



Kāti Huirapa Runaka ki Puketeraki

Kāti Huirapa Runaka ki Puketeraki Inc. Society

Kāti Huirapa Runaka ki Puketeraki Trust

Pūketeraki Ltd

ANNUAL REPORT



Waikouaiti River Mouth, Karitane

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KATI HUIRAPA RUNAKA KI PUKETERAKI
INCORPORATED SOCIETY

ANNUAL GENERAL MEETING

6-Nov-16

AGENDA

- 1 Mihi & Karakia
- 2 Apologies
- 3 Minutes of AGM 1 Nov 2015
- 4 Matters arising from AGM 2015
- 5 Chairperson's Report
- 6 Financial Report
- 7 Appointment of Auditor
- 8 Motion to Alter Rules of Kati Huirapa Runaka ki Puketeraki Inc. Soc.

That clause 14. (d) (ii) be removed from the Rules.

14. Directors Election Meetings.

- (d) (ii) Nominees must have demonstrated active participation in the Runaka for a minimum of one (1) year with the last three (3) years from the date when nominations close.

- 9 Other Business

CHAIRPERSONS REPORT TO KATI HUIRAPA RŪNAKA KI PUKETERAKI INC. SOC AGM

DATE: NOVEMBER 2016

HE POROPOROAKI

He poroporoaki tēnei ki ka tini me ka mano kua wheturangitia, E ka mate kua hinga nei mai i te tau hou, hoki wairua koutou, haere atu rā. Apiti hono tātai hono ka huka mate ki ka huka mate. Apiti hono tātai hono ka huka ora ki ka huka ora.

Ki a matou wharenuī Huirapa, a, wharekai Maririhau, ara, ko Te Whare Karakia Hui re Rangiora, tū mai koutou hei whare whakaruruhau mō tatou.

HE MIHI

E ka hapū maha o Kati Huirapa Rūnaka ki Puketeraki, tēnā koutou, tēnā koutou, tēnā koutou katoa. He mihi mīharo ki o tātou Upoko Rawiri rātou ko ka poua me taua hoki. Nāia nei te mihi mahana ki a ia whānau whānui o tātou marae o Puketeraki, o ka papa kaika maha. Heoi anō, e ka mema o te rūnaka, tēnā koutou, tēnā koutou, tēnā koutou katoa.

THIS YEAR 2016

As I move through the great continuum of life I find I am becoming more and more reflective. I have commented often on a sense of pride at how our marae community continues to grow in terms of health and wellbeing. These outcomes are reliant on whānau members being willing to step up and give their very valuable time to take an active involvement in our kaupapa.

Over the last year I am very pleased to have seen some new whānau members gain the confidence to take on new roles and responsibilities. It's a key role for kaumātua and pakeke to provide encouragement and mentoring where we need it. I have been Chairperson for the last 30 odd years and I feel a greater confidence now that we do have new leaders emerging who in time will pick up the reins and responsibilities that our generation have shouldered in our time.

I recently experienced Manawa Hou at Puketeraki Marae and I could not help be in awe of where these rakatahi are now in terms of their knowledge and sense of identity of what it means to be of Kai Tahu, Kati Mamoe and Waitaha descent. They are indeed the people we need to nurture and grow. I was warmed that there were quite a few present who had strong whakapapa links to our hapū lines associated with Kati Huirapa Runaka who organised the hui.

I find it's always difficult to identify what activities stand out above others over the course of a year as everything has its relative importance. However, I do want to note that nothing would be progressed unless the engine room is running well.

I am repeating what I reported last year but I am very pleased to see our Rūnaka Executive working very smart together and our Executive working groups; Komiti Rapu Ara Hou, the Operations Committee, He Korowai Whānau and Komiti Kaupapa Taiao all engaging strongly across their respective areas of operation.

Over the last year we have had several whakapapa wānaka and through this process we are slowly gaining a better understanding of our hapū identity and the mandate of our Kati Huirapa leg and that of our Kai Te Ruahikihiki leg. Our wānaka have also taken us out into our landscape which is helping us to progress the whareniui interior artwork development.

In last year's report I predicted that by the middle of this year we should have our plan signed off at a RGM, then submitted to the Section 20 Trustees and hopefully the necessary permissions in place allowing us to move on to the next stage. We haven't met that prediction however it's not a problem; we need to take all the time we need to get there. It's far better to have an outcome that whānau members have a strong ownership of and that just takes time to build.

There are some other projects as well where progress has been slower than expected, largely due to the fact that we are volunteers. This doesn't cause me real concern because I am confident that we will get to where we need to be and end up with some awesome opportunities for our whānau to enjoy.

Finally, thanks to all rūnaka members who give their time, experience and energy to supporting our marae and our rūnaka projects. To our staff who give invaluable service in support of the activities and values of our rūnaka. To Suzanne, Justine, Jo, Aroha, Waiariki, Brendan and George, he mihi mahana ki a koutou ma.

Well, that's it for another annual report. No reira, ōku rakatira mā, tēnā koutou, tēnā koutou, tēnā koutou katoa.

No ora mai, Matapura Ellison, Chairperson, KHR

Kāti Huirapa Runaka ki Puketeraki Incorporated Society

**Minutes of Kati Huirapa Runaka ki Puketeraki Inc. Soc.
Annual General Meeting – Hui a Tau**

**Held on Sunday 1 November 2015 at 10.30 am
At Puketeraki Marae**

Mihi whakatau: Matapura Ellison
Karakia timata: Hinerangi Ferrall Heath

Present: Matapura Ellison, Suzanne Ellison (minutes), Khyla Russell, Brenda Van Strik, Caroline Ruckstuhl, Betty Apes, Hinerangi Ferrall Heath, Jim Williams, Philip Broughton, Jeff Broughton, Ros Wyeth, Gisele Laven, James Noema, Kiri Parara-Noema, Ron McLachlan, Myra Tipa, Matthew Wylie, Waiariki Parata-Taiapa. Kiri Fraser, Suzi Flack, Gerard Devereux, Stacey Honeywill, Brendan Flack, Te Hau White, Hawea Ellison, Marewa Preddy, Tama Smith 10.50am, Lyn Carter, Aroha Ellison & Joan Ellison 11.00am, John Broughton 11.15am.

2. Apologies: Roger Wyeth, Peter Ellison, Carolyn Campbell, Jenny Smith, Victoria Bryant

Motion	That apologies be accepted		
	Khyla Russell	Stacey Honeywill	Carried

There was acknowledgement of the wonderful rakatahi celebration held last night.

Nga mate o te tau:

Irene Edwards, Bill Wright, Marven Kent, Hamish Heath, Ron Curtis, Maarire Goodall, Lei-Lani Green, William Te Tau, June McEwan, Te Ao Hurae Waaka, Winnie Brunton,

3. Minutes of the Annual General Meeting 2 November 2014

Motion	That the minutes of the Annual General Meeting of 2 November 2014 be confirmed as a true record with the correction as noted above.		
	Katharina Ruckstuhl	Philip Broughton	Carried

4. Matters Arising

There were no matters arising from the minutes of the 2014 Annual General Meeting.

5. Chairperson's Report

The Chairperson, Matapura Ellison, presented his report.

Motion	That we receive the Chairman's report.		
	Matapura Ellison	Phyllis Smith	Carried

6. Financial Report

The Treasurer, Phil Broughton, introduced the audited Consolidated Financial Statements for the year ended 30 June 2015. He commented that there was a change of format for the annual accounts at the request of the auditor. The detail for the accounts can be found in Note 12. A modest surplus of \$17,000 has been achieved for the Incorporated Society with a total with surplus, adding in the company results, of \$106,000. The Treasurer continues to encourage the executive to consider the level of surplus funds needed to be retained and what should be passed to the investment company.

Runaka Economic Development plan/ RED to give a long term view of the economic development of the runaka, is being developed by Bridget Giesen, a whānau member who is a planning analyst.

The Treasurer thanked Gerard Devereux, Suzanne Ellison & the office staff for the good job they do in looking after the numbers on a daily basis.

Hawea Ellison queried whether the retaining wall should be shown in the incorporated society accounts as it seems to come under the auspices of the Section 20 Hall & Church Reserve? The accounting treatment for the wall will be checked with the auditors & trustees & reported back to members.

Questions from Roger Wyeth that were received by email 28 October were tabled & worked through with Gerard assisting in answering. Refer to attachment for detail.

The Treasurer observed the Executive is keeping a close watch on budgets for the next 2 to 3 years as the level of maintenance required on the Old School buildings will continue to impact on runaka finances.

The new Health & Safety regulations also put another level of onus on the Executive and the Health & Safety plan is overseen by the Operations committee on behalf of the Executive.

Motion	That we adopt the Consolidated Financial Statements for the year ended 30 June 2015		
	Philip Broughton	Hinerangi Heath	Ferrall Carried

7. Appointment of Auditor, 2015-2016

Motion	That we appoint Crowe Horwath as auditors for 2015 - 2016 financial year.
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	Philip Broughton	Aroha Ellison	Carried
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8. Other Business

There being no other business the meeting moved into the Triennial General Meeting.

Triennial General Meeting

The minutes of the last Triennial Elections held 4 November 2012 were adopted with the Annual General Minutes on 3rd November 2013.

There was only one item of business for the Triennial General Meeting and that was the election of the Runaka Executive Committee, officer bearers and members.

Election of Office Bearers

Matapura vacated the chair and Gerard Deveraux agreed to chair the meeting for the election of Chairperson.

Nominations were called for **Runaka Chairperson**.

Motion	That Matapura Ellison be elected chairperson.		
	Khyla Russell	Marewa Preddy	Carried

No further nominations were received. There being no other nominations Matapura was declared elected for a further 3-year term. Matapura resumed the chair & thanked Gerard for chairing that section of the meeting.

Nominations were called for **Deputy Chair**.

Motion	That Tama Smith be elected deputy chair.		
	Katharina Ruckstuhl	Hinerangi Heath	Ferrall Carried

No further nominations were received. There being no other nominations Tama was declared elected.

Nominations were called for **Treasurer**.

Motion	That Phil Broughton be elected treasurer.		
	Hinerangi Heath	Ferrall	Katharina Ruckstuhl Carried

No further nominations were received. There being no other nominations Phil was declared elected.

Election of Executive Committee (6 members were required for a total maximum of 10 members including officer bearers & TRONT Representative and Alternate Representative who are automatically part of the Executive.)

Nominations were called for the Executive Committee.

Motion	That Lyn Carter be elected to the Executive Committee.		
	Katharina Ruckstuhl	Hinerangi Heath	Ferrall

Motion	That Marewa Preddy be elected to the Executive Committee.		
	Phyllis Smith	Brendan Flack	

Motion	That Bruce Ritchie be elected to the Executive Committee.		
	Kiri Fraser	Marewa Preddy	

Motion	That Kiri Parata-Noema be elected to the Executive Committee.		
	Aroha Ellison	Phyllis Smith	

Motion	That Peter Ellison be elected to the Executive Committee.		
	Phyllis Smith	Lyn Carter	

Motion	That Hinerangi Ferrall Heath be elected to the Executive Committee.		
	Khyla Russell	Brendan Flack	

Motion	That Roger Wyeth be elected to the Executive Committee.		
	Matapura Ellison	John Broughton	

Motion	That Jeff Broughton be elected to the Executive Committee.		
	Katharina Ruckstuhl	Khyla Russell	

Motion	That Stacey Honeywill be elected to the Executive Committee.		
	Myra Tipa	Aroha Ellison	

Motion	That voting be by Secret Ballot.		
	Myra Tipa	Gisele Laven	Carried

Motion	That Gerard Deveraux & Betty Apes be appointed scrutineers & that the voting papers be destroyed when counted.		
	Phil Broughton	Katharina Ruckstuhl	Carried

In the absence of other business at 11.45am the meeting was suspended while the votes were counted and reconvened at 11.55am.

The scrutineers declared the successful candidates as Lyn Carter, Kiri Parata-Noema, Peter Ellison, Hinerangi Ferrall Heath, Jeff Broughton, Marewa Preddy.

Matapura expressed thanks to those of the past executive who weren't elected & welcomed the new members.

There being no other business the Annual General Meeting & Triennial General Meeting was declared closed at 12.05pm

Chairperson _____

Date _____

KATI HUIRAPA RUNAKA ki PUKETERAKI Inc. Soc

ROGER WYETH'S QUERIES RECEIVED 28 OCTOBER 2015 with Responses.

1. Hui Income shows an increase of \$6000 (7..25%) on the previous year, yet Hui & Entertainment Costs show an increase of \$16000 (48.8%) over the same period!

1 Hui Income and Costs

		2015	2014	increase
Hui Income		85,889	82,780	3,109
Marae Costs	Kai	25,163	26,054	
	Cleaning	4,687	5,387	
	Equipment Hire	0	343	
	Replacements	493	1,014	
	Kitchen Wages	18,274	0	
		<u>48,617</u>	<u>32,798</u>	
	Kitchen Wages		14,284	
		<u>48,617</u>	<u>47,082</u>	1,535
		57%	57%	

2. The following costs show increases on the previous year. Kiwi Saver Contributions (\$1800), Legal & Accounting (\$4000), Rates (\$1200), Tamariki (\$7000), Vehicle Costs (\$3000), Repairs & Maintenance (\$20000), Wages & Salaries (\$20000),- how many FTE are there in comparison to the previous year and if there has been an increase in staff numbers where are these staff employed-, Management Costs (\$20000), could you please explain what these costs are.

2a Kiwi Saver Contributions

Suzanne became a salaried staff member in April 2014 and joined Kiwi Saver.
The year ended 30 June 2015 was her first full year which accounts for the \$1,800 increase in Employer KiwiSaver Contributions.

2b Legal & Accounting

	2015	2014
NTMLC - share of registration re land purchase	70	
NTMLC - share of QLDC District Plan	688	
NTMLC - review of Puketeraki Limited documents	1,500	
NTMLC - re lease		75
OSEA Individual Agreements		124
KTKO Pre-hearing Meeting		600
Gerard Devereux accounting	13,667	11,424
Gerard Devereux accounting (company)	7,961	7,475
	<u>23,886</u>	<u>19,698</u>
Summary Increase in Legal Fees	1,459	
Increase in Accounting Fees	<u>2,729</u>	
	<u>4,188</u>	

2c Rates

	2015	2014	increase
Rates - 1160 & 1161 Coast Road	931	823	108
Rates - Office	286	317	(31)
Rates - Old School	410	324	86
Rates - 1200 Coast Road	496	179	317
Rates - 128 Stornaway Street	678		678
	<u>2,801</u>	<u>1,643</u>	<u>1,158</u>

2d **Tamariki**

2015

Minibus hire and fuel	1,697
Activities	2,522
Kai	2,681
Toys, etc	348
Te Kura Maurea - Aroha & Waiariki Tamariki Wananga in Christchurch	150
Warehouse Stationery	68
Tai Timu hui Picton Ferry	980
6 person tent	130
Accommodation Tai Timu hui	435
Expenses re Tai Timu hui	1,160
Ear plugs	4
Games	75
Deposit venue hire	304

10,553

2014

Ferry tickets re 6 January camp	896
Warehouse - gifts and games	662
Karitane School reimbursement	(152)
Cheviot Motel and Holiday Park	217
Fuel	320
Trip expenses	1,358
Alex Whitaker Tutor	80
Dinner at Paasha Rangatahi Gathering 2 May	264

3,645

2e **Vehicle Costs**

	2015	2014	increase
Fuels	9,380	7,736	1,644
Repairs	2,891	1,172	1,719
Insurance	2,183	640	1,543
Re-licencing	973	756	217
Vehicle Hire		2,105	(2,105)
	15,427	12,409	3,018
Shown as a general expense	1,503		1,503
	16,930	12,409	4,521

2004 Toyota Estima People Mover purchased July 2014 to replace Camry.

2007 Mitsubishi Colt purchased in August 2014 as additional vehicle, thus increasing running costs.

2f **Repairs and Maintenance**

	2015	2014
Includes repairs to buildings, plant and marae	27,280	7,051
Major expense - roofing contract	17,224	

2g **Wages and Salaries**

	2015	2014	increase
Administration	107,259	92,373	14,886
Project Management	46,531	21,164	25,367
Maintenance & Environment	33,990	28,982	5,008
Marae Kitchen Wages		14,284	
	<u>187,780</u>	<u>156,803</u>	
Marae Kitchen Wages (included in Hui & Entertainment - refer 1 above)	18,274		3,990
	<u>206,054</u>	<u>156,803</u>	<u>49,251</u>

Wage and Salary Reviews following position evaluations in November 2014 back-dated to July 2014.

Employee in Project Management role commenced in January 2014 so full year's salary to 30 June 2015.

2h **Management Costs**

Suzanne became a salaried staff member in April 2014. The additional cost reflects the agreed salary.

2i **Staffing Numbers**

The FTEs have remained constant from June 2014 to June 2015.

There is casual assistance in the office.

The Land Costs for Coast Road, Old School Property etc appear in the Kati Huirapa Runaka ki Puketeraki Trust a/c Balance Sheet, yet the purchase of the Stornaway St property appears in the 3 Incorporated Society A/cs. Please explain why.

3 **Land and Buildings held by Trust but 128 Stornaway Street in name of Incorporated Society**

I understand the holding of land and buildings in the Trust is being reviewed.

4. As a Runaka member, I do have some concern that major purchases are made by the Executive without any consultation with the members. I refer specifically to the Stornaway Street property. This is a major commitment and plans for this property in the long term should be conveyed to members. It is assumed that this is going to be tenanted in the long term, therefore can the predicted Rental Income be tabled at the meeting and of course any related on going costs, when the property is going to be occupied and who is going to manage the property. Further can we please be advised the following:

Purchase Price Land, Buildings and Related costs incurred and estimated costs relating to getting the property up to an acceptable standard for Rent. What is the current rental market like for a similar type of property in the Karitane area?

4 **Purchase of 128 Stornaway Street**

The financial budget for the year ending 30 June 2016 provided a rental income of \$180 per week as from August 2015. The building requires some more work before it can be tenanted.

Purchase price	Land	169,871
	Buildings	76,141
	Improvements to 30 September	<u>12,288</u>
		<u>258,300</u>

5. With regard to the notes to the accounts for the 2 months ended 31 August 2015. Please provide explanations to the following:

(a) \$739 Property Valuation Fee 1182 Coast Road- Is this the Burns Paddock? If so what progress is being made on this purchase.

5a **Queries re two months Financial Reports to 31 August 2015**

The Valuation Fee of \$739 was incurred in October 2014 and relates to the property on the coast side of Coast Road opposite the marae. It is owned by the Flavells and contains the paua farm. Komiti Rapu Ara Hou had the valuation done pending purchase, but the possible

purchase was put on hold and is still possible in the future.

(b) Advance to Staff member \$955- Personally I think this is a precedent that should NOT be repeated. Loans such as this should be covered by some form of security and covered by a legal document. I would also hope that such a transaction has been approved by the Executive.

5b **Advance to Staff Member**

This was properly considered and approved as it complimented an HR development package. It is being repaid by deduction from weekly wages at the rate of \$50 per week.

Gerard Devereux 30 October 2015

KATI HUIRAPA RUNAKA
ki PUKETERAKI INCORPORATED

PERFORMANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2016

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

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**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
ENTITY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2016**

'Who are we?', 'Why do we exist?'

Legal Name: Kati Huirapa Runaka ki Puketeraki Incorporated

Type of Entity: The entity is an Incorporated Society registered under The Incorporated Societies Act 1905 and the Charities Act 2005.
It is a subsidiary of Kati Huirapa Runaka ki Puketeraki Incorporated.

Registration Numbers: Incorporated Society 469967 (3 September 1990)
Charities Commission: CC37666 (30 June 2008)

The Entity's Mission: "Nurturing our people and our environment"

The Entity's Vision The Runaka's moemoea or big dream is "To have a vibrant, energised, dynamic, multi-generational community based around the marae and the runaka that is strongly interactive in its community and environment as well as in the regional and tribal communities".

Entity Structure: Kati Huirapa Runaka ki Puketeraki Incorporated is an incorporated society focused on providing support for its members and education for interested members of the public.

Its operations are governed by its Rules that align with and support the requirements in the Incorporated Societies Act 1908.

The Incorporated Society is governed by an elected Executive comprising 10 members and the runaka manager which meets on a monthly basis. The Executive are in turn responsible to the Runaka which meets on a bi-monthly basis.

In addition the Incorporated Society has a number of committees that meet as required:

- Operations Committee (finance)
- Risk Management Committee
- He Korowai Whanau Komiti (oversees cultural, education, health, and social wellbeing areas)
- Komiti Kaupapa Taiao (oversees all environmental interests and relationships).

The runaka's marae, workshops and administration are located in Karitane.

The runaka's accounting requirements are performed by a paid contractor.



**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
ENTITY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2016**

'Who are we?', 'Why do we exist?'

Main Source of the Society's

Cash and Resources: Kati Huirapa Runakai ki Puketeraki Limited's income is generated from:

- Funding from Te Runanga o Ngai Tahu
- Grants and Sponsorships
- Hui activity at the marae
- Investment Income

**Main Methods used by the
Society to Raise Funds:**

The Incorporated Society does not seek funds from the public.

**The Society's Reliance on
Volunteers and Donated
Goods or Services:**

The Society does not rely on volunteers and/or donated goods or services other than in some environmental activities such as tree planting.

Contact Details:

Marae Address: 520 Apes Road, Karitane, Otago
Office Address: 121 Grimness Street, Karitane, Otago
Postal Address: c/- Karitane Store, Karitane 9440
Phone: (03) 465 7300
Email: office@puketeraki.co.nz



**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
APPROVAL OF PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

The Executive Committee is responsible for preparing the financial statements and ensuring that they comply with generally accepted accounting practice in New Zealand and fairly reflect the financial position of Kati Huirapa Runaka ki Puketeraki Incorporated as at 30 June 2016 and the results of their operations for the year ended on that date.

The Executive Committee consider that the financial statements of the Runaka have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Executive Committee believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Runaka and facilitate full compliance of the financial statements of the Runaka with the Financial Reporting Act 2013.

The Executive Committee consider that they have taken adequate steps to safeguard the assets of the Runaka, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity of the financial statements of the Runanga.

The Executive Committee is pleased to present the Performance Report of Kati Huirapa Runaka ki Puketeraki Incorporated for the year ended 30 June 2016.

For and on behalf of the Executive Committee:

Executive Chair:

Executive Member

Date:

11/10/16

Date:

11/10/2016

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2016**

'What did we do?' and 'When did we do it?'

Description of Entity's Outcomes

The main business of the runaka is to provide for the well-being of Runaka members by providing a range of services and opportunities for their spiritual, cultural, educational, moral, social and economic welfare. The day to day work of the managerial and administrative staff is about connecting the members with the services and opportunities available through the runaka especially through such things as producing a quarterly Runaka newsletter, maintaining a current and informative website and using other social media such as Face Book, organising and circulating meeting papers in advance of quarterly Runaka General meeting etc.

The extent of those services and opportunities are guided by the Runaka Strategic 5-year Plan, the annual plan and budget.

He Korowai Whanau

This is where a range of support is delivered to members of the Runaka.

Charitable Acts – The runaka has allocated funding for charitable purposes i.e. education, health and hardship. It exceeded the budget by \$100 allocating \$1,700 for this purpose.

General Events – This is to support social and other activities for members such as the annual family / whanau Christmas gathering with our neighbouring runaka.

Koha – General - This is to acknowledge members and others who have supported our runaka or who are important to our runaka such as the departing Curator Maori from Otago Museum or a kaumatua / elder at a significant time. It may also be a gift laid by our representatives when visiting another marae / organisation.

Koha – Tangi - Given to the family of grieving members on the loss of their loved one, or it can be to cover the cost of the first kai for a tangi on our marae.

Te Reo / Paepae Strengthening – Funding to support the growth of cultural knowledge on the marae.

Runanga Representation – To support volunteer representation in a wide range of situations such as the opening of a new school in Central Otago, to attend a special meeting or hui in another centre, to cover costs associated with attending a pest eradication seminar etc.

Komiti Rapu Ara Hou

Environmental – General - This is a fund to support runaka engagement with environmental kaupapa. This fund was used for our \$2,000 contribution to Orokonui Ecosanctuary for their stoat dog.

Environmental – Hikoi / Activities - This fund supports members' involvement with traditional knowledge and practices such as eeling (using traditional methods), encouraging familiarity with places of significance such as in past years the runaka trip to Aoraki / Mt Cook.

Environment – Plant purchases - This fund supports the purchase of plants for areas of revegetation such as Huriawa (site of tribal and historic significance), Waikouaiti River margins, the marae reserve etc.



**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2016**

'What did we do?' and 'When did we do it?'

Projects

The Runaka supports a number of projects covering a wide range of activities.

Marae Adornment Project - This project is to support member's involvement with mahi toi / Maori art to decorate the marae.

Tatai Whakapapa - This is external funding from the Ngai Tahu Fund to support the growth of whakapapa knowledge amongst our members.

LEOTC - Learning Experiences Outside the Classroom is a contract from the Ministry of Education to provide te reo experiences on the marae for Otago school pupils.

Te Mahere Matauraka - Project to support runaka relationships with all schools in the East Otago area as expressed through a Memorandum of Partnership (MOP) with each school Board of Trustees.

Wearable Arts - This project enjoys external funding from ticket sales and sponsorship. It is a biennial event designed to celebrate Puaka Matariki at Puketeraki Marae with a Wearable Arts competition and show. This is a major event with entries & audience from Dunedin and East Otago.

Buff Weka - This project receives external funding from Te Runanga o Ngai Tahu's Mahika Kai Enhancement Fund. This project is about establishing sustainable populations of Buff Weka in areas of Otago. The species were extinct in mainland Otago but have been re-introduced to islands in Lake Wānaka and Lake Wakatipu. The next phase is the successful re-introduction of Buff Weka on the mainland.

Building Leadership Capacity (He Korowai Kōkiri) - The purpose of He Korowai Kōkiri is to build the capacity and capability of Kati Huirapa ki Puketeraki Runaka members in order to meet our future inter-generational aspirations. As such, grants have been established that focus on increasing skills and knowledge of members who already take an active leadership role in areas that benefit the Runaka long-term. This includes rangatahi (young people) who have been identified as having leadership potential in particular areas that are within the strategic goals of the Runaka. The areas that qualify for funding have been identified as the aspirational goals for Kāti Huirapa Runaka ki Puketeraki as stated in the 2013-2018 Strategic Plan.

Papakaiaka Reo Fund - This is externally funded from Te Runanga o Ngai Tahu to support an agreed suite of te reo based programmes & activities. These activities are often accessed by members of the wider Maori and general community rather than just our runaka members. Of particular note in this area is the weekly Taiaha wanaka that regularly attract 20 participants with 50-60 attending the annual hui at our marae.

Hine Pouwera - The external funding is provided by the Dunedin City Council to provide weed control and planting services for the Waikouaiti Beach area (plantation being felled) around to the sandhills at the Waikouaiti River mouth / Hine Pouwera.

Kaumatua Hardship - Te Runanga o Ngai Tahu provides external funding for a special fund for the relief of poverty for our older members (over 65 years).

Wai Ora - External funding is received from Te Ohu Kaimoana / Waimaori Trust to be used for water quality research on the Waikouaiti River.



**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2016**

'What did we do?' and 'When did we do it?'

Projects (continued)

Hoea te Waka - The Dept of Marine Science provides external funding for the waka club, Hauteruruku.

Marae Development Fund - This funding from Te Runaka o Ngai Tahu is to assist the runaka write a 10-year capital works plan for the marae.

Waikouaiti River (Wai Rua Project) - The Ministry for Environment & Statistics NZ provides the funding for further research and habitat restoration on the Waikouaiti River and its margins.

Environmental – General - This fund supports runaka engagement with environmental kaupapa, and was used for our \$2,000 contribution to Orokonui Ecosanctuary for their stoat dog.

Environmental – Hiko / Activities - This fund supports members' involvement with traditional knowledge and practices such as eeling (using traditional methods), encouraging familiarity with places of significance such as in past years the runaka trip to Aoraki / Mt Cook.

Environment – Plant purchases - This fund supports the purchase of plants for areas of revegetation such as Huriawa (site of tribal and historic significance), Waikouaiti River margins, the marae reserve etc.

Description and quantification of the Entity's Outputs	Actual This Year	Actual Last Year
Waiata	Average of around 10 people at weekly practices until performance at Hui a Iwi on stage with 60+ runaka members	-
Matariki (at the Marae Wearable Art Show)	Approximately 400 people involved as makers, models, crew, taiahu roopu, judges and audience	-
Nga Uri o Tu Taiaha (2 hour sessions during school term and one annual hui)	20 attend weekly training, and up to 60 attend annual hui	-
Runaka Wanaka Series	30 - 40 members attend each wanaka, and 2 or 3 wanaka are held annually	-
Whiria ka aho ki Puketeraki	Up to 15 active weavers	-
He Korowai - Charitable Glving	19 grants were made	-
Kaumata Hardship	2 grants were made	-
Orokonui Ecosanctuary	Koha towards stoat dog costs	-
East Otago Taiapure	The runaka is part of the management committee and provides administration support, meeting venue and catering	-
He Reo Rakatahi i Otago (LEOTC)	Funded by the Ministry of Education and caters for 1900 pupils	-
Tamariki School Holiday Programme	This programme takes place in July each year over 3 - 5 days and is attended by 80 tamariki, rakatahi and parents and caregivers	-
The Hon. Tame Parata Scholarship	3 awarded	-
Otago Polytechnic Runaka Scholarship	1 awarded and wholly funded by Otago Polytechnic	-
Quarterly newsletter	300 copies printed 251 copies posted to members (also	-

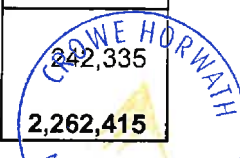


**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2016**

'How was it funded?' and 'What did it cost?'

	Note	Consolidated This Year \$	Parent This Year \$
REVENUE			
Donations and other similar revenue			
Koha and Donations		5,110	5,110
Interest, dividends and other investment revenue			
Interest Received		32,220	22,670
Dividends Received		6,700	-
Movement in Value of Investments		58,897	33,077
		97,817	55,746
Revenue from providing goods and services			
Hui Activities		86,932	86,932
Te Putea Whaka		400,000	400,000
Other Operating Revenue	12	21,170	21,170
Project Income	13	140,566	140,566
		648,668	648,668
TOTAL OPERATING REVENUE		751,594	709,524
EXPENDITURE			
Costs relating to providing goods and services			
Hui related costs		49,955	49,955
Donations Made			
Koha and Donations		1,180	1,180
Other expenses			
Audit Fee		8,373	5,390
Bank Fees and Interest		363	363
Depreciation		33,845	33,845
Fees paid to Executive Members and Directors		19,125	16,125
Other Operating Expenses	12	411,141	394,217
Projects and Contracts- Expenditure	13	138,112	138,112
TOTAL OPERATING EXPENDITURE		662,093	639,187
NET SURPLUS (DEFICIT) FOR THE YEAR		89,501	70,336

	Consolidated 2016 \$	Parent 2016 \$
OPENING EQUITY	2,882,021	2,020,080
Impact of Adoption of PBE SFR-A (NFP)	171,999	171,999
Operating Surplus (Deficit) for the year	89,501	70,336
TOTAL RECOGNISED REVENUES AND EXPENSES	261,500	242,335
CLOSING EQUITY	3,143,521	2,262,415



**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

'What the entity owns' and 'What the entity owes'

	Note	Consolidated 30 June 2016 \$	Parent 30 June 2016 \$
EQUITY		3,143,521	2,262,415
REPRESENTED BY:			
CURRENT ASSETS			
Cash at Bank - Westpac Cheque Account		26,892	24,009
Cash at Bank - Westpac Savings Account	1	53,436	53,436
Cash on Hand, Petty Cash Float and Vouchers		667	667
Accounts Receivable		27,874	25,193
GST Payable		2,383	2,383
Livestock		1,178	1,178
Prepayments		18,516	18,516
Investments (managed by Polson Higgs Wealth Management Limited)	6	11,779	-
Investments (Fixed Interest Term Deposits with Westpac)	7	614,827	561,770
TOTAL CURRENT ASSETS		757,552	687,151
NON-CURRENT ASSETS			
525 Blenheim Road Limited		143,546	-
Kai Tahu ki Otago Limited	8	137,502	137,502
Shares in Farmlands Co-operative (CRT)		330	330
Investments (managed by Polson Higgs Wealth Management Limited)	6	557,503	-
Investments (Fixed Interest Term Deposits with Westpac)	7	59,137	-
Investments (Te Haumi Whakamana)	9	54,539	-
Kati Huirapa Runaka ki Puketeraki Trust	2	64,989	64,989
Plant, Property and Equipment	3	1,433,610	1,433,610
TOTAL NON CURRENT ASSETS		2,451,156	1,636,431
TOTAL ASSETS		3,208,707	2,323,582
LESS CURRENT LIABILITIES			
Accounts Payable		62,831	58,811
Project Funding Received in Advance	14	2,356	2,356
TOTAL CURRENT LIABILITIES		65,186	61,167
NET ASSETS		3,143,521	2,262,415

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BOWE NORWATH

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

How the entity has received and used cash"

	Consolidated 30 June 2016 \$	Parent 30 June 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Te Putea Whakamahi	400,000	400,000
Receipts from providing goods and services	111,963	111,963
Koha receipts	5,838	5,838
Grants	12,267	12,267
Interest, dividends, and other investment receipts	10,531	489
Rental income	6,010	6,010
Sale of Assets	-	-
Net GST Refunded	-	-
Net Project Income	50,311	50,311
Payments to suppliers, employees and executive	(545,297)	(531,951)
Net GST Paid	(8,290)	(8,290)
Cash Flows from other operating activities	-	-
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	43,333	46,637
CASH FLOWS FROM INVESTMENT AND FINANCING ACTIVITIES		
Receipts from the sale of investments	53,256	-
Payments to purchase capital items	(96,052)	(46,052)
Cash Flows from other Investment and Financing Activities	-	-
CASH FLOWS FROM INVESTMENT AND FINANCING ACTIVITIES	(42,796)	(46,052)
NET INCREASE IN CASH	537	585
CASH BALANCES		
Cash and cash equivalents at the beginning of the period	79,790	76,859
Cash and cash equivalents at the end of the period	80,328	77,445
Net change in cash for the period	537	585
Cash at Bank - Westpac Current Account	26,892	24,009
Cash at Bank - Westpac Savings Account	53,436	53,436
	80,328	77,445



KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016

'How did we do our accounting?'

Basis for Preparation

Kati Huirapa Runaka ki Puketeraki Incorporated is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit, and the Incorporated Society has been established to support that primary objective.

The Incorporated Society 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 of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Incorporated Society will continue to operate in the foreseeable future.

These financial statements have been prepared on the basis of historical cost except for investments; these are carried at fair value. For these investments Public Benefit Entity Standards NZ IPSAS with Reduced Disclosure Regime Accounting Standards have been applied (PBE Tier 2).

Basis for Preparation of the Consolidated Financial Statements

Subsidiaries

Subsidiaries are those entities controlled, directly or indirectly, by the Incorporated Society. The financial statements of the subsidiaries are included in these financial statements using the purchase method of consolidation. This is applicable to the Incorporation's 100% equity investment in investment in Puketeraki Limited.

Intra group transactions are eliminated in preparing the consolidated financial statements.

Accounting for Associates

Associates are those entities over which the Incorporated Society is able to exert significant influence but which are neither subsidiaries nor joint ventures. Investments in associates are accounted for using the equity method. Under the equity methods, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Society's share of the profit or loss of the associate after the date of acquisition.

The Incorporated Society generally deems it has significant influence over another entity when it has over 20% of the voting rights.

The Incorporated Society's share of the associate's profit or loss is recognised in the statement of financial performance. The cumulative movements are adjusted against the carrying amount of the investment.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Incorporated Society and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

Reserved Funding

To the extent that there is a condition attached to funding received that would give rise to a liability to repay funding or to return a granted asset (a "use or return condition"), a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Incorporated Society has satisfied these conditions.



**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2016**

'How did we do our accounting?'

Income Tax

The entity is registered with the Charities Commission and is therefore exempt from income tax.

Accounts Receivable

Accounts receivable are stated at their estimated realisable value

Property, Plant and Equipment

Property, plant and equipment are included at cost less aggregate depreciation. The depreciation rates used are:

Buildings	1.5%	SL
Buildings	2% - 16%	DV
Vehicles	30% - 36%	DV
Plant	20% to 67%	DV
Other Assets	10% - 20%	DV
Furniture and Fittings	8% to 48%	DV
Office Equipment	20% - 60%	DV

Investments

Investments are stated at fair value, except for term deposits which are stated at cost.

Goods and Services Tax

Kati Huirapa Runaka ki Puketeraki Incorporated is registered for GST. Consequently all amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

However, Puketeraki Limited is not registered for GST and therefore the financial statements which have been consolidated into these financial statements are GST inclusive.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances, bank balances and term deposits.

525 Blenheim Road Limited

Subsidiary company Puketeraki Limited has a 5.5% interest in this company. The interest is recorded at the Directors' opinion of fair value. Movements in fair value are reflected in the Statement of Financial Performance.

Kai Tahu Ki Otago Limited

The entity has a 25% interest in this company. The investment is accounted for using the equity method.



**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2016**

'How did we do our accounting?'

Te Haumi Whakamana

This investment is carried at assessed fair value by the Directors with movement in fair value reflected in the Statement of Financial Performance.

Managed Investments

These investments are managed by Polson Higgs Wealth Management Ltd. Investments in this category that comprise equity investments are recorded at market value with unrealised gains and losses reflected in the Statement of Financial Performance.

Impairment Adjustments

If in the Executive Committee's opinion the estimated recoverable amount of an investment is less than its carrying amount, the investment is written down to its recoverable amount, and an impairment adjustment is recognised in the statement of financial performance

Changes in Accounting Policies

For periods up to and including the 2015 financial year, the entity prepared its financial statements in accordance with old generally accepted accounting principals as appropriate for the measurement and reporting of earnings and financial position on an historical basis. As at 1 July 2015 the Incorporated Society group transitioned to preparing their financial statements in accordance with PBE SFR-A (NFP) - PBE Tier 3. The Incorporated Society has applied the reporting concession available in the first year of applying the new financial reporting framework and has not presented comparative figures in the new format. The prior year audited financial statements are appended to these financial statements.



KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
NOTES TO THE STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

6. POLSON HIGGS WEALTH MANAGEMENT MANAGED INVESTMENTS

CURRENT	30 Jun 2016
	\$
Cash Accounts	11,779
	<u>11,779</u>

The above table details investments the Incorporated Society has in finance companies.

NON-CURRENT	30 Jun 2016
	\$
Equity Investments	468,370
Canterbury Mortgage Trust - Debenture	2,809
NZX50 Portfolio Index Fund - FONZ	86,324
	<u>557,503</u>

7. TERM DEPOSITS

CURRENT	30 Jun 2016
	\$
Parent	
Westpac Term Deposits	561,770
Puketeraki Limited	
Westpac Term Deposits	53,057
	<u>614,827</u>

NON-CURRENT	30 Jun 2016
	\$
Puketeraki Limited	
Westpac Term Deposits	<u>59,137</u>

8. EQUITY SHARE OF INVESTMENT IN ASSOCIATED COMPANY

Kati Huirapa Runaka ki Puketeraki Incorporated hold 25% of the shares in Kai Tahu Ki Otago Limited.

	2016
	\$
Carrying amount at beginning of the year	104,425
Equity accounted earnings for the 2016 year	33,077
Carrying value at end of the year	<u>137,502</u>



**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2016**

9. TE HAUMI WHAKAMANA

This investment is managed by Ngai Tahu Property Limited, and involves several buildings with Crown leases. Runanga have the opportunity to invest or divest on an annual basis. The maximum investment per Runanga is \$500,000.

10. GRANTS RECEIVED

	2016
	\$
Manawapopere Trust	164
COGS	2,750
	<u>2,914</u>

11. RELATED PARTY

Matapura Ellison is Chairman of Kati Huirapa Runaka ki Puketeraki Incorporated. He is contracted with the Runaka under a Contract for Service to provide education services funded under the Te Mahare Matauraka Project. There were no payments due to Mr Ellison under the Contract for Services at balance date. Mr Ellison has the use of paddocks owned by the Runanga and reimburses the runaka for the rates. During the year to 30 June 2016 \$1,232 was invoiced to Wainui Enterprises (Mr Ellison's operating entity) with \$334 owing as at balance date.

		2016	2016
		\$	\$
Description of Related Party Relationship	Description of the Transaction	Value of Transactions	Amount Outstanding
Mr Matapura Ellison, Chair of the Runaka	Reimbursement of rates for use of paddocks	1,232	334

Philip Broughton is Treasurer of Kati Huirapa ki Puketeraki Incorporated. He is a Consultant with Polson Higgs, Chartered Accountants and Business Advisers. The majority shareholders of Polson Higgs Wealth Management which manages the investment portfolio of Puketeraki Limited are partners of Polson Higgs.



KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2016

12. OTHER OPERATING REVENUE	<i>Note</i>	Consolidated 2016	Parent 2016
Grants	10	2,914	2,914
Depreciation Recovered		-	-
Sundry Income		14,442	14,442
Tamariki		3,813	3,813
TOTAL OTHER OPERATING REVENUE		21,170	21,170

OTHER OPERATING EXPENSES	<i>Note</i>	Consolidated 2016	Parent 2016
Other expenses			
ACC Levy		1,497	1,497
Advertising		436	436
Charitable Acts		1,700	1,700
Environment		1,761	1,761
Fees paid to Financial Adviser		8,802	-
Freight, Cartage, Postage & Courier		1,429	1,429
General		24,536	24,310
Grant		-	-
Heat, Light & Power		15,105	15,105
Insurance		13,770	13,770
KiwiSaver Contributions		3,701	3,701
Legal and Accounting		22,772	14,923
Printing, Stationery and Copying		5,312	5,312
Rates		3,726	3,726
Repairs and Maintenance		9,415	9,415
Tamariki		10,353	10,353
Telephone, Tolls and Internet		4,652	4,652
Travel		1,116	1,070
Vehicle Costs		17,297	17,297
Wages and Salaries		263,762	263,762
TOTAL OTHER EXPENSES		411,140	394,217



**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2016**

13. IMPACT OF CHANGE TO PBE-SFR-A (NFP) - PBE TIER 3 ACCOUNTING STANDARDS

As referred to in the Statement of Accounting Policies the Incorporated Society transitioned to PBE SFR-A (NFP) - PBE Tier 3 financial reporting in the 2016 financial year. This has resulted in a change to the manner in which Project Revenue is accounted for. Unspent project revenue can only be recognised as a liability if both a "use or return" condition and a specific use condition is attached. The impact of this was an decrease in the opening balance of the project funding received in advance of \$171,999 and an increase in opening equity \$171,999.

14. DEFERRED FUNDING

	2016
Hardship Fund	\$2,356

The Incorporated Society receives funding for specific purposes. Unexpended funding where agreed upon services or conditions have not been fully completed at balance date and for which a use or return obligation exists are recognised as deferred funding.



INDEPENDENT AUDITOR'S REPORT

To the Committee of Kati Huirapa Runaka ki Puketeraki Incorporated

Report on the Performance Report

We have audited the accompanying performance report of Kati Huirapa Runaka ki Puketeraki Incorporated and group on pages 5 to 6 and 8 to 21, which comprises the entity information, 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 significant accounting policies and other explanatory information.

The Responsibility of the Committee for the Performance Report

The Committee are responsible on behalf of the entity 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 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 report

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

- (c) for such internal control as the Committee determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the performance report based on our audit. 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 in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the performance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial performance report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the performance report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the performance report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on the entity information, statement of financial position, statement of cash

flows, statement of accounting policies and notes to the performance report, and our qualified opinion on the statement of financial performance and statement of service performance.

Other than in our capacity as auditor we have no relationship with, or interests in, the Society and group.

Basis for qualified opinion

As is common in organisations of a similar nature, control over cash koha and donation revenue prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

There were no suitable systems in place during the period to enable the accurate recording of relevant outputs identified in the Statement of Service Performance, in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit). Reporting of this type of information is a new requirement and the entity's systems were not implemented or operating throughout the period. Because of these limitations we have been unable to obtain sufficient appropriate audit evidence to support the reporting outputs for the year. Consequently, we are unable to determine whether any adjustments to these amounts, which have been estimated by the Society, are necessary.

Qualified Opinion on Statement of Service Performance and Statement of Financial Performance

In our opinion, except for the possible effects of the matters described in the Basis of Qualified Opinion paragraph:

- 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 performance report on pages 5 to 6 and 8 to 21 presents fairly, in all material respects;
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of Kati Huirapa Runaka ki Puketeraki Incorporated and group 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).



Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
11 October 2016

Pūketeraki Limited

PUKETERAKI LIMITED

ANNUAL GENERAL MEETING

6th NOVEMBER 2016

AGENDA

- 1 Welcome
- 2 Karakia
- 3 Apologies
- 4 Minutes of the previous Annual General Meeting
- 5 Chairperson's Report
- 6 Financial Reports
- 7 Election of Auditor
- 8 Other Business

**PŪKETERAKI LIMITED
ANNUAL REPORT TO 30 JUNE 2016**

VISION: To protect and grow the economic wealth of the Rūnaka to meet our charitable objectives, now and in the future.

MISSION: Pūketeraki Limited invests and manages the investment assets allocated by the Rūnaka in accordance with the Company's Constitution.

AIMS

- Provide regular levels of distribution to fund charitable services of the Rūnaka – half of the total income produced.
- Grow the capital faster than the rate of inflation over medium term (5-10years) – 5% above inflation.

COMPANY PROFILE

Directors: Katharina Ruckstuhl (Chairperson), Roger Wyeth, Graham Strong, Sam Inglis and Jeffrey Broughton.

Company Secretary: Gerard Devereux

Investment Advisor: Polson Higgs Wealth Management (PHWM)

COMMENT FROM THE CHAIRPERSON

TEN YEAR REFLECTIONS

2016 marks 10 years since the Company began investing as an entity in its own right. Although the first meeting of Directors was a year earlier, and the Company was incorporated in December 2004, it was not until 18th July 2006 that the Rūnaka approved the transfer to the company of shares in 525 Blenheim Road Limited and Kiwi Haka Limited, and cash deposits with Westpac. The investment portfolio was (and still is) managed by Polson Higgs Wealth Management, and was initiated in November 2006 with Gerard Devereux the company secretary since July 2006.

We started the year worth	861,941
During the year:	
Increase in value of investments and cash received or owed to us	42,071
Costs including, company expenses, audit, advisors Fees	22,906
Net Surplus for the Year	19,165
The company is now worth	881,106

Why does the rūnaka have an investment company? After the Tribe settled with the Crown in 1998, it was and continues to be very important that any funding that is channelled to rūnaka needs to be for charitable purposes. Rūnaka at that time had various legal forms and it was not entirely certain that all of them would be found as charitable entities. Additionally, most rūnaka wanted to be able to manage their own sources of funding, particularly the two large distributions (pūtea tautoko) that all rūnaka received additional to the annual pūtea whakamahi. Hence, the advice from the TRONT legal advisors was to set up charitable companies to receive and then distribute any charitable funding. Initially Pūketeraki Limited was set up in this way to be a receiver and then distributor of funding. However, Kāti Huirapa Rūnaka ki Puketeraki, as an Incorporated Society, was subsequently deemed to be charitable and so this function was never needed. Instead, Pūketeraki Limited – receiving its name in a rūnaka naming competition from Emeiritus Professor Khyla Russell– became solely a passive investment company, with the ability to invest 10% of its funds in an 'active' businesses.

As a passive investment company, the new Company required people who understood the nature of passive investment and processes to manage the Company's legal, investment and governance. The Company's first directors in 2004 were Phyllis Smith, Suzanne Ellison, Ron McLahlan (Chair), Katharina Ruckstuhl and Rhodes Donald (Independent). Rhodes Donald, who also was our advisor from Polson Higgs, helped set up our company processes for a group who were, at that stage, unfamiliar with investing in this form. Phyllis resigned in late 2005 to be replaced in early 2006 by Tama Smith along with Shelley Griffiths who replaced Rhodes as the Company's investment was now being actively managed by Polson Higgs. With Suzanne's resignation in 2008, and Tama's in 2009, Brendan Flack, Henerangai Ferrall-Heath and Haines Ellison became Directors in 2008 and 2010.

The period between 2007 and 2010 were very difficult times for the Company after a promising investment start in 2006. This was the time of the Global Financial Crisis (GFS) which was precipitated by the 'sub-prime' mortgage collapse in the US that then threatened the collapse of global financial institutions. Many economists see this period as the worst financial crisis since the Great Depression of the 1930s and New Zealand escaped relatively lightly, although not without many finance companies going broke. Unfortunately, two of those companies – Dominion Finance and Canterbury Mortgage Trust – were companies that had been invested in through Polson Higgs. Thus, Puketeraki Limited lost 80% and 17% respectively of its investment in these companies. Naturally the Directors and the shareholder were concerned about these losses and there were many anxious times as the Directors sought assurances about the nature of Polson Higgs investment decisions. Since that time PH has reviewed its own internal processes, now working with much larger investment groups to avoid this type of risk.

The Company continues to invest with PH for the reason that working through a third party enables the Company to access investment opportunities that as a very small company we would not be able to if we did this in our own name. As Directors, we have also agree with the PH 'philosophy of investing' which is to not be one-off 'share pickers' but rather to invest in a balanced portfolio of shares. While this is our current mode, with just over 60% of our investment with PH, the Directors have chosen to cautiously expand its range of investments that it manages on its own behalf into Te Haumi Whakamana, the Ngai Tahu Property Limited investment in largely Crown or Council held assets, and bank interest. This increased confidence is due to the mix of investment skill sets that the Directors now bring to the Company through Roger Wyeth (2013), independent director Dr Graham Strong and Jeffrey Broughton (2014) and our newest 2016 director, Sam Inglis, whose experience is with the NZ Super Fund.

The Company's Achievements

Reflecting on the 10 years of the Company's operations, what have we achieved?

1. Increasing shareholder wealth

The Company has been set up with one purpose in mind: to grow the wealth of the shareholder, now and into the future. The Company's net value (ie after the costs of running the company) has increased by about \$100,000 over 9.5 investing years from \$756,000 in 2007 to \$853,000 in 2016 with the Directors increasing their direct management of assets from about 15% (\$88,000) in 2007 to 40% (\$256,000) in 2016. While there has been an increase in capital, it is below the ambitious target which the Directors initially aimed for, with the major factor being the losses occurred from the two Finance Companies during the GFC. More recent results have seen the Company achieve, and in some years exceed the growth target despite the early losses. Reflecting on this, our strategy into the near future is to maintain our diversified portfolio with a view to ensuring that we have the right risk profile and to continue to look for ways to control our Company costs, which we have always kept a close eye on. The Company will continue to consider active business opportunities. To date we have considered two opportunities, neither of which met our risk profile at this point.

2. Increasing Shared Understanding and Trust

A key concern for the Directors has always been to work with our Shareholder to gain an understanding of how the two entities should work together. To do this we have provided regular reports to the Shareholder and the wider rūnaka explaining our operation and our investments. Over recent years, the Shareholder, through the Executive, has provided greater guidance through an annual letter of expectation that the Directors feel is helpful to identify the Shareholders' key concerns. While some of these concerns are, quite rightly, that the Company fulfil all its legal and administrative obligations, the Company has also been interested as to the balance between funding the Shareholders' current needs versus continuing to grow the Company's assets so as to have in perpetuity a large 'core fund' that will provide sustainable dividends. To help us achieve this goal, the Shareholder has not required dividends from the Company over recent years. A faster route to achieve this would also be to invest Shareholder surplus funds with the Company. We will continue to have these sorts of discussions with our Shareholder based on the Director's belief that the Shareholder has increasing faith in the Company to achieve its objectives for Puketeraki whānau.

Conclusion

The first 10 years of the Company's operation have seen the Company directors grow in both experience and expertise over a time that severely tested all passive investment companies. While the initial ambitious objective set in 2006 has not been achieved to the Directors' satisfaction, the Directors are setting their sights afresh so that, as a long-term inter-generational investment vehicle, the Shareholder can look to the Company with increased confidence that it will deliver the sustainable wealth that the Company has been set-up to provide.

Finally, the Company acknowledges all those individuals who have served and continue to serve as Directors. We thank them for their contributions past and present.



Puketeraki Limited Directors 2016 Back: Jeffrey Broughton, Roger Wyeth, Dr Katharina Ruckstuhl (Chair)

Front: Sam Inglis, Dr Graham Strong (Independent), Gerard Devereux (Secretary)

ANNUAL INVESTMENT PERFORMANCE COMMENTARY

Polson Higgs Wealth Management Assets

In the year to 30 June 2016 the portfolio managed by Polson Higgs Wealth Management decreased in value by \$14,895 (or 2.5%) to \$569,282. The Company has maintained its portfolio mix of 40% “defensive” securities (cash, term deposits, bonds, direct NZ property) and 60% “growth” securities (shares, listed property companies). The portfolio investments performed as follows:

Performance of various investment classes – 1 July 2015 to 30 June 2016

Australian Equities	5.3%
International Equities	-9.73%
International fixed interest	7.5%
Listed NZ Property	18.5%
New Zealand Fixed Interest	4.2% - 4.8% (<i>PHWM NZ Fixed Interest returned 4.3% and Westpac Term Deposits ranged from 4.2% to 4.80%</i>)
Cash	1.1%
Gross Performance	-1.4%

As can be seen, the best performing asset was the Listed New Zealand Property sector with the worst being the International Equities sector.

Pūketeraki Limited Managed Assets

The investments which the Company manages are in

1. Ngai Tahu Properties: a cash income of
 - 525 Blenheim Road Limited which yielded a dividend of \$1,200 per share which amounted to \$6,000. Our share of the Net Assets increased by \$27,375 for the year.
 - Te Haumi Whakamana which provided a return of \$3,477 (7%) on the investment of \$50,000. Our share of the capital growth was \$4,539 (9%).
2. Kiwi Haka Limited which were assigned to the Company by the Incorporated Society. In May 2016 Kiwi Haka Limited declared and paid a dividend, of \$14 per share which amounted to \$700.
3. Fixed Interest - at balance date there were five Term Deposits with Westpac. Since then two maturing deposits were used to fund an additional investment in Te Haumi Whakamana.

Governance

During the year, the Company continued to update its governance documents with a view to streamlining and clarifying these. Our new Director, Sam Inglis attended Governance training offered to rūnaka members.

The Company held five meetings over the last financial year. Meeting attendance was as follows:

Ruckstuhl – 5/5	Ferrall-Heath -2/4	Wyeth – 4/5
Broughton 5/5	Strong – 4/5	Inglis – 1/1

Finally the Directors wish to acknowledge Hinerangi Ferrall-Heath who resigned during the year. Hinerangi's energy and commitment over the six years of her term will be missed.

RESOLUTIONS

1. **That Kati Huirapa Rūnaka ki Puketeraki receive the Annual Audited Accounts and Annual Company Report.**
2. **That Kati Huirapa Rūnaka ki Puketeraki approve the appointment of Crowe Horwath as Auditors for 2017.**

ACCOMPANYING DOCUMENTS

1. **Audited Accounts**

Puketeraki Limited - Valuation of Overall Investments
As at 30 June 2016

Investments Managed by Polson Higgs Wealth Management		Investments Managed by Puketeraki Limited		Overall Investment Mix	
NZF		AEGIS			
		\$	Act %	Target %	
NZ Cash & Fixed Interest					
Cash	Dominion \$0 Aegis - NZD Call Account \$11,685 FNZ - Cash \$94 Westpac Bank Account Accrued Interest	\$11,779	2%		
New Zealand Fixed Interest					
	AMP Capital NZ Fixed Int \$0 Harbour NZ Corp Bond Fund \$12,094 Canterbury Mortgage Trust \$1,000 Westpac Bank Term Deposits	\$13,094	0%		
International Fixed Interest					
	DFA 5yr Diversified Fixed Int \$17,034 DFA Global Bond Trust \$16,917	\$33,951	6%		
NZ Property - Not listed					
	525 Blenheim Road Limited Te Haumi Whakamana	\$58,824	10%	10%	\$315,845
Total Defensive					
	Goodman Property Trust \$91 Goodman Property Trust \$5,826 Kwi Income Property Trust \$6,602 Precinct Properties NZ \$5,702	\$18,221	3%		
NZ Shares					
	SmartFONZ \$0 DFA Aust Large \$14,331 DFA Aust Small \$9,690 DFA Aust Value \$24,130 Harbour Asset Management \$71,396 g \$34,438 DFA Global Core \$189,112 DFA Global Small \$23,590 DFA Global Value \$94,848 iShares MSCI EM \$22,925 DFA Global Real Estate \$7,774	\$510,457	90%	90%	\$510,457
International Property					
		\$7,774	1%		
Total Growth					
		\$510,457	90%	90%	\$315,845
Rounding Variance					
		\$569,282	100%	100%	\$885,126
Total Investments with PHWM as at 30 June 2016					
Total Investments managed by Puketeraki Limited at 30 June 2016					
Total Assets as per Balance Sheet as at 30 June 2016					

Summary	Amount	Percentage
Cash	\$17,344	2%
New Zealand Fixed Interest	\$124,289	14%
International Fixed Interest	\$33,951	4%
NZ Property - Not listed	\$198,086	22%
Canterbury Mortgage Trust	\$1,000	
Total Defensive	\$374,669	42%
NZ Property - Listed	\$18,221	2%
NZ Shares	\$0	0%
International Shares	\$484,461	55%
International Property	\$7,774	1%
Total Growth	\$510,457	58%
Total Portfolio	\$885,126	100%

PUKETERAKI LIMITED

Minutes of the Ninth Annual General Meeting held on 1st November 2015 at the Marae, Puketeraki, at 11.50am.

Present:

Directors and Officers of the Company: Katharina Ruckstuhl, Hinerangi Ferrall-Heath and Jeffrey Broughton

Representatives of the Shareholder: Matapura Ellison, Suzanne Ellison, Khyla Russell, Brenda Van Strik, Caroline Ruckstuhl, Betty Apes, Jim Williams, Philip Broughton, Ros Wyeth, Gisele Laven, James Noema, Kiri Parata-Noema, Ron McLachlan, Myra Tipa, Matthew Wylie, Waiariki Parata-Taiapa, Kiri Fraser, Suzi Flack, Stacey Honeywill, Brendan Flack, Te Hau White, Hawea Ellison, Marewa Preddy, Tama Smith, Lyn Carter, Joan Ellison, John Broughton and Aroha Ellison Gerard Devereux (Secretary) was counting and tabulating votes for the Incorporated Society's Executive during the meeting.

Chair for the meeting

Katharina, as Chair of Directors, assumed the chair for the meeting.

Karakia

The karakia had been presented by Hinerangi Ferrall-Heath at the first meeting of the day.

Apologies:

Apologies from the following were noted:

Roger Wyeth (director), Graham Strong (independent director), Peter Ellison, Carolyn Campbell, Jenny Smith and Victoria Bryant

Minutes of the Previous Meeting

The minutes of the Seventh Annual General Meeting held on 2nd November 2014 were taken as read.

IT WAS RESOLVED THAT the minutes of the previous Annual General Meeting held on 2nd November 2014 reflect a true and correct record, and that they be adopted – moved by Philip Broughton and seconded by Marewa Preddy - carried

Matters Arising from the Minutes

There were no matters arising.

Chair’s Report

Katharina presented and spoke to her Annual Report. She expressed confidence that the company was moving in the right direction. She advised that the company documents were being reviewed with the assistance of Ngai Tahu Maori Law Centre and lawyers at Te Runanga o Ngai Tahu. The advice was that the key documents remain suitable for retaining charitable status. The meeting congratulated the directors on the good result achieved during the year.

IT WAS RESOLVED THAT the Chair’s Report for the year ended 30th June 2015 be accepted – moved by Phyllis Smith and seconded by Khyla Russell - carried

Financial Reports:

The Chair spoke to the Financial Reports for the year ended 30th June 2015.

IT WAS RESOLVED THAT the Financial and Audit Reports as presented be received – moved by Marewa Preddy and seconded by Philip Broughton - carried

Election of Auditor:

IT WAS RESOLVED THAT Crowe Horwath be reappointed auditors for the ensuing year - moved by Brendan Flack and seconded by Khyla Russell - carried

General Business

Resignation of Director

The Chair advised that in terms of the company’s rotation policy Hinerangi was stepping down as a director, effective this day.

IT WAS RESOLVED THAT those present extend a vote of thanks to Hinerangi for her contribution to the company during her five years as a director of the company- moved by Katharina Ruckstuhl and seconded by Jeffrey Broughton - carried

There being no further business the Chair declared the meeting closed at 11.58am.

Signed.....

Date.....

PUKETERAKI LIMITED

PERFORMANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2016

**PUKETERAKI LIMITED
PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

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**PUKETERAKI LIMITED
ENTITY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2016**

Legal Name:	Puketeraki Limited
Type of Entity:	Puketeraki Limited is a company registered under the Companies Act 1993 and the Charities Act 2005. It is a subsidiary of Kati Huirapa Rūnaka ki Puketeraki Incorporated.
Registration Numbers:	Company: 1581079 Charities Commission: CC38391
The Entity's Mission:	<p>Puketeraki Limited invests and manages the investment assets allocated by the Rūnaka in accordance with the Company's constitution.</p> <p>Its vision is to protect and grow the economic wealth of the Rūnaka to meet our charitable objectives, now and in the future.</p> <p>Its aim is to provide regular levels of distribution to fund the charitable services of the Rūnaka and to protect the capital by achieving an acceptable rate of return.</p> <p>The beneficiaries of the company's success are the registered members of Kati Huirapa Runaka ki Puketeraki. The rūnaka's marae, workshops and administration are located in Karitane. The rūnaka provides cultural teaching, education and training opportunities to its members and the greater public, as well as involvement in environmental and conservation matters.</p>
Company Structure:	<p>The Constitution does not limit the number of directors. There are currently five directors, four drawn from the membership of the Rūnaka and one independent. The accounting and secretarial requirements are performed by a paid contractor.</p>
Main Source of the Company's Cash and Resources:	Puketeraki Limited's income is generated from investment returns.
Main Methods used by the Company to Raise Funds:	The company does not seek funds from the public.
The Company's Reliance on Volunteers and Donated Goods or Services:	The company does not rely on volunteers and/or donated goods or services.
Contact Details:	Physical Address: Grimness Street, Karitane Postal Address: c/- Karitane Store, Karitane 9440 Phone: (03) 465 7300 Email: office@puketeraki.co.nz



**PUKETERAKI LIMITED
APPROVAL OF PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

The Board of Directors is responsible for preparing the Annual Report which contains the financial statements of Puketeraki Limited as at 30 June 2016, and ensuring that they comply with generally accepted accounting practice in New Zealand and fairly reflect the financial position of Puketeraki Limited as at 30 June 2016, and the results of their operations for the year ended on that date.

The Board of Directors considers that the financial statements of Puketeraki Limited have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

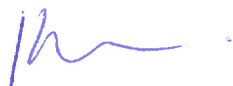
The Board of Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of Puketeraki Limited and facilitate full compliance of the financial statements with the Financial Reporting Act 2013.

The Board of Directors considers that they have taken adequate steps to safeguard the assets of Puketeraki Limited, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Board of Directors is pleased to present the Performance Report which contains the financial statements of Puketeraki Limited for the year ended 30 June 2016.

For and on behalf of the Board of Directors


Director:



Date:

11/10/2016

Director:



Date:

11/10/16

**PUKETERAKI LIMITED
STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2016**

'What did we do?' 'When did we do it?'

The company's objective is to increase the value of its investment portfolio, and to create an income stream to support the charitable services of its shareholder, Kati Huirapa Runaka ki Puketeraki Incorporated.

A portion of the company's wealth is in managed funds, some are in property investments managed by Ngai Tahu Property, and some are in Bank Term Deposits.

The shareholder can request the company to retain all earnings for future growth.

Description of the Company's Outcomes:

The company's success is measured by both cash returns and capital movements. The latter is determined by the ebb and flow of global markets, and the prevailing rates of exchange at any point in time.

- To protect and grow the economic wealth of the Rūnaka
 - the company's objective is to achieve a return of 5% above inflation
 - Investments are diversified over the various investment types available
- - The company's objective is to distribute 50% of its cash surplus to the Runaka, when required and practical

Measure	Aim	This Year	Last Year
To grow the assets of the company above the rate of inflation and to provide a capital return on investment of 5% per annum above inflation	7% increase in portfolio	-1%	59%
Preserve the charitable status of the company			
Invest in a balance of income and capital growth	60% growth, 40% defensive	60/40	62/38
Protect the capital by taking a fully diversified approach to investment			
Allocate around half of the net cash income after taking into account any capital losses suffered for funding charitable purposes and reinvest the balance of the cash income to compound and grow the putea			



PUKETERAKI LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2016

'How was it funded?' and 'What did it cost?'

<i>Note</i>	Actual 2016	Actual 2015
	\$	\$
REVENUE		
Dividends Received	6,700	6,375
Interest Received	9,550	7,034
Movement in Managed Funds	(6,093)	74,455
Increase in Value of 525 Blenheim Road Limited	27,375	7,050
Increase in Value of Te Haumi Whakamana	4,539	
Koha - debt forgiveness by parent	-	246,425
TOTAL REVENUE	42,071	341,339
EXPENDITURE		
Audit Fee	2,983	3,068
Directors Honorarium	3,000	3,000
Fees paid to Financial Advisers	8,802	8,510
General Expenses	226	163
Secretarial Fee	7,849	7,961
Travelling Expenses	46	75
TOTAL EXPENDITURE	22,906	22,777
<u>NET SURPLUS (LOSS)</u>	19,165	318,562
OPENING EQUITY	861,941	543,379
Net Surplus for the year	19,165	318,562
TOTAL RECOGNISED REVENUES AND EXPENSES	19,165	318,562
<u>CLOSING EQUITY</u>	881,106	861,941



**PUKETERAKI LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

'What the entity owns' and 'What the entity owes'

	Note	Actual 2016	Actual 2,015
		\$	\$
EQUITY		881,106	861,941
REPRESENTED BY:			
CURRENT ASSETS			
Cash at Bank - Westpac		2,883	2,931
Income Accrued		2,682	1,131
Investments (managed by Polson Higgs Wealth Management Limited)	4	11,779	-
Investments (Fixed Interest Term Deposits with Westpac)	5	53,057	-
			51,394
TOTAL CURRENT ASSETS		70,401	65,858
NON CURRENT ASSETS			
Equity Investment - 525 Blenheim Road Limited		143,546	116,171
Investment - Te Haumi Whakamana	6	54,539	-
Investments (managed by Polson Higgs Wealth Management Limited)	4	557,503	573,775
Investments (Fixed Interest Term Deposits with Westpac)	5	59,137	109,398
TOTAL NON CURRENT ASSETS		814,725	799,344
TOTAL ASSETS		885,126	865,202
CURRENT LIABILITIES			
Accounts Payable		4,020	3,261
TOTAL CURRENT LIABILITIES		4,020	3,261
NET ASSETS		881,106	861,941



**PUKETERAKI LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

'How the entity has received and used cash'

	Actual 2016	Actual 2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest, dividends, and other investment receipts	10,042	15,693
Payments to suppliers and directors	(13,346)	(14,101)
Cash Flows from other operating activities	-	-
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(3,304)	1,592
CASH FLOWS FROM INVESTMENT AND FINANCING ACTIVITIES		
Receipts from the sale of investments	53,256	-
Payments to purchase investments	(50,000)	-
Cash Flows from other Investment and Financing Activities	-	-
CASH FLOWS FROM INVESTMENT AND FINANCING ACTIVITIES	3,256	-
NET INCREASE (DECREASE) IN CASH	(48)	1,592
CASH BALANCES		
Cash and cash equivalents at the beginning of the period	2,931	1,339
Cash and cash equivalents at the end of the period	2,883	2,931
Net change in cash for the period	(48)	1,592



PUKETERAKI LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016

'How did we do our accounting?'

Reporting Entity

Puketeraki Limited is a company registered under the Companies Act 1993 and the Charities Act 2005. The company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

The financial statements comprise statements of the following: accounting policies; Service Performance, Financial Performance, Financial Position, and Cash Flows as well as the Notes to these statements contained on pages 13 and 14 of this Performance Report.

Basis for Preparation

The company is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide financial support to its related entity, Kati Huirapa Runaka ki Puketeraki Incorporated, to ensure that this entity is able to carry out its objectives.

The company 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 of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

These financial statements have been prepared on the basis of historical cost except for investments which are carried at fair value. For these investments Public Benefit Entity Standards NZ IPSAS with Reduced Disclosure regime Accounting Standards have been applied (PBE Tier 2)

Specific Accounting Policies

Goods and Services Tax

Puketeraki Limited is not registered for GST. Consequently all amounts are shown inclusive of GST.

Polson Higgs Wealth Management Managed Investments

Polson Higgs Wealth Management Managed Investments that comprise equity investments are recorded at market value with unrealised gains and losses reflected in the Statement of Financial Performance. Other investments in this category are recorded at cost.

Impairment of Investments

If in the Directors' opinion the estimated recoverable amount of an investment is less than its carrying amount, the investment is written down to its recoverable amount, and an impairment adjustment is recognised in the statement of Financial Performance

Investment in 525 Blenheim Road Limited

Puketeraki Limited has a 5.5% interest in this company.

The investment in 525 Blenheim Road Limited is recorded at the Directors' opinion of fair value. Movements in fair value are reflected in the Statement of Financial Performance.



**PUKETERAKI LIMITED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2016**

'How did we do our accounting?'

Investment in Te Haumi Whakamana

This investment is carried at assessed fair value by the Directors with movement in fair value reflected in the Statement of Financial Performance

Taxation

Puketeraki Limited is registered with the Charities Commission and is therefore exempt from income tax.

Changes in Accounting Policies

The company transitioned on 1 July to PBE SFR-A (NFP) - PBE Tier 3 from NZ GAAP. This had minimal impact on the accounting policies of the entity



PUKETERAKI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 RELATED PARTIES

Puketeraki Limited is a wholly owned subsidiary of Kati Huirapa Runaka ki Puketeraki Incorporated.

There were no Related Party transactions during the year (2015: Debt Forgiven \$ 246,425).

NOTE 2 CAPITAL

	30 Jun 2016	30 Jun 2015
	\$	\$
One ordinary share (issued for nil consideration)	-	-

NOTE 3 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The entity has no capital commitments or contingent liabilities at balance date. (2015 \$Nil)

NOTE 4 POLSON HIGGS WEALTH MANAGEMENT MANAGED INVESTMENTS

CURRENT	30 Jun 2016	30 Jun 2015
	\$	\$
Cash Accounts	11,779	10,402
	<u>11,779</u>	<u>10,402</u>
	<u><u>11,779</u></u>	<u><u>10,402</u></u>
NON-CURRENT	30 Jun 2016	30 Jun 2015
	\$	\$
Equity Investments	556,503	484,642
Canterbury Mortgage Trust - Debenture	1,000	2,809
NZX50 Portfolio Index Fund - FONZ	-	86,324
	<u>557,503</u>	<u>573,775</u>
	<u><u>557,503</u></u>	<u><u>573,775</u></u>
TOTAL INVESTMENTS	<u><u>569,282</u></u>	<u><u>584,177</u></u>

NOTE 5 DEPOSITS

CURRENT	30 Jun 2016	30 Jun 2015
	\$	\$
Westpac Banking Corporation	53,057	50,671
	<u>53,057</u>	<u>50,671</u>
	<u><u>53,057</u></u>	<u><u>50,671</u></u>
NON-CURRENT	30 Jun 2016	30 Jun 2015
	\$	\$
Westpac Banking Corporation	59,137	101,218
	<u>59,137</u>	<u>101,218</u>
	<u><u>59,137</u></u>	<u><u>101,218</u></u>
TOTAL DEPOSITS	<u><u>112,194</u></u>	<u><u>151,889</u></u>



PUKETERAKI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 6 TE HAUMI WHAKAMANA

This investment is managed by Ngai Tahu Property Limited, and involves several buildings with Crown leases. Runanga have the opportunity to invest or divest on an annual basis. The maximum investment per Runanga is \$500,000.

NOTE 7 EVENTS AFTER BALANCE DATE

No significant financial events occurred after balance date (2015 Nil).



INDEPENDENT AUDITOR'S REPORT

To the Directors of Puketeraki Limited

Report on the Performance Report

We have audited the accompanying performance report of Puketeraki Limited on page 5, and pages 7 to 14, which comprises of the entity information, 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 significant accounting policies and other explanatory information.

The Responsibility of the Directors for the Performance Report

The Directors are responsible on behalf of the entity 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 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 report

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

- (c) for such internal control as the Directors determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the performance report based on our audit. 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). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the performance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial performance report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the performance report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the performance report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

Opinion

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 performance report on page 5, and pages 7 to 14 presents fairly, in all material respects;
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of Puketeraki Limited 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).



Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
11 October 2016

Kāti Huirapa Runaka ki Puketeraki Trust

KATI HUIRAPA RUNAKA KI PUKETERAKI
TRUST

ANNUAL GENERAL MEETING

6-Nov-16

AGENDA

- 1 Mihi & Karakia
- 2 Apologies
- 3 Minutes of AGM 1 Nov 2015
- 4 Matters arising from AGM 2015
- 5 Trustees' Report
- 6 Financial Report
- 7 Appointment of Auditor
- 8 Other Business

Kāti Huirapa Runaka ki Puketeraki Trust

Annual General Meeting – Hui a Tau

Held on Sunday 1 November 2015 at 11.45am

At Puketeraki Marae

Mihi whakatau: Matapura Ellison

Karakia timata: Hinerangi Ferrall Heath

Present: Matapura Ellison (chair), Suzanne Ellison (minutes), Khyla Russell, Brenda Van Strik, Caroline Ruckstuhl, Betty Apes, Hinerangi Ferrall Heath, Jim Williams, Philip Broughton, Jeff Broughton, Ros Wyeth, Gisele Laven, James Noema, Kiri Parara-Noema, Ron McLachlan, Myra Tipa, Matthew Wylie, Waiariki Parata-Taiapa. Kiri Fraser, Suzi Flack, Gerard Devereux, Stacey Honeywill, Brendan Flack, Te Hau White, Hawea Ellison, Marewa Preddy, Tama Smith 10.50am, Lyn Carter, Aroha Ellison & Joan Ellison 11.00am, John Broughton 11.15am.

2. Apologies: Roger Wyeth, Peter Ellison, Carolyn Campbell, Jenny Smith, Victoria Bryant.

Matapura Ellison was the only trustee present and he took the chair for the AGM.

3. Minutes of AGM 2 Nov 2014

Motion	That the minutes of the Annual General Meeting of 2 November 2014 be accepted as a true record.		
	Aroha Ellison	Phyllis Smith	Carried

4. Matters Arising

There were no matters arising.

5. Trustees Report

David Ellison, Matapura Ellison and Mahana Walsh are the trustees and there has been no change to the position of the Trust.

6. Financial Report

There is nil income & expenditure, the audit is a record of the land and buildings owned by the trust to which there has been no change during the financial year.

Motion	That we adopt the Financial Statements for the year ended 30 June 2015.
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	Matapura Ellison	Hinerangi Ferrall Heath	Carried
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7. Appointment of the Auditor 2015 -16

Motion	That we appoint Cook North & Wong as auditors for 2015 - 2016 financial year.		
	Marewa Preddy	Brenda Van Strik	Carried

8. Other Business:

It was noted that this Trust is under review and there may be changes recommended at the next AGM.

There being no other business the Annual General Meeting closed at 11.50am.

Chairperson _____

Date _____

KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST
Performance Report
For the year ended:
30 JUNE 2016

Contents

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Non-Financial Information:	
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Financial Information:	
Statement of Receipts and Payments	3
Statement of Resources and Commitments	4
Notes to the Performance Report	5 & 6
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KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST

Entity Information

"Who are we?", "Why do we exist?"

For the year ended:
30 JUNE 2016

Legal Name of Entity: KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST

Type of Entity and Legal Basis (if any): CHARITABLE TRUST

Registration Number: 492542

Entity's Purpose or Mission:

The purpose of the Trust is to hold the land and building located at 121 Grimness Street, Karitane, that formed part of the Ngai Tahu settlement with the Crown. The Trust also holds the title to land at 1160 Coast Road, Karitane.

Entity Structure:

The Trust is administered by three trustees who are elected by the membership of Kati Huirapa Runaka ki Puketeraki Incorporated.

Main Sources of the Entity's Cash and Resources:

The Trust has no cash transactions.

Main Methods Used by the Entity to Raise Funds:

The Trust is not involved in any fund raising.

Entity's Reliance on Volunteers and Donated Goods or Services:

The Trust has no reliance on volunteers other than the unpaid services of the elected trustees. The Trust receives no donated goods.

Additional Information

Contact details

Physical Address: 121 Grimness Street, Karitane, Otago

Postal Address: c/- Karitane Store, Karitane 9440

Phone/Fax: 03 4657300

Email/Website: manager @ puketerak.nz

KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST
Statement of Service Performance
"What did we do?"
For the year ended
30 JUNE 2016

Description of the Entity's Outcomes:

The Trust's only activity is holding title to land and buildings.

Description and Quantification (to the extent practicable) of the Entity's Outputs:

Actual	Budget	Actual
This Year	This Year	Last Year
Nil	Nil	Nil

KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST

Statement of Receipts and Payments
"How was it funded?" and "What did it cost?"

For the year ended:

30 JUNE 2016

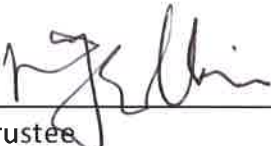
	Notes	Actual This Year \$	Budget This Year \$	Actual Last Year \$
Operating Receipts		Nil	Nil	Nil
Total Operating Receipts		Nil	Nil	Nil
Operating Payments		Nil	Nil	Nil
Total Operating Payments		Nil	Nil	Nil
Operating Surplus or (Deficit)		Nil	Nil	Nil
Capital Receipts		Nil	Nil	Nil
Capital Payments		Nil	Nil	Nil
Increase/(Decrease) in Bank Accounts and Cash		Nil	Nil	Nil
Bank accounts and cash at the beginning of the financial year		Nil	Nil	Nil
Bank Accounts and Cash at the End of the Financial Year		Nil	Nil	Nil
Total Bank Accounts and Cash at the End of the Financial Year		Nil	Nil	Nil

KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST
Statement of Resources and Commitments
"what the entity owns?" and "what the entity owes?"


As at
30 JUNE 2016

SCHEDULE OF RESOURCES	This Year \$	Last Year \$
Bank Accounts and Cash (from Statement of Receipts and Payments)	Nil	Nil
Other Resources		
	Cost	Cost
Description and Source of Value (cost)		
Land - 1160 Coast Road, Karitane	17,103	17,103
Land - Old School Property at 121 Grimness Street, Karitane	8,979	8,979
Building - Old School Property at 121 Grimness Street, Karitane	38,907	38,907

SCHEDULE OF COMMITMENTS	This Year \$	Last Year \$
Money Payable by the Entity		
Description	Amount	Amount
Loans payable	64,989	64,989



 Trustee



 Trustee

Date: 14 Oct 16

KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST
Notes to the Performance Report
For the year ended
30 JUNE 2016

Note 1: Accounting Policies "How did we do our accounting"

Basis of Preparation

KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST is permitted by law to apply PBE SFR-C (NFP) Public Benefit Entity Simple Format Reporting - Cash (Not-For-Profit) and has elected to do so. All transactions are reported in the Statement of Receipts and Payments and related Notes to the Performance Report on a cash basis.

Goods and Services Tax (GST)

KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST is not registered for GST. Therefore amounts recorded in the Performance Report are inclusive of GST (if any).

Notes 2 & 3

Note 2: Related Party Transactions

There were no transactions involving related parties during the financial year. (Last Year - Nil)

Note 3: Events After the Balance Date

Subsequent to the year end, the trustees have passed a resolution to wind-up the Trust and distribute the property and funds at book value to Kati Huirapa Runaka ki Puketeraki Incorporated Society. This is subject to approval by Runaka members at the Annual General Meeting.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the performance report 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. An audit also includes, evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the performance report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Trust.

Opinion

In our opinion, the performance report on pages 3 to 6 gives a true and fair view, in all material respects, of the resources and commitments as at 30 June 2016, and its receipts and payments for the year then ended, in accordance with Public Benefit Entity Simple Format Reporting – Cash (Not-For-Profit).

Emphasis of matter

Without qualifying our opinion, we draw attention to note 3 in the financial statements which states that the Trustees have passed a resolution to wind-up the Trust, subject to approval by the Runaka. All assets and liabilities will be transferred to Kati Huirapa Runaka ki Puketeraki Incorporated.



Cook North & Wong
14 October 2016
Dunedin

Restriction of Distribution or Use

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