

# **Te Runanga O Whaingaroa Group**

Consolidated Annual Financial Statements  
For the Year Ended 30 June 2017

# Te Runanga O Whaingaroa Group

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# Entity Information

Te Runanga O Whaingaroa Group  
For the year ended 30 June 2017

## Legal Name of Entity

Te Runanga O Whaingaroa

## Entity Type and Legal Basis

Charitable Trust

## Charities Commission

CC20376

## Physical Address

Cnr Waikare & Leigh Street

Kaeo

## Officers

Murray Moses

Chair

Robyn Tauroa

Secretary

Stephen Rush

Treasurer

## Accountants

Spire Chartered Accountants Kerikeri Limited

Kerikeri

## Independent Auditors

BDO Northland

Kerikeri

## Bankers

Bank of New Zealand

Kerikeri

## Lawyers

Kensington Swan

Wellington

## Entity Information continued

### Te Runanga O Whaingaroa Group For the year ended 30 June 2017

#### 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
Otangoa	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

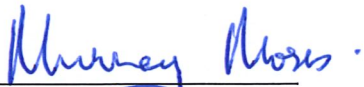
Te Runanga O Whaingaroa is not reliant on volunteers and donated goods or services.

# Approval of Consolidated Financial Statements

Te Runanga O Whaingaroa Group

For the year ended 30 June 2017

The Trustees are pleased to present the approved consolidated financial statements of Te Runanga O Whaingaroa Group for year ended 30 June 2017.



Murray Moses - Chair

Date 21/11/2017



Stephen Rush - Treasurer

Date 21/11/2017

# Consolidated Statement of Service Performance

## Te Runanga O Whaingaroa Group For the year ended 30 June 2017

### Purpose

Te Runanga O Whaingaroa was established in 1991 to protect resources and deliver services for the whanau of Whaingaroa. Whaingaroa Fisheries Company Limited was established as an asset holding company to hold fishing quota and manage these assets in the best interests of Nga Iwi O Whaingaroa.

The services delivered include the following:

- Social Services
- Rheumatic Fever Services in Schools
- 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
- Smoking Cessation

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 Company

### 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

Whaingaroa Fisheries Company Limited profits are distributed to the shareholder to deliver these social and environmental objectives.

### Outputs

<b>Number of Contracts in Progress by Category</b>	<b>2017</b>	<b>2016</b>
Health and Safety	4	4
Housing	2	1
Te Reo	1	1
Other Education	-	1
Social Support	1	1

Health and Safety contracts include Whanau Ora, Rheumatic Fever Prevention and Road Safety and Smoking Cessation.

<b>Dividends Paid to Te Runanga O Whaingaroa</b>	<b>2017</b>	<b>2016</b>
Dividends paid in cash	205,000	155,000

# Consolidated Statement of Financial Performance

Te Runanga O Whaingaroa Group  
For the year ended 30 June 2017

	Notes	Group 2017	Group 2016	Parent 2017	Parent 2016
<b>Revenue</b>					
Contract Income		1,113,099	487,188	1,113,099	487,188
Operating Income		738,853	367,425	573,210	114,175
Grants		-	22,500	-	22,500
Rental Income		52,121	22,500	52,121	22,500
<b>Total Revenue</b>		<b>1,904,073</b>	<b>899,613</b>	<b>1,738,430</b>	<b>646,363</b>
<b>Expenses</b>					
Direct Contract Expenses		976,166	318,611	976,166	318,611
Operating Expenses		253,284	271,833	218,786	240,438
Administration Expenses		167,362	193,503	128,677	108,205
Standing Charges		47,285	44,132	37,297	36,448
Repairs and Maintenance		52,138	5,065	52,138	5,065
Vehicle Expenses		12,946	6,885	12,946	6,885
<b>Total Expenses</b>		<b>1,509,182</b>	<b>840,029</b>	<b>1,426,010</b>	<b>715,652</b>
<b>Operating surplus/(deficit)</b>		<b>394,891</b>	<b>59,584</b>	<b>312,421</b>	<b>(69,289)</b>
<b>Other non-operating items</b>					
Depreciation		(36,761)	(35,185)	(36,761)	(35,153)
Dividends Received		23,962	18,575	205,000	155,000
Interest Received		24,489	37,444	4,636	1,995
Forgiveness of Debt		-	-	268,724	-
Loss on Disposal		(1,195)	(462)	(1,100)	(462)
Impairment of Share in Associates	4	-	(231,286)	-	-
Share of Loss from Associates	4	-	(28,710)	-	-
Donations to Marae		(52,500)	-	(52,500)	-
<b>Total Other non-operating items</b>		<b>(42,004)</b>	<b>(239,624)</b>	<b>387,999</b>	<b>121,380</b>
<b>Net surplus/(deficit) for the year</b>		<b>352,886</b>	<b>(180,040)</b>	<b>700,420</b>	<b>52,091</b>

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The above statement should be read in conjunction with the notes to and forming part of the consolidated financial statements

# Consolidated Schedule of Expenses

Te Runanga O Whaingaroa Group  
For the year ended 30 June 2017

	Group 2017	Group 2016	Parent 2017	Parent 2016
<b>Direct Contract Expenses</b>				
Advertising	138	790	138	790
Catering	192	669	192	669
Communications	6,288	5,219	6,288	5,219
Consultants	1,472	-	1,472	-
Consumables	471,178	61,833	471,178	61,833
Contractors	83,722	73,771	83,722	73,771
He Whare Awhina Outgoings	15,118	12,540	15,118	12,540
Insurance	1,649	-	1,649	-
Koha	3,400	-	3,400	-
Meetings	1,399	-	1,399	-
Office Expenses	3,944	3,475	3,944	3,475
Printing	4,814	1,564	4,814	1,564
Rent	21,371	139	21,371	139
Salaries and Wages	313,412	132,158	313,412	132,158
Staff Development	2,276	558	2,276	558
Travel and Accommodation	10,603	2,846	10,603	2,846
Utilities	11,074	-	11,074	-
Vehicle Expenditure	24,117	23,047	24,117	23,047
<b>Total Direct Contract Expenses</b>	<b>976,166</b>	<b>318,611</b>	<b>976,166</b>	<b>318,611</b>

	Group 2017	Group 2016	Parent 2017	Parent 2016
<b>Operating Expenses</b>				
Advertising and Sponsorship	1,364	1,156	1,364	1,156
Bad Debts Written Off	3,740	32,862	3,740	32,862
Cleaning and Laundry	1,898	1,709	1,898	1,709
Consultancy Fees	22,752	25,092	22,752	25,092
Consumables	3,497	-	3,497	-
Contractors	7,693	15,275	7,693	15,275
General	26,545	-	26,545	-
Koha	4,460	1,610	4,460	1,610
Levies	32,035	30,621	-	-
Meetings	3,047	-	3,047	-
Rent	3,791	-	3,791	-
Scholarships	5,000	-	5,000	-
Staff Amenities and Meetings	2,227	302	655	302
Training and Staff Development	3,581	7,491	5,153	7,491
Travel and Accommodation	12,241	7,998	9,777	4,765
Wages and Allowances	119,415	147,421	119,415	146,647
<b>Total Operating Expenses</b>	<b>253,284</b>	<b>271,538</b>	<b>218,786</b>	<b>236,910</b>

	Group 2017	Group 2016	Parent 2017	Parent 2016
<b>Administration Expenses</b>				
Accountancy Fees	37,279	23,339	32,938	17,493
Audit Fees	20,484	19,940	14,244	13,840
Bank Charges	1,635	1,194	1,560	420
Catering	2,008	2,460	2,008	2,460
Communications	6,943	7,461	6,943	7,461
Computer License and Updates	9,114	6,499	9,114	6,499
Directors Fees	9,818	12,834	-	-
Honorarium	14,869	8,293	14,869	8,293
Legal Expenses	27,684	71,399	14,094	24,790
Light and Power	7,515	6,110	7,515	6,110
Office Expenses	8,846	8,709	4,224	7,378
Portfolio Management Fees	-	-	-	-
Professional Fees	-	8,571	-	-
Printing and Stationery	7,385	9,455	7,385	9,455
Subscriptions and Licences	13,783	7,534	13,783	7,534
<b>Total Administration Expenses</b>	<b>167,362</b>	<b>193,798</b>	<b>128,677</b>	<b>111,733</b>

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The above statement should be read in conjunction with the notes to and forming part of the consolidated financial statements



# Consolidated Schedule of Expenses

continued

Te Runanga O Whaingaroa Group

For the year ended 30 June 2017

	Group 2017	Group 2016	Parent 2017	Parent 2016
<b>Standing Charges</b>				
ACC Levies	822	972	822	972
Insurance	23,216	20,215	21,168	18,168
Interest - Term Loan	7,501	9,079	7,501	9,079
Interest - Overdraft	0	75	0	75
Interest - Other	9,151	7,450	1,210	1,814
Rates	6,595	6,340	6,595	6,340
<b>Total Standing Charges</b>	<b>47,285</b>	<b>44,132</b>	<b>37,297</b>	<b>36,448</b>
<b>Repairs and Maintenance</b>				
Repairs and Maintenance	52,138	5,065	52,138	5,065
<b>Total Repairs and Maintenance</b>	<b>52,138</b>	<b>5,065</b>	<b>52,138</b>	<b>5,065</b>
<b>Vehicle Expenses</b>				
Vehicle Expenditure	4,912	6,214	4,912	6,214
Vehicle Lease	8,034	671	8,034	671
<b>Total Vehicle expenses</b>	<b>12,946</b>	<b>6,885</b>	<b>12,946</b>	<b>6,885</b>
<b>TOTAL EXPENSES</b>	<b>1,509,182</b>	<b>840,029</b>	<b>1,426,010</b>	<b>715,652</b>

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The above statement should be read in conjunction with the notes to and forming part of the consolidated financial statements

# Consolidated Statement of Financial Position

Te Runanga O Whaingaroa Group  
As at 30 June 2017

Account	Notes	Group 30 Jun 2017	Group 30 Jun 2016	Parent 30 Jun 2017	Parent 30 Jun 2016
<b>Assets</b>					
<b>Current Assets</b>					
Bank accounts and cash	1	1,716,398	2,503,661	934,289	1,444,029
Accounts receivable		24,084	58,989	24,084	58,989
Prepayments		24,598	21,248	5,460	5,460
<b>Total Current Assets</b>		<b>1,765,080</b>	<b>2,583,898</b>	<b>963,833</b>	<b>1,508,477</b>
<b>Non-Current Assets</b>					
Property, Plant and Equipment	2	2,096,632	1,295,620	2,096,632	1,295,525
Bond		880	-	880	-
Term Deposit	4	-	9,000	-	9,000
Intangible Assets	3	3,213,094	3,213,094	-	-
Investment in Tara Development Company Limited	4	-	-	1,000	1,000
Investment in Whaingaroa Fisheries Company Limited	4	-	-	100	100
Investment in Aotearoa Fisheries Limited	4	862,009	862,009	-	-
Investment - Guardian Cash Plus Fund	4	873	873	873	873
<b>Total Non-Current Assets</b>		<b>6,173,488</b>	<b>5,380,596</b>	<b>2,099,485</b>	<b>1,306,498</b>
<b>Total Assets</b>		<b>7,938,568</b>	<b>7,964,494</b>	<b>3,063,318</b>	<b>2,814,976</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade payables		54,693	29,509	51,689	19,862
Accrued expenses		44,985	69,366	35,585	59,966
Goods and services tax		47,725	163,455	55,712	173,125
Income in Advance	5	961,152	1,471,138	824,413	1,163,116
Advance - Whaingaroa Fisheries Company Limited	9	-	-	28,440	51,285
Loan - Tara Development Company Limited	6	-	-	100,000	100,000
Loan - Financial Synergy	6	15,958	13,085	15,958	13,085
Scholarship and Education Fund		17,500	-	17,500	-
Current Portion of Term Loans	6	85,331	19,018	85,331	19,018
<b>Total Current Liabilities</b>		<b>1,227,345</b>	<b>1,765,571</b>	<b>1,214,630</b>	<b>1,599,458</b>
<b>Non-Current Liabilities</b>					
BNZ Loan	7	426,304	145,126	426,304	145,126
Mortgage - HNZ - SL (He Whare Awhina)	7	300,000	300,000	300,000	300,000
Mortgage - HNZ - TL (He Whare Awhina)	7	199,425	212,815	199,425	212,815
Mortgage - Tara Development Company Limited	7	-	-	-	268,724
Loan - Te Waka Pupuri Putea Trust	7	143,570	185,630	-	-
Current Portion of Term Loans	7	(85,331)	(19,018)	(85,331)	(19,018)
<b>Total Non-Current Liabilities</b>		<b>983,967</b>	<b>824,553</b>	<b>840,398</b>	<b>907,647</b>
<b>Total Liabilities</b>		<b>2,211,312</b>	<b>2,590,125</b>	<b>2,055,027</b>	<b>2,507,104</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>5,727,256</b>	<b>5,374,369</b>	<b>1,008,291</b>	<b>307,871</b>
<b>Members' Equity</b>					
Retained Earnings		5,727,256	5,374,369	1,008,291	307,871
<b>Total Accumulated Funds</b>	8	<b>5,727,256</b>	<b>5,374,369</b>	<b>1,008,291</b>	<b>307,871</b>

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The above statement should be read in conjunction with the notes to and forming part of the consolidated financial statements

# Consolidated Statement of Cash Flows

Te Runanga O Whaingaroa Group  
For the year ended 30 June 2017

	Group 30 Jun 2017	Group 30 Jun 2016	Parent 30 Jun 2017	Parent 30 Jun 2016
<b>Cash Flows from Operating Activities</b>				
Receipts from providing goods or services	1,412,287	1,958,462	1,422,287	1,882,364
Grants	-	25,000	-	25,000
Interest, dividends and other investment receipts	48,451	52,768	209,636	156,995
Cash receipts from other operating activities	4,341			
GST	(104,476)	4,490	(106,533)	(45,262)
Tax refunds received/tax paid	(3,310)			
Payments to suppliers and employees	(1,501,421)	(767,221)	(1,419,342)	(603,435)
Cash flows from other operating activities	(1,073)		(880)	-
Interest paid	(7,501)	(10,970)	(7,501)	(10,968)
<b>Total Cash Flows from Operating Activities</b>	<b>(152,703)</b>	<b>1,262,529</b>	<b>97,667</b>	<b>1,404,694</b>
<b>Cash Flows from Investing and Financing Activities</b>				
Payments to acquire property, plant and equipment	(838,965)	(26,557)	(838,965)	(26,557)
Proceeds from loans borrowed from other parties	300,000		300,000	
Receipts from disposal of investments	9,000	-	9,000	-
Repayments of loans borrowed from other parties	(54,597)	(28,955)	(54,597)	(28,955)
Advance - Whaingaroa Fisheries	-	-	(22,845)	22,845
Loan - Te Whaingā Putea Limited	(50,000)	(100,000)	-	-
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(634,562)</b>	<b>(155,513)</b>	<b>(607,407)</b>	<b>(32,667)</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>(787,265)</b>	<b>1,107,016</b>	<b>(509,740)</b>	<b>1,372,027</b>
<b>Cash Balances</b>				
Cash and cash equivalents at beginning of period	2,503,661	1,396,645	1,444,029	71,927
Cash and cash equivalents at end of period	1,716,398	2,503,661	934,289	1,444,029
<b>Net change in cash for period</b>	<b>(787,265)</b>	<b>1,107,016</b>	<b>(509,740)</b>	<b>1,372,102</b>

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The above statement should be read in conjunction with the notes to and forming part of the consolidated financial statements

# Consolidated Statement of Accounting Policies

Te Runanga O Whaingaroa Group  
For the year ended 30 June 2017

## Basis of Preparation

The Group 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 consolidated financial statements are reported using the accrual basis of accounting.

The consolidated financial statements are prepared under the assumption that the Group 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.

## Basis of Consolidation - Tier 2 policy applied

### i. Controlled entities

Controlled entities are entities controlled by the Group, being where the Group has power to govern the financial and operating policies of another entity so as to benefit from that entity's activities. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

### ii. Associates

Investments in associates are accounted for using the equity method. Associates are entities over which the entity has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The entity generally deems it has significant influence if it has over 20% of the voting rights in the investee.

The Group's share of an associate's or joint venture's surplus or deficit; and impairment is recognised in the consolidated statement of financial performance. The cumulative movements are adjusted against the carrying amount of the investment.

### iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

## Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group 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.

Annual Catch Entitlement (ACE) income is recognised over the period to which the lease relates. Income received in advance relating to future periods is deferred and recognised as a liability.

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 is initially recorded at cost. Depreciation has been calculated based on the estimated useful lives as follows:

Land	No depreciation	Plant and Equipment	1 - 25 years
Land Developments	7 - 33 years	Furniture and Fittings	1.25 - 12.5 years
Buildings	33 - 40 years	Office Equipment	1.5 - 10 years
Improvements	5 - 33 years	Vehicles	3 - 4 years

The Group 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.

## Consolidated Statement of Accounting Policies continued

Te Runanga O Whaingaroa Group  
For the year ended 30 June 2017

### Investments

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

### Intangible Assets

Intangible assets consist of Settlement Quota and ETS Units.

#### Settlement Quota

Settlement Quota has been recorded at fair value on recognition (Te Ohu Kaimoana allocation as part of the original Settlement) and is not revalued. Fish quota are treated as an asset with an indefinite life and are not amortised. Impairment losses are recognised whenever the carrying amount of the asset exceeds its recoverable amount. Fish quota is tested annually for impairment. The useful life is assessed annually to determine whether the indefinite life assessment continues to be supportable. Quota shares are a property right that represents the quota owner's share of a fishery. These are tradable rights and are issued perpetually and are a tool used to actively manage the fishery in a sustainable manner via the Annual Catch Entitlement process. As a result the quota shares are not amortised.

#### ETS Units

Whaingaroa Fisheries Company Ltd is deemed a participant in the New Zealand Emission Trading Scheme as it is an owner of fishing quota. These carbon credits were initially recognised at fair value at the date of acquisition. They are not revalued. As they are not consumed, they are considered to have an indefinite life and are therefore not amortised. They are tested for impairment annually and whenever there is an indication that impairment exists.

### Income Tax

The Group is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

### Goods and Services Tax

The Group 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 Consolidated Statement of Financial Performance.

### 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.

# Notes to the Consolidated Financial Statements

Te Runanga O Whaingaroa Group  
For the year ended 30 June 2017

<b>1. Bank accounts and cash</b>	Group 30 Jun 2017	Group 30 Jun 2016	Parent 30 Jun 2017	Parent 30 Jun 2016
Bank balances	1,703,067	2,499,545	920,959	1,439,912
Cash on hand	330	116	330	116
Term deposits - short term	13,000	4,000	13,000	4,000
<b>Total Bank accounts and cash</b>	<b>1,716,398</b>	<b>2,503,661</b>	<b>934,289</b>	<b>1,444,029</b>

<b>2. Property, Plant and Equipment</b>	Group 30 Jun 2017	Group 30 Jun 2016	Parent 30 Jun 2017	Parent 30 Jun 2016
Freehold land and improvements at cost	469,148	469,148	469,148	469,148
Less : Accumulated depreciation	(61,800)	(61,460)	(61,800)	(61,460)
	<b>407,348</b>	<b>407,688</b>	<b>407,348</b>	<b>407,688</b>
Freehold buildings at cost	545,027	545,024	545,027	545,024
Less : Accumulated depreciation	(263,047)	(250,369)	(263,047)	(250,369)
	<b>281,980</b>	<b>294,655</b>	<b>281,980</b>	<b>294,655</b>
Te Nohoanga at cost	825,000	-	825,000	-
Less : Accumulated depreciation	(1,948)	-	(1,948)	-
	<b>823,052</b>	<b>-</b>	<b>823,052</b>	<b>-</b>
Plant and equipment at cost	1,025,512	1,030,084	1,025,512	1,027,881
Less : Accumulated depreciation	(441,260)	(436,806)	(441,260)	(434,698)
	<b>584,252</b>	<b>593,278</b>	<b>584,252</b>	<b>593,183</b>
<b>Total Property, Plant and Equipment</b>	<b>2,096,632</b>	<b>1,295,620</b>	<b>2,096,632</b>	<b>1,295,525</b>

<b>3. Intangibles</b>	Group 30 Jun 2017	Group 30 Jun 2016	Parent 30 Jun 2017	Parent 30 Jun 2016
Settlement Quota - Deepwater Share of Quota	895,340	895,340	-	-
Settlement Quota - Inshore Share of Quota	2,315,360	2,315,360	-	-
ETS Units	2,394	2,394	-	-
<b>Total Intangibles</b>	<b>3,213,094</b>	<b>3,213,094</b>	<b>-</b>	<b>-</b>

<b>4. Investments</b>	Group 30 Jun 2017	Group 30 Jun 2016	Parent 30 Jun 2017	Parent 30 Jun 2016
Investment in Tara Development Company Limited	-	-	1,000	1,000
Investment in Whaingaroa Fisheries Company Limited	-	-	100	100
Investment in Aotearoa Fisheries Limited	862,009	862,009	-	-
BNZ Term Deposit	-	9,000	-	9,000
Investment - Guardian Cash Plus Fund	873	873	873	873
<b>Total Investments</b>	<b>862,882</b>	<b>871,882</b>	<b>1,973</b>	<b>10,973</b>

# Notes to the Consolidated Financial Statements

continued

Te Runanga O Whaingaroa Group  
For the year ended 30 June 2017

## 4. Investments continued

Te Runanga O Whaingaroa has the following interests:

Investments in Subsidiaries:

- Whaingaroa Fisheries Company Limited (100% shares held)
- Whaingaroa Housing Company Limited - not active (100% shares held)
- Tara Development Company Limited - not active (99.9% shares held)

Investments in Associates:

- Taitokerau Communications Limited - not active (33.33% shares held) (refer note 9)

Whaingaroa Fisheries Company Limited has the following interests:

Investments in Associates:

Taitokerau Fibre Networks Limited

Whaingaroa Fisheries Company Limited holds 12.44% of the shares and is represented on the board by one director. The Taitokerau Fibre Networks Limited Board consists of four directors, one from each investor. As a result, Whaingaroa Fisheries Company Limited has significant influence over Taitokerau Fibre Networks Limited therefore the equity method is used to account for the interest in this entity. During the 2016 year, Whaingaroa Fisheries Company Limited advanced \$259,996 to Taitokerau Fibre Networks Limited via an intermediary Te Whaingā Putea Limited for working capital purposes. \$100,000 was advanced directly by Whaingaroa Fisheries Company Limited with the balance funded via Te Waka Pupuri Putea Trust by way of a loan to Whaingaroa Fisheries Company Limited (Note 7). Taitokerau Fibre Networks Limited recorded a loss of \$230,790 for the year ended 31 March 2016 and had liquidity issues and negative equity at the 2016 balance date. The Director of Whaingaroa Fisheries Company Limited was of the view that repayment of the loan by either Taitokerau Fibre Networks Limited or Te Whaingā Putea Limited was remote. Due to these reasons, the Director resolved to impair the loan at 30 June 2016. The share of 2016 loss was \$28,710 leaving a balance of \$231,286 which was fully impaired. The share of loss for the 2017 year was \$67,891. As the investment was fully impaired during the 2016 year, this loss is not reflected in the 2017 Statement of Financial Performance.

Investments in unlisted companies:

Aotearoa Fisheries Limited income shares

Whaingaroa Fisheries Company Limited holds 600 shares or 0.24% of the income shares in Aotearoa Fisheries Limited. The investment is accounted for at cost, no subsequent valuation of the shares has been carried out, and no shares have been sold, exchanged or acquired during the period. The directors have assessed these income shares for impairment at balance date and no impairment is required

Deep Water Group Limited

Whaingaroa Fisheries Company Limited holds a 2% shareholding in this Deep Water Group Limited. It has no monetary value.

Northland Scallop Enhancement Company Limited

Whaingaroa Fisheries Company Limited has a 4% shareholding in Northland Scallop Enhancement Company Limited. It has no monetary value.

(Last year - Taitokerau Networks Limited Partnership entered in to liquidation on 18 December 2015. In 2015, Whaingaroa Fisheries Company Limited resolved to write off the investment in this entity. The share of loss in 2015 was \$149,772.)

<b>5. Income in Advance</b>	<b>Group 30 Jun 2017</b>	<b>Group 30 Jun 2016</b>	<b>Parent 30 Jun 2017</b>	<b>Parent 30 Jun 2016</b>
Contract income received in advance	824,413	986,189	824,413	1,163,116
Deferred ACE Income	136,739	484,949	-	-
<b>Total Income in Advance</b>	<b>961,152</b>	<b>1,471,138</b>	<b>824,413</b>	<b>1,163,116</b>

The income in advance balance of \$824,413 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.

# Notes to the Consolidated Financial Statements

continued

Te Runanga O Whaingaroa Group  
For the year ended 30 June 2017

<b>6. Current Loans</b>	Group 30 Jun 2017	Group 30 Jun 2016	Parent 30 Jun 2017	Parent 30 Jun 2016
Tara Development Company Limited	-	-	(100,000)	(100,000)
Financial Synergy	(15,958)	(13,085)	(15,958)	(13,085)
Current Portion of Term Loans	(85,331)	(19,018)	(85,331)	(19,018)
<b>Total Current Loans</b>	<b>(101,290)</b>	<b>(32,103)</b>	<b>(201,290)</b>	<b>(132,103)</b>

#### Tara Development Company Limited

Unsecured, interest free, repayable within 12 months.

#### Financial Synergy

Unsecured, interest at 8.66% and 8.41%, repayable within 12 months.

<b>7. Term Loans</b>	Group 30 Jun 2017	Group 30 Jun 2016	Parent 30 Jun 2017	Parent 30 Jun 2016
Loan - BNZ	(426,304)	(145,126)	(426,304)	(145,126)
Mortgage - HNZ - SL (He Whare Awhina)	(300,000)	(300,000)	(300,000)	(300,000)
Mortgage - HNZ - TL (He Whare Awhina)	(199,425)	(212,815)	(199,425)	(212,815)
Mortgage - Tara Development Company Limited	-	-	-	(268,724)
Loan - Te Waka Pupuri Putea Trust	(143,570)	(185,630)	-	-
Current Portion of Term Loans	85,331	19,018	85,331	19,018
<b>Total Term Loans</b>	<b>(983,967)</b>	<b>(824,553)</b>	<b>(840,398)</b>	<b>(907,647)</b>

#### Loan - BNZ

Bank of New Zealand

Secured over land and buildings at State Highway 10, 6 Waikare Avenue and 320 Whangaroa Road, Kaeo plus a General Security Agreement (GSA) Term 5 years. Interest 5.74% to 6.09% 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

#### Te Waka Pupuri Putea Trust

Te Waka Pupuri Putea Trust has provided a loan to Whaingaroa Fisheries Company Limited to enable the company to advance funds to Taitokerau Fibre Networks Limited as described further in note 9.

Secured over Whaingaroa Fisheries Company Limited's interest in Taitokerau Fibre Networks Limited.

Interest 5.5% per annum to 31 May 2016, 6.0% thereafter. Full repayment by 30 April 2017. This term has been unofficially extended for a yet-to-be determined period of time.

Full repayment by 30 April 2017.

<b>8. Accumulated Funds</b>	Group 30 Jun 2017	Group 30 Jun 2016	Parent 30 Jun 2017	Parent 30 Jun 2016
<b>Opening Balance</b>	<b>5,396,869</b>	<b>5,576,908</b>	<b>330,372</b>	<b>278,281</b>
Accumulated surpluses or (deficits)	352,886	(180,040)	700,420	52,091
<b>Total Accumulated Funds</b>	<b>5,749,756</b>	<b>5,396,869</b>	<b>1,030,791</b>	<b>330,372</b>



# Notes to the Consolidated Financial Statements

continued

Te Runanga O Whaingaroa Group

For the year ended 30 June 2017

## 9. Related Parties

During the year, the following transactions with Te Runanga O Whaingaroa's wholly-owned subsidiaries occurred:

Dividends declared during the year by Whaingaroa Fisheries Company Limited totalled \$205,000 (Last year - \$155,000)

The current account balance due to Whaingaroa Fisheries Company Limited at balance date is \$28,440 (Last year - \$51,285). The movement was the result of advances being repaid to Whaingaroa Fisheries Company Limited. The inter-entity balance is interest free and repayable on demand.

Whaingaroa Fisheries Company Limited paid Te Runanga O Whaingaroa an administration fee of \$10,000 for the year ended 30 June 2017 (Last year - Nil).

There were no transactions with Whaingaroa Housing Company Limited. Whaingaroa Housing Company Limited is not active.

Other related parties:

Te Runanga O Whaingaroa has a 33% interest in Taitokerau Communications Limited which is not active.

P More, A More and C Atama, Marae Representatives to the Board of Trustees, received contractor payments from Te Runanga O Whaingaroa.

Geneva Harrison, director of Whaingaroa Fisheries Company Limited, is also a director of Taitokerau Fibre Networks Limited. Whaingaroa Fisheries Company Limited as a 12.44% share of Taitokerau Fibre Network.

	Group	Group	Parent	Parent
	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
<b>10. Imputation Credit Account</b>				
Opening Balance	7,102	2,450	-	-
Maori Authority Tax Credits on Dividends Received	3,251	4,471	-	-
Resident Withholding Tax Deducted	-	181	-	-
Maori Authority Tax Credits Refunded	(4,490)	-	-	-
Resident Withholding Tax Refunded	-	-	-	-
<b>Total Imputation Credit Account</b>	<b>5,862</b>	<b>7,102</b>	<b>-</b>	<b>-</b>

## 11. Capital Commitments

There are no capital commitments as at 30 June 2017 (Last year -

## 12. Operating Lease Commitments

The Group has three vehicles under operating leases. The leases expire in June 2019, July 2019 and February 2020. The balance of the future lease payments as at 30 June 2017 is \$52,821

# Notes to the Consolidated Financial Statements

continued

Te Runanga O Whaingaroa Group

For the year ended 30 June 2017

## 13. 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 instalments 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. Both the Conditional Grant and the Suspensory loan were forgiven by Housing New Zealand Corporation in November 2017.

Te Runanga O Whaingaroa entered into an agreement with Far North Reap for the year ended 30 June 2017 to provide road safety education services. Under the terms of the agreement funding for any undelivered activity is to be returned to Far North Reap. For the 2017 year the contract had a surplus of \$2,432. Te Runanga O Whaingaroa received approval for this surplus to be applied to resources and personnel during the 2018 year.

## 14. Events After the Balance Date

The Directors of Whaingaroa Fisheries Company Limited entered into an agreement to purchase land at Iwitaua Road, Otangaroa, Northland for \$251,702 (Lot 61). This agreement settled on 23 August 2017. The Directors also entered into an agreement to purchase Lot 39 for \$223,000. This agreement settled on 9 October 2017. There were no other events that have occurred after the balance date that would have a material impact on the consolidated financial statements.



Tel: +64 9 407 7250  
Fax: +64 9 407 7129  
northland@bdo.co.nz  
www.bdo.co.nz

BDO Northland  
Kerikeri Office  
P O Box 304, Kerikeri 0245  
Bay of Islands, New Zealand

Whangarei Office  
Tel: 64 9 430 0471

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

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**Report on the Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Te Runanga O Whaingaroa & Subsidiaries ("the Group"), which comprises the entity information, the consolidated statement of service performance, the consolidated statement of financial performance and consolidated statement of cash flows for the year ended 30 June 2017, the consolidated statement of financial position as at 30 June 2017, and the consolidated 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 consolidated statement of service performance are suitable;
- b) the accompanying consolidated financial statements presents fairly, in all material respects:
  - the entity information for the year ended 30 June 2017;
  - the consolidated service performance for the year then ended; and
  - the consolidated financial position of the group as at 30 June 2017 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 Opinion**

We conducted our audit of the consolidated statement of financial performance, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of accounting policies and notes to the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"), and the audit of the entity information and consolidated 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 Consolidated Financial statements* 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, the Group.

**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 consolidated financial statements and our auditor's report thereon.

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

PARTNERS: Adelle Allbon Angela Edwards Scott Kennedy Robyn Terlesk



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 Consolidated Financial Statements**

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 consolidated statement of service performance;
- b) the preparation and fair presentation of the consolidated financial statements on behalf of the Group which comprises:
  - the entity information;
  - the consolidated statement of service performance; and
  - the consolidated statement of financial performance, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of accounting policies and notes to the consolidated financial statements

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 financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the trustees are responsible on behalf of the Group for assessing the Group'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 Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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) 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 these consolidated financial statements.

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 consolidated financial statements, 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 Group'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 Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent 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 Group'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 Group and the Group's beneficiaries, as a body, for our audit work, for this report or for the opinions we have formed.

*BDO Northland*

**BDO Northland  
108 Kerikeri Road  
Kerikeri  
New Zealand  
21 November 2017**