

Annual Financial Statements

Te Runanga O Whaingaroa
For the year ended 30 June 2016

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Entity Information

Te Runanga O Whaingaroa For the year ended 30 June 2016

Legal Name of Entity

Te Runanga O Whaingaroa

Entity Type and Legal Basis

Charitable Trust

Charities Commission Registration Number

CC20376

Physical Address

Cnr Waikare & Leigh Street
Kaeo

Officers

Murray Moses	Chair
Annette Stewart	Secretary
Stephen Rush	Treasurer

Accountants

Spire Chartered Accountants Limited
Kerikeri

Independent Auditors

BDO Northland
Kerikeri

Bankers

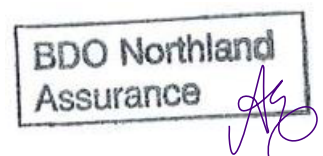
Bank of New Zealand
Kerikeri

Lawyers

Kensington Swan
Wellington

Purpose

To access resources and deliver of services to the whanau of Whaingaroa.



Structure

Te Runanga O Whaingaroa is a Trust established by deed dated 8 August 1991. The Trust was established under the Charitable Trusts Act 1957 and was registered with the Charities Commission on 7 January 2008. The Trust is governed by an elected member of each of the representative marae.

Representative Marae

Taemaro	Ngatiruamahue
Otangaroa	Ngaitupango
Waihapa	Takou
Te Tahaawai	Whakaari
Te Huia	Mangatowai
Te Patunga	Waitaruke
Mangaiti	Te Tangata
Karangahape	Taupo
Te Tapui	

Main Sources of Cash and Resources

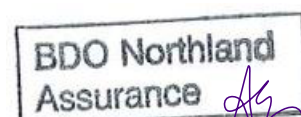
Te Runanga O Whaingaroa enters into contracts with Government and other charitable organisations to deliver services and receives funding to do so. Dividend income is also received from its subsidiary Whaingaroa Fisheries Limited to fund these services as well as fund administration and other support costs.

Methods Used to Raise Funds

Te Runanga O Whaingaroa is not dependent on donations or grants as a major source of funding.

Reliance on Volunteers and Donated Goods or Services

Te Runanga O Whaingaroa is not reliant on volunteers and donated goods or services.

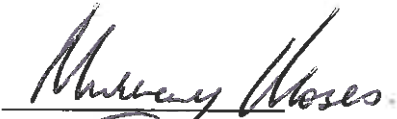


Approval of Financial Statements

**Te Runanga O Whaingaroa
For the year ended 30 June 2016**

The Trustees are pleased to present the approved financial statements of Te Runanga O Whaingaroa for year ended 30 June 2016.

APPROVED



Murray Moses - Chair

Date 20/4/17



Stephen Rush - Treasurer

Date 20/4/17

Statement of Service Performance

Te Runanga O Whaingaroa For the year ended 30 June 2016

Purpose

Te Runanga O Whaingaroa was established in 1991 to protect resources and deliver services for the whanau of Whaingaroa.

The services delivered include the following:

- Social Services
- Rheumatic Fever Services in Schools
- Rangatahi Services
- Kaumatua Kuia Services
- Housing Services
- Resource and Environmental Management
- Family Violence Prevention
- Budgeting/ Financial Literacy Services
- Road Safety and Driver Licence Support Services
- Early Childhood Education and other Educational Support Services
- Justice

The delivery of these services and administration of Te Runanga O Whaingaroa is funded by government and other charitable agencies under contract and via dividends from Whaingaroa Fisheries Limited.

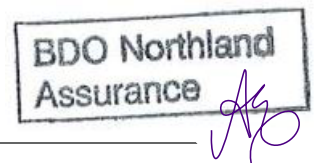
Outcomes

The outcomes of Te Runanga O Whaingaroa include:

- Improved Whanau Engagement and Satisfaction
- Greater Awareness of and Access to Health and Safety
- Effective Management of Environment Resources
- Promoting and Facilitating Higher Achievement in Education and Te Reo
- Promotion of Economic Activities in Te Rohe o Whaingaroa
- Improve Access to and Quality of Housing for Nga Iwi O Whaingaroa

	2016	2015
Outputs - Number of Contracts in Progress by Category		
Health and Safety	4	4
Housing	1	-
Te Reo	1	-
Other Education	1	-
Social Support	1	1

Health and Safety contracts include Whanau Ora, Family Violence Prevention, Rheumatic Fever Prevention and Road Safety.



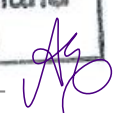
This statement is to be read with the Auditor's Report and accompanying notes.

Statement of Financial Performance

Te Runanga O Whaingaroa For the year ended 30 June 2016

	NOTES	2016	2015
Revenue			
Contract Income		487,188	358,648
Operating Income		114,175	37,879
Grants		22,500	18,550
Total Revenue		623,863	415,077
Expenses			
Direct Contract Expenses		318,611	289,225
Operating Expenses		240,438	128,105
Administration Expenses		108,205	73,472
Standing Charges		36,448	39,553
Repairs and Maintenance		5,065	4,710
Vehicle Expenses		6,885	4,106
Total Expenses		715,652	539,170
Operating Surplus/(Deficit)		(91,789)	(124,093)
Other non-operating items			
Dividends Received		(155,000)	(190,000)
Interest Received		(1,995)	(1,399)
Depreciation		35,153	34,619
Loss on Disposal		462	-
Distribution to Marae		-	5,625
Total Other non-operating items		(121,380)	(151,155)
Net Surplus/(Deficit) for the Year		29,591	27,063

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This statement is to be read with the Auditor's Report and accompanying notes.

Schedule of Expenses

Te Runanga O Whaingaroa For the year ended 30 June 2016

	2016	2015
Direct Contract Expenses		
Accommodation	822	954
Advertising	790	-
Catering	669	1,334
Communications	5,219	7,359
Consumables	61,833	3,901
Contractors	73,771	52,554
He Whare Awhina Outgoings	12,540	16,901
Meetings	-	804
Office Expenses	3,475	554
Printing	1,564	3,211
Rent	139	65
Salaries and Wages	132,158	171,087
Specific Milestone Expenditure	-	113
Staff Development	558	4,384
Travel	2,024	1,469
Vehicle Expenditure	23,047	24,533
Total Direct Contract Expenses	318,611	289,225
	2016	2015
Operating Expenses		
Advertising and Sponsorship	1,156	2,179
Bad Debts Written Off (Note 9)	32,862	-
Cleaning and Laundry	1,709	1,590
Consultancy Fees	25,092	3,898
Contractors	15,275	23,197
Honorariums	8,293	16,377
Koha	1,610	20
Staff Amenities	302	219
Training and Staff Development	7,491	725
Wages and Allowances	146,647	79,902
Total Operating Expenses	240,438	128,105
	2016	2015
Administration Expenses		
Accountancy Fees	17,493	20,739
Audit Fees	13,840	16,045
Bank Charges	420	456
Catering	2,460	1,738
Computer License and Updates	6,499	6,141
Employment Dispute Expense	-	685

This statement is to be read with the Auditor's Report and accompanying notes.

Schedule of Expenses

Legal Expenses	24,790	-
Light and Power	6,110	4,977
Office Expenses	7,378	5,831
Printing and Stationery	9,455	4,838
Subscriptions and Licences	7,534	4,434
Telephone and Postage	7,461	5,426
Travelling Expenses	4,765	2,162
Total Administration Expenses	108,205	73,472
	2016	2015

Standing Charges

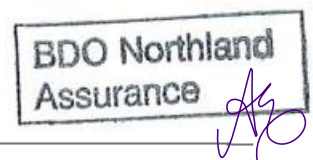
ACC Levies	972	1,424
Insurance	18,168	18,083
Interest - Term Loan	9,079	11,610
Interest - Overdraft	75	261
Interest - Other	1,814	1,879
Rates	6,340	6,296
Total Standing Charges	36,448	39,553
	2016	2015

Repairs and Maintenance

Repairs and Maintenance	5,065	4,710
Total Repairs and Maintenance	5,065	4,710
	2016	2015

Vehicle Expenses

Vehicle Expenditure	6,214	4,106
Vehicle Lease	671	-
Total Vehicle Expenses	6,885	4,106



This statement is to be read with the Auditor's Report and accompanying notes.

Statement of Financial Position

Te Runanga O Whaingaroa As at 30 June 2016

	NOTES	30 JUN 2016	30 JUN 2015
Assets			
Current Assets			
Bank Accounts and Cash	1	1,444,029	71,927
Accounts Receivable		58,989	59,276
Current Account - Tai Tokerau Communications Ltd	8	-	28,440
Prepayments		5,460	5,460
Total Current Assets		1,508,477	165,103
Non-Current Assets			
Property, Plant and Equipment	2	1,295,525	1,304,583
Term Deposit		9,000	9,000
Investment in Tara Development Company Limited	8	1,000	1,000
Investment in Whaingaroa Fisheries Company Limited	8	100	100
Investment - Guardian Cash Plus Fund		873	873
Total Non-Current Assets		1,306,498	1,315,556
Total Assets		2,814,976	1,480,659
Liabilities			
Current Liabilities			
Trade Payables		19,862	25,370
Accrued Expenses	3	59,966	32,061
Goods and Services Tax		173,125	6,947
Income in Advance	4	1,163,116	40,855
Advance - Whaingaroa Fisheries Company Limited	8	51,285	28,440
Loan - Tara Development Company Limited	5	100,000	100,000
Loan - Financial Synergy	5	13,085	13,211
Current Portion of Term Liabilities	5	19,018	29,409
Total Current Liabilities		1,599,457	276,293
Non-Current Liabilities			
BNZ Loan	6	145,126	162,626
Mortgage - HNZ - SL (He Whare Awhina)	6	300,000	300,000
Mortgage - HNZ - TL (He Whare Awhina)	6	212,815	224,145
Mortgage - Tara Development Company Limited	6	268,724	268,724
Current Portion of Term Liabilities	6	(19,018)	(29,409)
Total Non-Current Liabilities		907,647	926,086
Total Liabilities		2,507,104	1,202,379
Total Assets less Total Liabilities (Net Assets)		307,871	278,281
Members' Equity			
Retained Earnings		307,871	278,281
Total Members' Equity		307,871	278,281

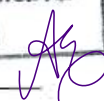
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Statement of Cash Flows

Te Runanga O Whaingaroa For the year ended 30 June 2016

	2016	2015
Cash Flows from Operating Activities		
Receipts from Providing Goods or Services	1,882,364	428,008
Grants	25,000	18,707
Interest, Dividends and Other Investment Receipts	156,995	281,399
Payments to Suppliers and Employees	(648,621)	(668,234)
Interest Paid	(10,968)	(13,754)
Total Cash Flows from Operating Activities	1,404,769	46,126
Cash Flows from Investing and Financing Activities		
Payments to Acquire Property, Plant and Equipment	(26,557)	(4,603)
Repayments of Loans Borrowed from Other Parties	(28,956)	(28,464)
Advance - Whaingaroa Fisheries	22,845	20,000
Total Cash Flows from Investing and Financing Activities	(32,668)	(13,066)
Net Increase/ (Decrease) in Cash	1,372,102	33,059
Cash Balances		
Cash and cash equivalents at beginning of period	71,927	38,868
Cash and cash equivalents at end of period	1,444,029	71,927
Net change in cash for period	1,372,102	33,059

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This statement is to be read with the Auditor's Report and accompanying notes.

Statement of Accounting Policies

Te Runanga O Whaingaroa For the year ended 30 June 2016

Basis of Preparation

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 financial statements are reported using the accrual basis of accounting.

The financial statements are prepared under the assumption that the entity will continue to operate in the foreseeable future. Balances are presented in New Zealand dollars and are rounded to the nearest dollar unless otherwise specified.

Measurement Basis

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Te Runanga O Whaingaroa 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.

Revenue from the provision of services is recognised when the service is provided.

Dividend income is recognised in the period the dividends are resolved.

Grants revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions, the amount relating to the unfulfilled condition is recognised as a liability and released to income as the conditions are fulfilled.

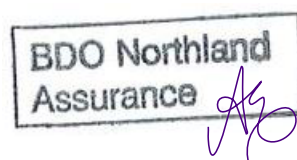
Interest income is recognised when earned.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Receivables

Accounts Receivable are stated at their estimated realisable cost. Bad debts are written off in the year in which they are identified.



Property, Plant and Equipment

Property, Plant and Equipment is initially recorded at cost. Depreciation has been calculated based on the estimated useful lives as follows:

Land Developments	7 - 33 years
Buildings	33 - 40 years
Improvements	5 - 33 years
Plant and Equipment	1 - 25 years
Furniture and Fittings	1.25 - 12.5 years
Office Equipment	1.5 - 10 years
Vehicles	3 - 4 years

Te Runanga O Whaingaroa holds Waka, Te Au Kaha, Uerangi and Paddles as heritage assets for their cultural significance as opposed to its ability to generate future economic benefit. These assets are not depreciated.

Investments

Investments consist of shares or advances to unlisted entities and are recognised at cost less any impairment.

Income Tax

Te Runanga O Whaingaroa is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Goods and Services Tax (GST)

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.

Payables

Liabilities are stated at the estimated amounts payable and include obligations which can be readily estimated. Current liabilities include the amounts payable in the next financial period.

Employee Benefits

Liabilities for annual leave are accrued and recognised in the Statement of Financial Performance

Changes in Accounting Policies

Te Runanga O Whaingaroa transitioned on 1 July 2015 from general purpose financial reports which comply with generally accepted accounting practice (NZ GAAP) to PBE SFR-A (NFP) Public Benefit Simple Format Reporting – Accrual (Not –For-Profit). The entity used the general provisions on transition to the new framework. The transition had minimal impact on the accounting policies of the entity.

All other accounting policies were applied consistently during the year.

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Notes to the Financial Statements

Te Runanga O Whaingaroa For the year ended 30 June 2016

	2016	2015
1. Bank accounts and cash		
Cash at bank	1,439,698	67,811
Cash on hand	330	116
Term deposits - short term	4,000	4,000
Total Bank accounts and cash	1,444,029	71,927
	2016	2015
2. Property, Plant and Equipment		
Buildings		
Buildings at cost	545,024	540,188
Accumulated depreciation - buildings	(250,369)	(237,750)
Total Buildings	294,655	302,438
Motor Vehicles		
Vehicles owned	31,681	31,681
Accumulated depreciation - vehicles owned	(29,401)	(28,167)
Total Motor Vehicles	2,280	3,513
Furniture and Fittings		
Furniture and fittings owned	168,620	155,933
Accumulated depreciation - furniture and fittings owned	(152,836)	(153,128)
Total Furniture and Fittings	15,784	2,806
Plant and Equipment		
Plant and machinery owned	621,620	622,745
Accumulated depreciation - plant and machinery owned	(245,085)	(234,481)
Total Plant and Equipment	376,535	388,263
Other Fixed Assets		
Owned fixed assets	675,109	675,109
Accumulated depreciation - fixed assets owned	(68,837)	(67,546)
Total Other Fixed Assets	606,272	607,563
Total Property, Plant and Equipment	1,295,525	1,304,583

Te Runanga O Whaingaroa holds Waka, Te Au Kaha, Uerangi and Paddles as heritage assets for their cultural significance as opposed to its ability to generate future economic benefit. These assets are not depreciated.

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	2016	2015
3. Accrued Expenses		
Accounting Fees	(6,000)	(8,500)
Audit Fees	(14,000)	(14,500)
Employee Costs	(9,776)	(8,919)
Other	(30,190)	(142)
Total Accrued Expenses	(59,966)	(32,061)

4. Income in Advance

The income in advance balance of \$1,163,116 relates to funding received in advance from Te Puni Kokiri for the Maori Housing Network Funding Agreement for services to be delivered by Te Runanga O Whaingaroa after reporting date.

	2016	2015
5. Current Loans		
Tara Development Company Limited	(100,000)	(100,000)
Financial Synergy	(13,085)	(13,211)
Current Portion of Term Liabilities	(19,018)	(29,409)
Total Current Loans	(132,103)	(142,620)

Tara Development Company Limited

Unsecured, interest free, repayable within 12 months.

Financial Synergy Limited

Unsecured, interest at 8.86%, repayable within 12 months.

	2016	2015
6. Term Loans		
Loan - BNZ	(145,126)	(162,626)
Mortgage - HNZ - SL (He Whare Awhina)	(300,000)	(300,000)
Mortgage - HNZ - TL (He Whare Awhina)	(212,815)	(224,145)
Mortgage - Tara Development Company Limited	(268,724)	(268,724)
Current Portion of Term Liabilities	19,018	29,409
Total Term Loans	(907,647)	(926,086)

Loan - BNZ

Bank of New Zealand

Secured over land and buildings at State Highway 10 and Waikare Avenue, Kaeo.

Interest 5.36% p.a.

Mortgage - HNZ - SL

Housing Corporation NZ Limited (HNZC)

Secured over land and buildings at Turner Street, Kaeo

Suspensory loan for 10 years from 20 June 2008 to be written off by HNZC on full repayment of term loan (TL)

Mortgage - HNZ - TL

Housing Corporation NZ Limited (HNZC)

Secured over land and buildings at Turner Street, Kaeo

Interest free.

Tara Development Company Limited

Secured over land and buildings at Waikare Avenue, Kaeo

Interest free.

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ASO

2016 2015

7. Members' Equity

Members' Equity	2016	2015
Opening Balance	278,281	251,218
Net Surplus/(Deficit) for the Year	29,591	27,063
Total Members' Equity	307,871	278,281
Total Members' Equity	307,871	278,281

8. Related Parties

Te Runanga O Whaingaroa has one wholly owned subsidiary, Whaingaroa Fisheries Company Limited.

During the year, the following transactions occurred:

Dividends declared during the year by Whaingaroa Fisheries Company Limited totaled \$155,000 (Last year - \$190,000)

The current account balance due to Whaingaroa Fisheries Company Limited at balance date is \$51,285 (Last year - \$28,440). The movement was the result of advances made by Whaingaroa Fisheries Company Limited.

Other related parties:

Te Runanga O Whaingaroa has a 99.9% interest in Tara Development Company Limited which is not active. Balances and terms are shown in note 5.

Te Runanga O Whaingaroa has a 33% interest in Taitokerau Communications Limited which is not active. The current account balance of \$28,440 has been written off and is included in bad debts expense. (Last year - \$28,440).

C Atama, A More and P More received Koha for Te Reo Kaumatua Kuia Roopu from Te Runanga O Whaingaroa.

P More also received contractor payments from Te Runanga O Whaingaroa.

9. Capital Commitments

There are no capital commitments as at 30 June 2016 (Last year - nil).

10. Operating Lease Commitments

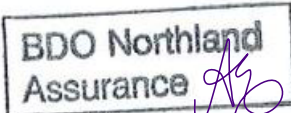
The Trust has two vehicles under operating leases. The leases expire in July 2016 and August 2016. The balance of the future lease payments at 30 June 2016 is immaterial.

11. Contingent Liabilities

Te Runanga O Whaingaroa received a conditional grant from Housing New Zealand Corporation in 2007 to assist with the development of He Whare Awhina (formerly known as Abbeyfield Kaeo Incorporated). If, within 10 years of completion of the development, the land is sold or ceases to be used for the purposes agreed to with Housing New Zealand Corporation, Te Runanga O Whaingaroa will be required to repay the full amount of the conditional grant, being \$130,498. After 10 years from the date of completion, Te Runanga O Whaingaroa would be required to repay the conditional grant by equal annual installments over the remaining term of the Term Loan. After 25 years from the date of completion the amount of the conditional grant would not be recoverable to Housing New Zealand Corporation.

12. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the financial statements (Last year - nil).



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**INDEPENDENT AUDITOR'S REPORT
TO THE BENEFICIARIES OF
TE RUNANGA O WHAINGAROA**

Report on the Performance Report

Opinion

We have audited the performance report of Te Runanga O Whaingaroa ("Runanga"), which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2016, the statement of financial position as at 30 June 2016, 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 30 June 2016;
 - the service performance for the year then ended; and
 - the financial position of the Runanga as at 30 June 2016, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the 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 Runanga 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 Runanga.

Emphasis of Matter

We draw attention to Notes 6 and 7 of the financial statements. The current terms of the loans with Tara Developments Limited, is in dispute. The outcome of which is unable to be determined and we have no way of knowing how this will affect the financial position and financial performance of the Runanga. Our opinion is not modified in respect of this matter.

PARTNERS: Adelle Allbon Angela Edwards Scott Kennedy Robyn Terlesk

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

Other Information

The Trustees are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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;
- b) the preparation and fair presentation of the performance report on behalf of the Runanga 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 Runanga for assessing the Runanga'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 Runanga 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 Runanga'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 Runanga to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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

Report to the Beneficiaries

This report is made solely to the Runanga's beneficiaries, 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 Runanga and the Runanga's beneficiaries, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Northland
28 April 2017
Kerikeri
New Zealand