$'000s	2012-13 \$'000s
Seafood Income	\$1,925	\$1,803	\$1,663	\$1,707	\$1,601
Investment Income	\$175	\$151	\$171	\$125	\$81
Property Income	\$31	\$45	\$50	\$55	\$33
AHC Gross Income	\$2,131	\$1,999	\$1,885	\$1,888	\$1,714
Less AHC Overheads	\$206	\$210	\$209	\$234	\$197
Less Depreciation	\$13	\$14	\$14	\$16	\$17
AHC Net Income	\$1,912	\$1,776	\$1,661	\$1,693	\$1,500

- Finfish (excluding blue cod) ACE returns decreased \$10k (3%), although an additional circa \$5k income has been received in the 2017-18 which relates to 2016-17 ACE. Therefore, the net year on year decline is marginal at \$5k.
- Dividend received from AFL was \$3k higher than 2015/16.
- Direct seafood/fisheries related net costs, mostly quota owner levies, increased circa \$10k (7%) on last year.

Asset Holding Company Report

Financial Performance

Cash Investments

Earnings from cash investments increased approximately \$15k (10%) on last year. The result was driven by a higher average term deposit portfolio balance across the year offset by a lower average interest rate applying to the funds held.

AHC's term deposit portfolio balance closed the year at \$5.9m, an increase of \$1.2m from the closing balance at the end of 2015-16.

Property Investments

Earnings from property investments fell circa \$14k (31%) on last year to \$31k. A short-term vacancy period with one of the Te One 3 bedroom flats together with higher than anticipated R&M cost (\$23k versus last year \$15k) contributed to this decrease in earnings. All AHC properties are now fully tenanted with the expectation that property earnings will return to above \$50k moving forward.

Overheads

AHC's overheads remained largely unchanged against 2015-16 with the overhead to gross income rate continuing its downward trend since 2013-14, falling from 11% last year to 10% this year.

	2016-17 \$'000s	2015-16 \$'000s	2014-15 \$'000s	2013-14 \$'000s	2012-13 \$'000s
Gross Income	\$2,131	\$1,999	\$1,885	\$1,888	\$1,714
Overheads	\$219	\$223	\$224	\$249	\$214
Overheads to Gross Income	10%	11%	12%	13%	12%

Financial Performance compared to Budget

The 2016-17 Annual Plan budgeted an AHC pre-distribution Net Surplus for the year of \$1,845k. The final pre-distribution Net Surplus for the year of \$1,912k is therefore a \$67k (4%) improvement on budget.



Asset Holding Company Report

Financial Position

AHC equity increased \$1,362k (5.5%) through the financial year, equating to the AHC Net Surplus after NMOWIT distributions.

Increase in Equity and the Distribution rate) show a continuation of the year on year improvement. Averages for the last 5 years are:

- 7.4% Return on AHC Equity
- 5.3% Increase in AHC Equity
- 30.5% Distribution Rate

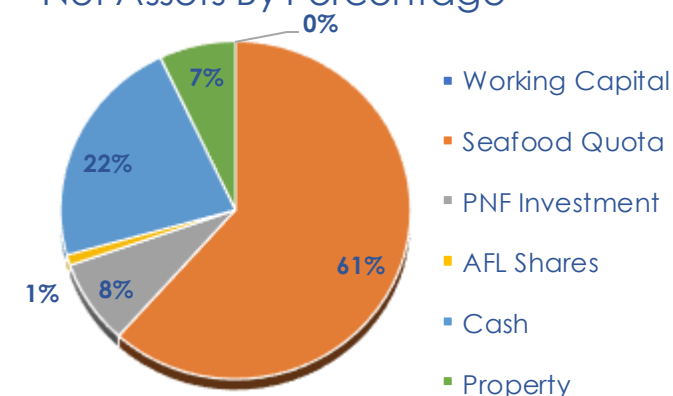
	2016-17	2015-16	2014-15	2013-14	2012-13
Seafood/Fisheries Assets Return on Investment	10.20%	9.90%	9.50%	9.90%	9.80%
Cash Deposits Return on Investment	3.30%	3.80%	4.10%	3.80%	4.70%
Property Return on Investments Income	1.70%	2.50%	2.80%	3.10%	1.90%
Total Return on AHC Equity	7.50%	7.30%	7.20%	7.60%	7.40%
Increase in AHC Equity	5.50%	5.20%	4.90%	5.50%	5.40%
Trust Distribution to AHC Net Income					29.30%

Seafood Quota	-
Port Nicholson Fisheries Investment	-
AFL Shares	-
Cash Investments	-
Property	-
Housing NZ Loan	-

Equity (Net Assets)

	2016-17 \$'000s	2015-16 \$'000s	Movement \$'000s
	-\$46	-\$103	\$57
	\$16,295	\$16,295	\$0
	\$2,157	\$2,117	\$40
	\$414	\$414	\$0
	\$5,875	\$4,614	\$1,261
	\$1,783	\$1,796	-\$13
	-\$334	-\$352	\$17
Equity (Net Assets)	\$26,144	\$24,782	\$1,362

Net Assets By Percentage



Asset Holding Company Progress

Annual Objective

Actively participate as influential leaders with committee representation on the key Wharekauri based Commercial Stakeholder Organisations, specifically:

- PAUAMAC4
- CRAMAC5
- CI Finfish Association

Lead and influence the BNS3 project in relation to pursuing a separate BNS4 fishery alongside CIET and Hokotehi Moriori Trust (HMT). This is likely to be included in the CIFA work and could also be pursued as part of the pending NMOW settlement negotiations with the Crown.

Monitor and pursue the development of new commercial fisheries resources around Wharekauri and position Ngāti Mutunga for maximum quota allocation benefit

Lead, influence and drive the finalisation and implementation of the finfish limited partnership structure and operation with AFL and HMT.

Progress Update

Ongoing

Nick Cameron AHC's representative on PAUAMAC4, CIFA and Kina stakeholder groups
Grant Absalom (PNF CEO) is AHC's representative on CRAMAC6

Ongoing

Management Plan completed and supported by AFL, TOKM and Ngai Tahu.

Ongoing

Ongoing

AHC representative leading the project.
Commencement delayed 12 months until appropriate operational structure and responsibilities are finalised.

Annual Objective

Continue to develop and enhance the Port Nicholson Fisheries investment and pursue further CRA6 quota acquisitions and/or ACE partnerships.

Assist and support PNF with their significantly increased CRA6 operation (following the introduction of AFL as a limited partner) to ensure it is a success for PNF, Island fishers and the wider Wharekauri economy

Negotiate transaction details (together with PKW and ICP) and complete the sell down of 8.33% of AHC's current 33% interest in Port Nicholson Facilities LP to AFL pursuant to the Option granted to AFL resulting from its take up of a limited partnership interest in Port Nicholson Fisheries LP

Progress the opportunity with AFL to develop a limited partnership structure and operation for pawa allowing AHC to participate across the full value chain.

Progress Update

Ongoing

AFL now a limited partner.
PNFLP supply from CRA6 increased to circa 60% of TACC. Hokotehi Moriori Trust has taken up a limited partnership interest from 1 April 2017.

Ongoing

AHC management continuing to work closely with PNF management.

Completed

Valuation completed by PNF.
AFL has opted not to acquire an interest in Port Nicholson Facilities LP.

Ongoing

Meetings held with AFL regarding the opportunity to establish a limited partnership for pawa – similar to PNF and crayfish.

Asset Holding Company Progress

Annual Objective	Progress Update	Annual Objective	Progress Update
Progress the opportunity with AFL to develop a limited partnership structure and operation for paua allowing AHC to participate across the full value chain.	Ongoing Meetings held with AFL regarding the opportunity to establish a limited partnership for paua – similar to PNF and crayfish.	With prudent investment opportunities likely to be realised over the next 12-18 months, AHC will continue to manage its surplus funds within the term deposit investment strategy ensuring interest rates and the balance between On-Call and 15 Month (maximum) investment terms are optimised.	Ongoing \$5.9m on short term (3-12 month) term deposits at a weighted average interest rate of 3.5%.
Identify, investigate and pursue the acquisition of additional high value Wharekauri based quota subject to the market providing attractive opportunities.	Ongoing No quota acquired through 2016-17. 18mt of Paua quota acquired post year end.	Ensure effective property and tenancy management of existing residential properties.	Ongoing
Progress opportunities for longer term deepwater ACE transactions with profit sharing options collaboratively with other aligned iwi and operating entity with a view to commencement from 1 October 2017.	Ongoing AHC representatives appointed to working group to assess/analyse JV options with Sealord. Proposed structure to be agreed with a proposed October 2018 commencement date.	Provide commercial support and leadership to Trust in relation to the Mitai Tini regeneration project.	Ongoing Regeneration project at 67% complete.
Complete further analyses in relation to Wharekauri agriculture opportunities. Assess and, if deemed economically viable, develop concepts for Wharekauri based small business opportunities	Ongoing	Provide commercial support and leadership to the Trust in relation to the recently completed Wharekauri Housing Strategy and influence the implementation of the recommended initiatives.	Ongoing Social Housing Unit grant applied for and secured for \$140k to complete an Island wide housing analysis. Wharekauri wide housing strategy document has been prepared for consideration by CIET, CIC, Moriori and NMOW.
Continue to expand networks, resource and reach to ensure AHC builds its position as key investment body and force in Wharekauri.	Ongoing AHC pursuing a strong investment opportunity.	Continue to work alongside the Trust Board to develop closer relationships with CIET, CIC and HMT to putting collective Wharekauri weight behind community infrastructure solution negotiations.	Ongoing

Asset Holding Company Statutory Compliance

STATUTORY COMPLIANCE

There have been no sales or exchanges of quota. Note - no sales or exchanges are allowed under the Maori Fisheries Act 2004 until a period of two years from recognition (28 September 2005) had passed. These restrictions ceased to apply from 29 September 2007.

No Settlement Quota interests have been registered against the quota shares or income shares, nor has there been any registered interest by way of caveat or mortgage raised against the settlement quota shares or income shares.

The Directors have overseen the governance of the fisheries activities of AHC. There have been general discussions with other Mandated Iwi Organisations regarding opportunities to work together in a manner that benefits all parties, key outcomes being the Port Nicholson Fisheries acquisition and current iwi deep water initiative with Sealord. Other initiatives will be pursued in the future, particularly with regards pāua and finfish.

AHC continue to comply with all internal policies as ratified by the NMOWIT, including the NMOW Fisher ACE Allocation Policy, Delegated Authorities Policy, Interests Policy.

Consolidated Group Financial Statements

- Consolidated Statement of Financial Performance
- Consolidated Statement of Movements in Equity
- Consolidated Statement of Financial Position
- Notes to the Consolidated Statements

NGĀTI MUTUNGA O WHAREKAURI IWI TRUST CONSOLIDATED GROUP

STATEMENT OF FINANCIAL PERFORMANCE

AS AT 31 MARCH 2017

	Notes	2017 \$	2016 \$
Revenue			
Revenue from Seafood ACE		2,051,232	1,929,434
Dividend from Aotearoa Fisheries Limited		11,005	8,531
Project grant revenue	1	180,019	142,723
Interest revenue		166,094	151,309
Revenue from property		23,486	37,555
Other revenue	7	400,330	96,283
Total revenue		2,832,166	2,365,835
Expenditure			
Direct seafood expenses	3	136,875	135,020
Commercial expenses	4	195,857	199,647
Iwi Trust project expenses	2	183,769	131,646
Iwi Trust governance expenses	5	130,565	143,562
Employee related costs		130,359	64,511
Other Iwi Trust operating expenses	6	588,838	309,203
Iwi Trust grants and donations made		14,680	14,741
Other Iwi Trust distributions and Panui expenses		36,721	7,877
Depreciation	9	20,170	16,322
Total expenditure		1,437,834	1,022,532
Surplus / (deficit)		1,394,332	1,343,303

The accompanying notes form part of these financial statements.

NGĀTI MUTUNGA O WHAREKAURI IWI TRUST CONSOLIDATED GROUP

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	2017 \$	2016 \$
Assets			
Current assets			
Cash at bank and on hand		177,519	318,144
Accounts receivable		244,513	64,524
GST payable		(5,328)	5,097
Investment Accounts	8	5,874,866	4,613,731
Total current assets		6,291,570	5,001,496
Non current assets			
Property, plant, and equipment	9	533,366	531,565
Te One Housing		1,273,180	1,273,180
Seafood Quota	10	16,295,090	16,295,090
Port Nicholson Fisheries		2,157,044	2,117,331
Investment in shares – Aotearoa Fisheries Limited		414,160	414,160
Total non-current assets		20,672,840	20,631,326
Total assets		26,964,410	25,632,822

	Notes	2017 \$	2016 \$
Liabilities			
Current liabilities			
Accounts Payable		137,088	200,081
Grants Unspent		80,090	62,543
Housing New Zealand loan - current portion		17,300	17,300
Total current liabilities		234,478	279,924
Non-current liabilities			
Housing New Zealand loan		334,467	351,767
Total non-current liabilities		334,467	351,767
Total Liabilities		568,945	631,691
Net Assets		26,395,465	25,001,131
Equity			
Trust Capital	12	14,805,361	14,805,361
Accumulated surplus / (deficit)	12	11,590,104	10,195,772
Total equity		26,395,465	25,001,132

The accompanying notes form part of these financial statements.

For and on behalf of the Board who authorised these financial statements for issue on



Trustee



Trustee

NGĀTI MUTUNGA O WHAREKAURI IWI TRUST CONSOLIDATED GROUP

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers and other revenue		2,295,253	2,268,809
Project grant revenue received		197,565	175,267
Payments to suppliers and employees		(1,448,450)	(940,901)
Iwi Trust grants and donations received		(14,680)	(14,741)
<i>Net cash flow from operating activities</i>		993,688	1,488,434
Cash flows from investing activities			
Investment income received		166,094	151,309
Investment in term deposits		(1,261,135)	(319,990)
Acquisition of quota		-	(1,335,620)
Purchase of property, plant, equipment and intangibles		(21,971)	(5,803)
<i>Net cash flow from investing activities</i>		(1,117,012)	(1,510,104)
Cash flows from financing activities			
Loan repayments		(17,300)	(17,300)
<i>Net cash flow from financing activities</i>		(17,300)	(17,300)
Net (decrease)/increase in cash and cash equivalents		(140,625)	(38,970)
Cash and cash equivalents at the beginning of the year		318,144	357,114
Cash and cash equivalents at the end of the year		177,519	318,144

NGĀTI MUTUNGA O WHAREKAURI IWI TRUST CONSOLIDATED GROUP

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2017

ACCOUNTING POLICIES APPLIED

REPORTING ENTITY

These financial statements have been prepared for the consolidated operations of the Ngāti Mutunga o Wharekauri Iwi Trust (the "Trust"), including its wholly owned subsidiary Ngāti Mutunga o Wharekauri Asset Holding Company Limited.

The financial statements have been prepared in accordance with the requirements of PBE IPSAS 6 (NFP) *Consolidated and Separate Financial Statements (Not-for-profit)*.

BASIS OF PREPARATION

The Board has elected to apply PBE SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

GOODS AND SERVICES TAX

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants received

Grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sales of goods

Sales are recognised when the product is sold to the customer and invoiced.

Interest and dividend revenue

Interest revenue is recorded as it is earned during the year. Dividend revenue is recognised when the dividend is declared.

Expenses

Expenses are recognised as they are incurred, once an obligation is established.

NGĀTI MUTUNGA O WHAREKAURI IWI TRUST CONSOLIDATED GROUP

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2017

Bank accounts and cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Receivables

Debtors are recorded at the lower of original face value or expected realisable value.

Investments

Investments are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Quota

Quota shares owned are recorded at cost and subject to annual impairment reviews.

Property, plant, and equipment

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which

current values are not readily obtainable are not recognised.

Depreciation is provided on a diminishing value (DV) basis using rates set by the Inland Revenue Department as follows:

Building: up to 30% DV
 Plant & Equipment: up to 50% DV
 Office equipment: 7.2% - 80.4% DV
 Motor vehicles: 30% DV

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Loans

Loans are recognised at the amount borrowed from the lender. Loan balances include any interest accrued at year-end that has not yet been paid.

Income tax

The Trust has been granted Charitable status by the Inland Revenue Department and is therefore exempt from income tax.

Tier 2 PBE Accounting Standards applied

The preparation of these consolidated financial statements is in accordance with the requirements of PBE IPSAS 6 (NFP) *Consolidated and Separate Financial Statements (Not-for-profit)*.

Other than the application PBE IPSAS 6, The Trust has not applied any additional Tier 2 Accounting Standards in preparing these financial statements.

CHANGES IN ACCOUNTING POLICIES

There were no significant changes to accounting policies during the period.

NGĀTI MUTUNGA O WHAREKAURI IWI TRUST CONSOLIDATED GROUP

NOTES TO THE PERFORMANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2017

1 PROJECT GRANT REVENUE

	2017 \$	2016 \$
Education Strategy	-	12,948
Housing Project	152,193	111,457
Reo Project	27,826	18,318
Total project grant revenue	180,019	142,723

2 PROJECT EXPENSES

	2017 \$	2016 \$
Education Strategy	-	7,866
Housing Project	82,678	111,457
Reo Project	29,999	12,323
Chatham Islands Housing Partnership	71,092	-
Total Iwi Trust project expenses	183,769	131,646

3 DIRECT SEAFOOD EXPENSES

	2017 \$	2016 \$
Quota Holder Levy	92,503	83,349
PNF Cray Management Fee	16,500	13,250
SeaFic Commodity Levy	16,327	18,945
Other	11,545	19,475
Total Direct Seafood expenses	136,875	135,020

5 COMMERCIAL EXPENSES

	2017 \$	2016 \$
Accounting Fees	14,794	14,749
Audit Fees	4,187	4,757
Bad Debts	2,000	-
Directors Fees	33,000	31,497
Asset Management Fees	121,080	121,080
Legal, Advisory and Project Fees	4,237	900
Travel and Accommodation	7,928	15,326
Other Commercial Expenses	8,633	11,338
Total Commercial Expenses	195,857	199,647

6 IWI TRUST GOVERNANCE EXPENSES

	2017 \$	2016 \$
Travel and Accommodation - Trustees	15,602	19,257
Trustee Fees	85,826	82,416
Advisory	4,540	1,570
Settlement Governance Group	3,966	19,904
Other Governance Expenses	20,630	20,415
Total Governance Expenses	130,565	143,562

NGĀTI MUTUNGA O WHAREKAURI IWI TRUST CONSOLIDATED GROUP

NOTES TO THE PERFORMANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2017

6 IWI TRUST OPERATING EXPENSES

	2017	2016
	\$	\$
Accounting & audit Fees	37,341	32,046
Legal, Advisory and Project Fees	18,070	32,419
Management Fee	51,969	114,888
Negotiations expenses	148,801	0
Office of treaty settlements expenses	265,015	0
Travel Other	5,150	20,332
Other Trust Operating Expenses	62,491	109,518
Total Operating Expenses	588,838	309,203

7 OTHER REVENUE

	2017	2016
	\$	\$
Mandating reimbursements	388,885	93,236
Other Revenue	11,445	2,527
Total Other Revenue	400,330	95,763

8 INVESTMENT ACCOUNTS

	2017	2016
	\$	\$
Canterbury Mortgage Trust *	55,533	46,524
ANZ Term Deposits	5,819,333	4,567,207
Total Investment Accounts	5,874,866	4,613,731

NGĀTI MUTUNGA O WHAREKAURI IWI TRUST CONSOLIDATED GROUP

NOTES TO THE PERFORMANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2017

9 PROPERTY, PLANT, AND EQUIPMENT

	Land	Buildings	Plant & equipment	Motor Vehicles	Office equipment & software	Total
	\$	\$	\$	\$	\$	\$
2016						
Book value at 1 April	170,377	356,534	6,104	784	7,765	541,564
Additions/ disposals	-	3,678	-	(784)	3,429	6,323
Depreciation	-	(13,568)	(36)	-	(2,718)	(16,322)
Book value at 31 March	170,377	346,644	6,068	-	8,476	531,565
Cost	170,377	482,218	6,685	-	45,887	705,167
Accumulated Depreciation	-	(135,574)	(617)	-	(37,411)	(173,602)
Book value at 31 March	170,377	346,644	6,068	-	8,476	531,565
2017						
Book value at 1 April	170,377	346,644	6,068	-	8,476	531,565
Additions/disposals	-	-	-	19,161	2,810	21,971
Depreciation	-	(13,003)	(18)	(4,215)	(2,934)	(20,170)
Book value at 31 March	170,377	333,641	6,050	14,945	8,352	533,366
Cost	170,377	482,218	6,685	19,161	48,697	727,138
Accumulated Depreciation	-	(148,577)	(635)	(4,215)	(40,345)	(193,772)
Book value at 31 March	170,377	333,641	6,050	14,945	8,352	533,366

NGĀTI MUTUNGA O WHAREKAURI IWI TRUST CONSOLIDATED GROUP

NOTES TO THE PERFORMANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2017

10 SEAFOOD QUOTA

Seafood quota is recorded at its cost value of \$16,295,090, in accordance with Trust's accounting policy.

As determined by independent broker valuation, the market value of quota as at 31 March 2017 was \$27,698,261 (2016: \$24,024,265).

11 IMPAIRMENT REVIEW OF ASSETS

There was no impairment of assets during the year (2016: Nil).

The Trustees have reviewed the carrying value of shares in Aotearoa Fisheries Limited, taking account of the 2009 independent valuation of AFL and believe that no impairment is required. This is consistent with the prior year.

12 EQUITY

	2017 \$	2016 \$
<i>Trust Capital</i>		
Opening balance 1 April	14,805,361	14,805,361
Movements during the year		-
Closing balance 31 March	14,805,361	14,805,361
<i>Accumulated surplus/ (deficit)</i>		
Opening balance 1 April	10,195,772	8,852,469
Surplus/ (deficit) for the year	1,394,332	1,343,303
Closing balance 31 March	11,590,104	10,195,772
Total Equity	26,395,465	25,001,133

13 COMMITMENTS

The Trustees have not entered into any agreements to commit material amounts of Trust capital to any purpose which is not reflected or disclosed in these financial

14 CONTINGENT LIABILITIES

The Trustees are not aware of any contingent liabilities existing as at 31 March 2017 (2016: Nil).

NGĀTI MUTUNGA O WHAREKAURI IWI TRUST CONSOLIDATED GROUP

NOTES TO THE PERFORMANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2017

15 RELATED PARTY TRANSACTIONS

During the year, there were a number of related party transactions which are summarised and disclosed below. All related party transactions were transacted on a "best person for the role" and "arm's length" basis and managed in accordance with the Interests Policy of Ngāti Mutunga o Wharekauri Iwi Trust and Ngāti Mutunga o Wharekauri Asset Holding Company Ltd. Where the transaction involved a Trustee or Director or a company of which a Trustee or Director were an owner or Director, these Trustees or Directors declared a conflict of interest and were not involved in the decision-making process.

Ngāti Mutunga o Wharekauri Iwi Trust and Ngāti Mutunga o Wharekauri Asset Holding Company Ltd paid Trustee and Director fees and/or wages to beneficiaries of Ngāti Mutunga o Wharekauri Iwi Trust. Total Trustee/ Director remuneration was \$85,826 for the Iwi Trust, and \$33,000 for the Asset Holding Company (2016: \$82,416 and \$31,497 respectively). Funds payable to Directors and Trustees at year end totaled \$8,989 for the Iwi Trust and \$5,270 for the Asset Holding Company (2016: \$4,780 and \$7,062 respectively).

Ngāti Mutunga o Wharekauri Iwi Trust and Ngāti Mutunga o Wharekauri Asset Holding Company Ltd entered into transactions with related parties. These transactions were ACE sales and grants paid and were completed on the same basis as external party transactions. This is consistent with prior year.

These transactions include:

Sold Kina ACE to Nicholas Cameron for \$5,000. Sold Paua ACE to MoanaNZ who then allocated a portion of it to Nicholas Cameron to dive. Nicholas Cameron was appointed a Director of Ngāti Mutunga o Wharekauri Asset Holding Company Ltd during the period.

- Sales of longline ACE for \$45,000 and Kina ACE for \$3,000 to Waitangi Seafoods (2007) Limited during the year (2016: \$45,000 and \$8,000 respectively). Joseph Thomas is a related party to the company via his brother Pita Thomas who is a

Shareholder and Director of Waitangi Seafoods Limited.

- Thomas McClurg is a Director of both Toroa Strategy and Ngāti Mutunga o Wharekauri Asset Holding Company Ltd. Thomas is also the Ngāti Mutunga o Wharekauri Asset Holding Company Ltd appointed representative on the various Port Nicholson Fisheries Boards. Payment for services provided to the Asset Holding Company, including Director Services for the Asset Holding Company and Port Nicholson Fisheries, totalling \$34,500 (2016: \$35,400) were made during the year. Nothing was outstanding at year end (2016: \$2,875). Toroa Strategy Limited also received fees for Treaty Settlement work performed by Thomas during the period amounting to \$160,350 (2016: nil). This \$160,350 was fully recovered from the Office of Treaty Settlements and therefore cost neutral to Ngāti Mutunga o Wharekauri Iwi Trust.
- Koau Capital Partners – A Harrison is a Director of both Companies. Transactions to the value of \$125,831 (\$179,500) were paid to the entity. \$13,413 (including GST) was outstanding at year end (2016: \$11,604). Koau Capital Partners' fees relate to its management contract for Ngāti Mutunga o Wharekauri Asset Holding Company Ltd and other services. That management contract was approved and in place prior to Andrew Harrison being appointed as Director of Ngāti Mutunga o Wharekauri Asset Holding Company Ltd.
- Nairn River Limited – Services totaling \$6,744 were provided by Nairn River Limited during the year (2016: \$32,480), all of which were invoiced in March 2017 and payable at year end. Nairn River Limited is owned by a related party to the Chairperson, Paula Page.
- Secondary School Boarding Grants of \$750 were provided to a child of both Gail Amaru, General Manager of the Iwi Trust, and Monique Croon, a Trustee of the Iwi Trust.

NGĀTI MUTUNGA O WHAREKAURI IWI TRUST CONSOLIDATED GROUP

NOTES TO THE PERFORMANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2017

15 RELATED PARTY TRANSACTIONS CONTINUED

Given the size of the Chatham Islands the majority of Trustees are related parties in that fishing quota is sold to relatives and related entities of most Trustees. Importantly, processes have been put in place to ensure that related party transactions are carried out on an arms-length basis. The processes in place ensure that market prices are paid for quota sold and that quantum of ACE allocated is fair. This is consistent with prior year.

Ngāti Mutunga o Wharekauri Asset Holding Company Ltd holds a number of Investments with which transactions were entered into during the year. These included:

- Ngāti Mutunga o Wharekauri Asset Holding Company Ltd has an investment in Port Nicholson Fisheries and it also sells fishing ACE to them. \$695,102 was received in ACE revenue during the period (2016: \$643,132). Port Nicholson Fisheries is an entity in which the Asset Holding Company has an investment. There were distributions from Port Nicholson Fisheries totaling \$399,000 for the 2017 year (2016: \$471,808). The investment is valued at \$2,137,469 at year end (2016: \$2,128,331).
- Aotearoa Fisheries Ltd is a related party to the entity. \$310,000 was received in ACE revenue during the year (2016: \$320,000). A dividend totaling \$8,531 was also received from this entity during the 2016 year. No amounts are outstanding at year end (2016: nil). The Asset Holding Company had a representative on the Committee of Representatives that was established to set the terms of reference & appoint a reviewer to undertake a review of the Maori Fisheries settlement as set out in the Maori Fisheries Act 2004.
- During the year, Ngāti Mutunga o Wharekauri Iwi Trust paid grants totaling \$14,680 (2016: \$14,741). These grants were paid from the distribution fund, Te Putea Whanaungatanga. Some relatives and related entities of Trustees

benefited from the receipt of these grants. Application and approval of these grants is carried out on an arms-length basis.

Ngāti Mutunga o Wharekauri Iwi Trust and Ngāti Mutunga o Wharekauri Asset Holding Company Ltd operates an Interests Policy and maintains a comprehensive Interests Register of its Directors, Management and Trustees to ensure all interests are declared and the process for dealing with these are clearly understood. This includes any Director who has an interest abstaining from that particular decision making.

NGĀTI MUTUNGA O WHAREKAURI IWI TRUST CONSOLIDATED GROUP

NOTES TO THE PERFORMANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2017

16 TRUSTEE'S REMUNERATION

	2017 \$	2016 \$
Gail Amaru	-	5,126
Cameron, Nicholas - (Director AHC*) <i>appointed May 2016</i>	10,000	-
Croon, Monique	9,984	9,984
Ervera-Fraser, Melodie	9,984	9,984
Gilsenan, Mahara	9,984	4,858
Gregory-Hunt, Dallan	-	5,126
Kamo, John (Deputy Chairperson)	12,996	12,996
McClurg, Thomas (Director AHC*)	12,000	12,000
Page, Paula (Chairperson)	21,996	21,996
Page, Robin (Director AHC*) <i>ceased 3 February 2016</i>	-	8,622
Thomas, Joseph (Director AHC*)	21,984	19,488
Wairua, Iwiroa	9,984	4,858
Total Trustee's Remuneration	117,912	115,038

The total remuneration paid to Thomas McClurg, Nicholas Cameron, Robin Page and Joseph Thomas includes Directors fees paid by the Asset Holding Company as follows:

- Nicholas Cameron \$10,000 (2016: nil)
- Thomas McClurg \$12,000 (2016: \$12,000)
- Robin Page: \$nil (2016: \$8,622)
- Joseph Thomas: \$12,000 (2016: \$12,000)

17 FISHING OPERATIONS

The Trust undertook paua fishing operations prior to obtaining Mandated Iwi Organisation (MIO) status with To Ohu Kai Moana. There have been no fishing operations undertaken by the Trust after recognition of MIO status which occurred 28 September 2005.

18 EVENTS AFTER BALANCE DATE

Ngāti Mutunga o Wharekauri Asset Holding Company Ltd purchased 17mt of PAU4 quota for \$5.1 million excluding GST. The resolution was approved by the Ngāti Mutunga o Wharekauri Asset Holding Company Ltd board and the Ngāti Mutunga o Wharekauri Iwi Trust board on the 7th and 12th of June respectively.

There were no other significant events after balance date which would have a material effect on the financial position or performance reflected in the 2017 Performance Report.



BDO CHRISTCHURCH

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NGATI MUTUNGA O WHAREKAURI IWI TRUST

Report on the Performance Report

Opinion

We have audited the performance report of Ngati Mutunga o Wharekauri Iwi Trust ("the Trust"), which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2017, the statement of financial position as at 31 March 2017, 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 performance report presents fairly, in all material respects:
 - the entity information for the year ended 31 March 2017;
 - the service performance for the year then ended; and
 - the financial position of the Trust as at 31 March 2017, and its financial performance, and cash flows for the year then endedin accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, 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) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE (NZ) 3000 (Revised)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Trust 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, the Trust.

Responsibilities of the Trustees for the 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;



BDO CHRISTCHURCH

- b) the preparation and fair presentation of the performance report on behalf of the Trust which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance reportin accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board; and
- c) for such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

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

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

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.



BDO CHRISTCHURCH

- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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

Who we Report to

This report is made solely to the Trust's Trustees, as a body. Our audit work has been undertaken so that we might state those matters which 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 Trust and the Trust's Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in blue ink that reads 'BDO Christchurch'.

BDO Christchurch
Christchurch
New Zealand
23 August 2017

Iwi Trust Directory

Ngāti Mutunga o Wharekauri Iwi Trust Directory

For the year end 31 March 2017

Nature of the Business

To provide relief of 'poverty' or 'need' of all Ngāti Mutunga o Wharekauri

Beneficiaries

Persons defined as Ngāti Mutunga o Wharekauri in the Trust Deed

Date Established

28 September 2004

Address

PO Box 50
Waitangi
Wharekauri / Chatham Islands

Trustees (as at 31 March 2017)

Paula Page (Chair)
John Kamo (Deputy Chair)
Monique Croon
Melodie Eruera-Fraser
Iwiroa Wairua
Steven Tuuta
Mahara Gilsenan

AHC Directors

Joseph Thomas (Chair)
Nick Cameron
Tom McLurg
Andrew Harrison

Bankers

ANZ, Wharekauri / Chatham Islands

Accountant

DJCA
L3 50 Victoria Street
Christchurch Central
Christchurch 8014

Auditor

BDO Spicers
30 Sir William Pickering Drive
Burnside
Christchurch 8053

Solicitor

Wynn Williams
Level 5, Wynn Williams House
47 Hereford Street
Christchurch Central
Christchurch 8083