



TE ORANGANUI

Korowaitia te puna waiora, hei oranga motuhake mō te iwi
To empower whānau into their future

Annual Report
2016-2017

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Pouherenga Kōrero



E ngaa iwi e ngaa reo e ngaa karangatanga maha mai i te Kahui Maunga ko Ruapehu ki tai ki Tangaroa, mai i te Puru ki Tuuhua ki Te Matapihi Ngaa Rauru Kiitahi, huri noa ki te Matemateaonga ki Ngati Apa ara tatou e ngā na te whakatutukī te koke korero "Korowaitia te puna waiora, hei oranga motuhake mo te iwi"; tenei te mihi, tēnā koutou, tēnā tātou. Ko ngaa aitua kua pania taatou ki te pouritanga ara ano raatou kua wheturangitia, e kore e warewaretia, e tipare tatou ki te rau kawakawa he tohu ki te iwi kua ngaro, kei te tihi o te whakāro te kite ai te tira ka haere ki te iwi kei te po, koutou te hunga wairua haere oti atu ai.

It is with great pleasure that we present this Annual Report for the 2016-2017 year. I believe it is important to first acknowledge those who have founded and helped shape Te Oranganui into the vibrant organisation it is today. Acknowledgment also to the Board who have been working for the kaupapa and have provided the leadership needed to steer Te Oranganui forward into times of challenge, change and collaboration. The Board have worked as a team having whānau aspirations at the centre of decision making.

It has not been without challenges this financial year however Te Oranganui remains in a sustainable position. In the previous year the Board undertook professional development in Strategic Financial Planning which has afforded the growth in governance leadership and in moving the organisation forward.

The Board has focused this year on engaging with Iwi stakeholders and started working together activating working relationships to achieve Whānau Ora. It was important for the Board to engage with act on input from iwi, hapū and whānau, ensuring opportunities are explored.

The strategic goals for the organisation have been shared and communicated. The new goals see Te Oranganui entering into community housing and oral health care.

These two significant goals come with challenges however based on whānau needs and aspirations continue to be a priority.

We would like to thank Susan Osborne who has recently resigned from the board, for her commitment, experience and expertise to Te Oranganui governance over the years she has served, and wish her well.

We would like to acknowledge our Chief Executive Frana Chase for the leadership she provided Te Oranganui over the past year and wish her well in her career advancement.

We also thank our Senior Management Team for the leadership with their respective roles to contribute to overall strategic direction.

In closing we would like to pay special thanks to all of the valued staff of Te Oranganui for their commitment to our whānau and in the challenges of change.

Nga mihi Kia koutou Katoo.

Hayden Potaka
Pouherenga

Paihere Tangata – People & Communications

Total Staffing:

As at 31 June 2017, Te Oranganui employed a total of 170 permanent or fixed term staff.
This is a total FTE count of 132.

| | 2015 -2016 As at 30 June 2016 | 2016 -2017 As at 30 June 2017 |
|--------------------|----------------------------------|----------------------------------|
| Permanent staff | 138 | 144 |
| Fixed term staff | 28 | 26 |
| Total staff | 166 | 170 |
| Total FTE | 122 | 132 |

Average age:



47.4
years old

Gender:



77% wāhine
22% tane
1% other

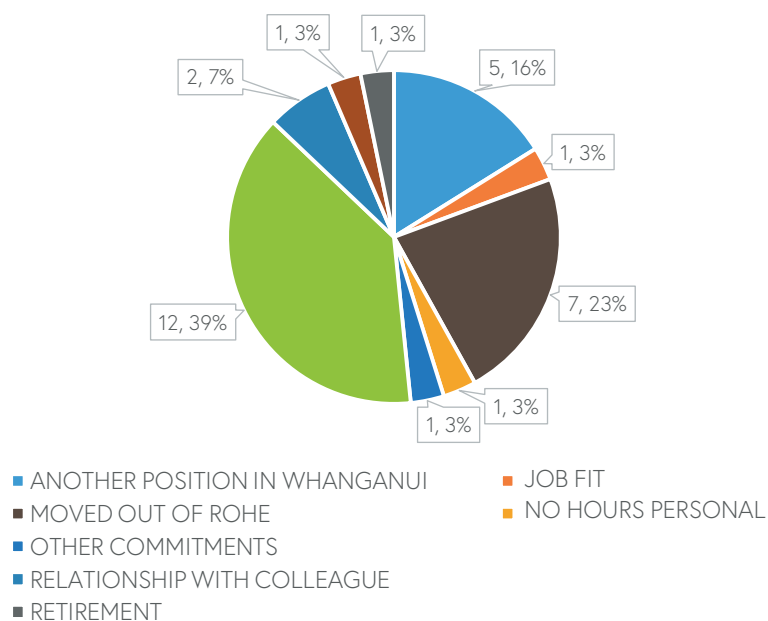
Turnover:

A total of 32 permanent employees left Te Oranganui in the 2016-2017. 31 left voluntarily whilst two kaimahi had to leave due to ongoing health issues.

As the benchmarking information shows, Te Oranganui's voluntary turnover is 4.4 percent higher than the national average while the involuntary turnover is lower by 2.6 percent. One of the metrics that is monitored closely is the turnover of staff who have been here for less than one year.

The service with the highest turnover is Disability Support and it also has the highest turnover of staff who have been here for less than one year. The new guaranteed hours that took effect from 1 April 2017 should see a reduction in turnover for this service and in turn for the organisation.

Voluntary turnover per service:



Health & Safety Performance & Measurement

Achieving higher Standards in Health & Safety

This year Te Oranganui successfully passed the ACC's Workplace Safety Management Programme accreditation audit in January 2017. The organisation moved up a level from primary accreditation to secondary accreditation which is a very positive achievement and one that the organisation has been striving for since 2010.

Workwell Accreditation

The organisation has entered into a WorkWell Accreditation process – WorkWell is a free, workplace wellbeing initiative which supports workplaces to "Work better through wellbeing". This framework has been developed by Toi Te Ora Public Health Service and has been adopted by Healthy Families nationwide as the workplace wellbeing framework. Te Oranganui aims to achieve Bronze status by the end of 2017.

Disability Support Services

The last year has been a busy time for the Disability Service with some exciting achievements.

The Kaumatua monthly luncheon began 5 years ago and continues to grow in popularity with attendance of between 55 to 70 kaumatua. The success of this programme means that we were fortunate this year to receive funding from the District Health Board. It is a safe space that provides whakawhanaungatanga for our kaumatua to socialise, share knowledge and for them to be cared for and celebrated. Waiata and exercise sessions are most popular.

The average Home based support hours provided each month is 5,000. There are 71 community kaimahi providing this support to enhance the quality of life for our people with a disability and supporting them to continue to live independently in their own home in their own community.

The team of service coordinators were very proactive supporting people through the health and disability sector making 2,796 to ensure people had their needs met throughout the year.

6 community kaimahi have been steadily working through the Career force National support work level 3 certificate and one kaimahi has just completed the

level 4 certificate. 6 kaimahi were committed to their studies over the last 12 months, 3 gaining their Level 4 Certificate in Hauora health and 3 gaining their Diploma in Hauora health. The service has been fortunate to be well supported by the DHB and Te Pou to access the money for this training.

The service was successful in securing a residential contract from the Ministry of Health to support people under 65 years of age with an Intellectual disability.

The vocation service continues to have a robust programme in place that has a variety of activities happening every day to ensure that the service users have a programme that they enjoy with stimulating activities provided by well skilled and committed kaimahi. The service offers another choice for whanau with family members who have very high needs to have the opportunity to be socially involved in their own community.



Mental Health and Addictions Service

This year the service was challenged working with more referrals than ever, finding new ways to work with rangatahi and setting up a programme in Whanganui prison.

The July to June year saw the increase in referrals to the service from 265 in 2015-2016 to 315 for this report year. This increase in referrals, of 17%, was lower than the 25% increase the year before but the work around these referrals has been provided with no extra external funding. This is a repeated pattern in other mental health services.

The mental health and addictions kaimahi working with young people have worked alongside the rangatahi staff from Whānau and Community to develop and deliver a mental health and addiction awareness programme. This is being provided at UCOL with the assistance of rangatahi telling their own story. Involvement of those with a lived experience has proved powerful for the students and the service is grateful for their honesty and bravery.

In April 2017 Te Oranganui in partnership with the Whanganui District Health Board and the Whanganui Regional Health Network delivered its first Drug Treatment Programme at Whanganui prison. Situated in Whanui it is the only drug programme in a kaupapa Māori unit in the country. Based at the unit seven kaimahi work with assessments, one to one and group work around alcohol and other drugs while community agencies such as Jigsaw add sessions that enhance the tāngata whai ora learning and relationships.

The implementation time was very restricted once the service got the contract but those party to the contract pitched in and we are very grateful for the manaaki shown by local Corrections. Feedback from a graduate:

"I think I paid more attention because of the tikanga Maori aspect to the programme. I believe I made a better connection with the information knowing how our tipuna thought- behaved".

In our other areas of work alongside working with new tangata whai ora the nurses have done some clinical indicator work including reasons for discharge out of the service. It is positive to know that the majority with mental health issues are leaving because they have met their goals. We need do some work with alcohol and other drug tangata whai ora around staying engaged. The nurses continue to support the Kaupapa Māori Mental Health providers in the rural areas and oversee the kaituhauora in the urban areas.

Four kaimahi in the service graduated, one with a Level 7 Diploma in Applied Addictions Counselling, one with Bachelor in Māori Performing Arts and two with Tipu Ora National Certificate in Hauora.

The community and residential teams continue to add to their CEP (co-existing problem) knowledge. This has become important as methamphetamine continues to cause havoc in and with people's whānau, tinana, wairua and hinengaro. The team is committed to supporting suicide prevention work in the community through directly supporting tangata whai ora with whānau ora goals and with community activities that bring awareness.



Whānau and Community Services

This has been a year of significant change throughout the organisation. Whānau and Community have continued to stabilise and extend the focus of Whānau Ora to support kaimahi wellbeing in order to deliver best practice outcomes to whānau, hapū, iwi and the community we serve.

The perpetuation of whānau complexities means there is a need for skilled kaimahi who are able to go beyond crisis intervention to contribute to whānau empowerment and positive outcomes. This year has seen a commitment to Whānau Ora training developed by Nancy Tuaine and Linda Thompson with a view to implement in 2017-2018.

Highlights:

Healthy Families Whanganui Rangitikei Ruapehu:

This is the second full year of implementation and a definite shift from early scoping and development to impact-oriented action is evident. Three key highlights from our collaborative mahi this year include;

- Supporting five (5) Kohanga Reo access funding to create sustainable maara kai onsite, then supporting Kaiako of those Kohanga to access a workshop combining both Food Safety and healthy kai learnings to implement and share with whānau.
- Supported the delivery of eight Ngā Taonga Tākaro wānanga, reaching over 100 community champions, with up to 14 education settings known to be utilising the kemu and KiwiSport funding secured for a paid coordinator for two years to take Ngā Taonga Tākaro through to the next phase.
- Water-Only events resource kits utilised at ten water-only events Jul-Dec 2016, and 37 events reaching 11,620 people Jan-June 2017. The water-only mahi led us and our collaborative partners to encourage councils to look at their provision of drinking water in public spaces. The Territorial Authorities were supported to secure funding from the 4 Regions Trust for 10 new water fountains which will be installed in parks and playgrounds across the three communities.

Employment Initiative has successfully provided six (6) months' work placement for more than ten (10) long term unemployed people over a range of disciplines.

Whānau Direct provided funding assistance to 93 whānau (180 individuals) achieving 172 outcomes across six domain areas; becoming self-managing, wealth creation, improved housing standards, education, employment and participating in Te Ao Maori. 97% of those whānau reported having had a positive experience with Whānau Ora and Whānau Direct.

Family Start provided parenting support to over two hundred (200) whānau. Kaimahi have continued to balance contractual obligations and incorporate the Whānau Ora approach. This year has seen 45 tamariki graduate the programme at 3+ years or age.

Te Kai Whakakaha continued to embed quarterly iwi events, providing a platform of whānau centric activity and engagement across the spectrum of whānau. From pepi to kaumatua, active to sedentary, competitive to participation, embracing whakawhanaungatanga, ahurutanga and celebrating whānau.

Awa Hikoi:

22 teams, 130 participants, 50+ whānau supporters

Iwi Basketball:

37 teams, 349 participants, 100+ whānau supporters

Iwi Touch Tournament:

10 teams, 80 participants, 40+ whānau supporters

Pakaitore Funathlon:

10 teams, 50 participants

Highlights continued:

Nga Taura Tuhono Whanganui Regional Quit Smoking service celebrated its success this reporting period as having exceeded their target to engage with 5% of the region's population. The service achieved 9.2%. The service achieved 4.2% above target, making this service the highest achieving service in NZ this financial year. A total of 43% of the total engaged population across the collective of partners were validated through carbon monoxide meters as having quit smoking. The partners, Whanganui Regional Health Network, Health Solutions Trust, Taihape Health, Whanganui District Health Board and Te Oranganui have worked hard to meet these targets and ensure that collaboration and integration is a priority focus.

Te Puawai o te Ahikaa was an extremely successful kaupapa working with Ngati Rangi whānau in Raetihi. The evaluation feedback from Whakauae Research evidences that the project activities have contributed to empowering whānau to be proactive about understanding and managing their own health and that of their whānau. Whānau articulated that they valued the time and effort that kaimahi have put into building social capital in the Raetihi Pah community. There is no doubt that their whakapapa links and membership of the Raetihi community were instrumental in the kaimahi successfully gaining community 'buy in'.

Whānau Ora continued to empower whānau strengths and capacity to achieve their aspirations. The Whānau Ora contract line supported over one hundred (100) whānau. We successfully completed contract renegotiations to support Whānau Ora.

Whānau Ora Integration:

The Medical Centre and the Whānau and Community team have identified synergies considering social and environmental issues impacting on whānau health and wellbeing.

Innovative service design to seek solutions to the complexities of funding requirements and the delivery of a whānau centric approach has been a priority this period. This is exciting as we extend our approach and maximise resourcing to support whānau to improve their health and wellbeing by contextualising integration into best practice. The medical centre and whānau and community services are committed to provide holistic wrap-around support to whānau with the most complex health needs that considers their social and environmental context. This has informed contract negotiations with the Whanganui District Health Board who encourage the whānau ora approach.

Outcomes at a glimpse:

- Supported over eighty (80) whānau into study.
- Supported over twenty (30) whānau into employment.
- Advocated for over forty (40) whānau into housing.
- Supported over 600 whānau develop pathways to achieve their aspirations
- Increased participation in Iwi Events compared to other reporting years - evidencing growth in this kaupapa.
- Six staff completed degrees in their chosen fields – Bi-culturalism in Social Work and Youth Development.
- 14 staff supported on their career development pathways

We are privileged and committed to continuing to support whānau to achieve their aspirations into the next year.

Primary and Community Medical Services

This has been a year of significant change. The Whānau and Community Service Manager has provided interim management for the most part of the year and this has provided opportunities to embed the Whānau Ora approach within a clinical context. This approach has enhanced innovation and integration across services and supported the improvement of our measurable targets set out by the Ministry Of Health.

The clinical team continue to improve service delivery with Doctors providing mentorship and guidance to the nursing team. This has extended our ability to see more patients offering a point of difference in service delivery. Best Practice Guidelines are imperative to clinical practice and guide everyday decisions ensuring our patients receive the most relevant up to day clinical knowledge.

We have reinstated night clinics to cater for winter demand with the intention of offering this going forward to working whānau and support rangatahi health clinics.

Highlights:

- Achieved 100% of vaccinations given to all tamariki turning eight (8) months old in both Waverley and Whanganui.
- Cardiovascular Risk Assessment rates staying at a steady 95%.
- Brief smoking advice remains a priority for the clinic and offers a Quit coach two mornings a week in clinic offering NRT and continued support out of clinic.
- Offer diabetes clinics on education, guidance and support to those newly diagnosed or on insulin. This has empowered our population on their journey to self-management showing improvement in some diabetic long term management.
- Opportunistic Cervical Smear testing has shown an increase in the past six months with our target now remaining steady on 70%.
- Achieved reduction in financial deficit. It is significant to note that the biggest underspend variance is wages/salary and staff costs. This can also be attributed to an increase in fee for service outcomes.
- Initiated the investigation phase of a chronic conditions holistic care pilot which will look to commence in early 2017-2018.

We are committed to the growth and development of medical professionals providing a centre of learning for hands on practical experience for students on their academic pathway:

- Brooke Taurua-Halberg was supported with her final year of Bachelor of Nursing placement and has accepted a permanent position with the Medical Centre post-graduation.
- Josh Firmin supported for six weeks through Te Oranganui scholarship (Te Manawanui Pauro Memorial) in his third year of medical training.
- Georgia Brownley and Tom Judd currently studying at Otago, both in Year 6, supported on a six (6) week training placement
- Taylor Brown currently on her Nursing Degree journey at UCOL supported on a six (6) placement.

Kaimahi Professional Development Journey

"I have been given a lot of opportunities to grow and develop here at Te Oranganui over the past eleven years."

"I have been given a lot of opportunities to grow and develop here at Te Oranganui over the past eleven years. In 2015 I graduated from Te Wananga o Aotearoa with a Bachelor of Social Work (biculturalism in practise) which Te Oranganui supported me to complete. Since then I have been promoted and am now a Practise Supervisor within the Family Start team. Over the past two years I have focussed on completing the process to move from provisional to a fully registered Social Worker."

Tracey Cropp



"It was a long, challenging road but it was well worth it when I stood up on stage and received my degree."

"I started working for Te Oranganui in 2008 as the Te Pātaka Kaiora Coordinator promoting physical health and wellbeing. Completing the Whānau Ora training in 2012 & 2013 really piqued my interest in social work so when the chance came along to in 2014 to do the Bachelor of Social Work (biculturalism in practise), I jumped at the opportunity. It was a long, challenging road but it was well worth it when I stood up on stage and received my degree. It was made all the more special walking alongside my partner Rionn who took the journey with me."

Ethel Muir

Left to right – Josephine Taiaroa,
Teri Teki, Ethel Muir, Rionn Harford



Financial Report

For the year ended 30 June 2017

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TE ORANGANUI

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ANNUAL REPORT 2016-2017



TE ORANGANUI TRUST INCORPORATED

Directory
30 June 2017

BOARD OF TRUSTEES

| | | |
|--------------|---------------------|-----------|
| Chairperson: | Hayden Potaka | Nga Rauru |
| Members: | James Allen | Ngati Apa |
| | Keria Ponga | Tupoho |
| | Mary Bennett | Nga Rauru |
| | Pahia Turia | Ngati Apa |
| | Ramari Teuamairangi | Tamaupoko |
| | Susan Osborne | Tupoho |
| | Te Aroha McDonnell | Tamaupoko |

Chief Executive Officer Frana Chase (resigned 14 July 2017)

Registered Office

57 Campbell Street
Whanganui

Solicitor

Colin Milham LLB
Horsley Christie
14 Victoria Ave
Whanganui

Auditor

Spooner Hood & Redpath Ltd
162 Wicksteed Street
Whanganui

Bank

ASB Bank
83 Victoria Avenue
Whanganui

Charities Commission Registration number

CC24220

TE ORANGANUI TRUST INCORPORATED
Statement of Comprehensive Revenue and Expenses
for the year ended 30 June 2017

| | Notes | \$ 2017 | \$ 2016 |
|--|-------|------------------|------------------|
| Revenue from non-exchange transactions | 4 | | |
| Grants | | 17,499 | 39,111 |
| Donations | 9 | 410 | 132,380 |
| Other non-exchange income | 4.3 | 5,865 | 13,043 |
| | | 23,774 | 184,534 |
| Revenue from exchange transactions | 4 | | |
| Government contracts | 7 | 6,693,914 | 6,444,605 |
| Interest income | | 21,108 | 34,674 |
| Other operating income | 8 | 1,951,824 | 1,677,048 |
| | | 8,666,846 | 8,156,327 |
| Total revenue | | 8,690,620 | 8,340,861 |
| Expenses | | | |
| Employee related costs | | 7,004,451 | 6,795,553 |
| Grants and donations | 10 | 39,755 | 34,401 |
| Interest expense | | 358 | 1,160 |
| Depreciation | 17 | 123,828 | 133,384 |
| Other operating expenses | | 1,503,496 | 1,336,363 |
| Total expenses | | 8,671,888 | 8,300,861 |
| Total surplus/(deficit) for the year | | 18,732 | 40,000 |
| Other comprehensive revenue and expenses | | | |
| Revaluation of land and buildings | | - | - |
| Total other comprehensive revenue and expenses | | - | - |
| Total comprehensive revenue and expenses for the year | | 18,732 | 40,000 |

Note: This Statement must be read in conjunction with the accompanying notes on pages 7 – 18

TE ORANGANUI TRUST INCORPORATED
Statement of Changes in Net Assets/Equity
for the year ended 30 June 2017

| | Special Purposes Reserve | Accumulated comprehensive revenue and expense | Total equity |
|------------------------------------|-----------------------------|--|--------------|
| Opening balance 1 July 2015 | - | \$650,766 | \$650,766 |
| Surplus/(deficit) for the year | - | \$40,000 | \$40,000 |
| Other comprehensive income | - | - | - |
| Transfers | \$79,432 | (\$79,432) | - |
| Closing equity 30 June 2016 | \$79,432 | \$611,334 | \$690,766 |
| Opening balance 1 July 2016 | \$79,432 | \$611,334 | \$690,766 |
| Surplus/(deficit) for the year | (\$21,613) | \$40,345 | \$18,732 |
| Other comprehensive income | - | - | - |
| Transfers | \$5,865 | (\$5,865) | - |
| Closing equity 30 June 2017 | \$63,684 | \$645,814 | \$709,498 |

Note: This Statement must be read in conjunction with the accompanying notes on pages 7 - 18

TE ORANGANUI TRUST INCORPORATED
Statement of Financial Position
as at 30 June 2017

| | | \$ | \$ |
|---|-------|------------------|------------------|
| | Notes | 2017 | 2016 |
| Current assets | | | |
| Cash and cash equivalents | 11 | 382,974 | 307,171 |
| Investments | 12 | - | 456,801 |
| Receivables from exchange transactions | | 1,056,054 | 682,460 |
| Prepayments | | 366 | 10,045 |
| | | 1,439,394 | 1,456,477 |
| Non-current assets | | | |
| Property plant and equipment | 17 | 713,972 | 747,913 |
| | | 713,972 | 747,913 |
| Total assets | | 2,153,366 | 2,204,390 |
| Current liabilities | | | |
| Trade and other creditors | | 510,519 | 417,567 |
| Employee entitlements | | 319,214 | 328,077 |
| Loans and borrowings | 19 | 48,000 | 48,000 |
| Income in advance | 18 | 548,135 | 653,980 |
| | | 1,425,868 | 1,447,624 |
| Non-current liabilities | | | |
| Loans and borrowings | 19 | 18,000 | 66,000 |
| | | 18,000 | 66,000 |
| Total liabilities | | 1,443,868 | 1,513,624 |
| Net assets | | 709,498 | 690,766 |
| Equity | | | |
| Accumulated comprehensive revenue and expense | | 645,814 | 611,334 |
| Special purpose reserves | 16 | 63,684 | 79,432 |
| Total equity | | 709,498 | 690,766 |

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on the
16th October 2017



Chair Person



Trustee

Note: This Statement must be read in conjunction with the accompanying notes on pages 7 – 18

TE ORANGANUI TRUST INCORPORATED

Statement of Cash Flows for the year ended 30 June 2017

| | Notes | \$ 2017 | \$ 2016 |
|--|-----------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| <i>Receipts</i> | | | |
| Receipts from Government contracts | | 6,238,999 | 6,376,803 |
| Receipts from other contracts | | 1,938,344 | 1,717,171 |
| Receipts from other non-exchange transactions | | 23,775 | 194,534 |
| Interest received | | 21,108 | 34,674 |
| | | 8,222,226 | 8,323,182 |
| <i>Payments</i> | | | |
| Payments to suppliers | | (1,435,331) | (1,297,025) |
| Payments to employees | | (6,980,174) | (6,698,266) |
| Grants, contributions and sponsorship paid | | (39,755) | (34,401) |
| | | (8,455,260) | (8,029,691) |
| Net cash flows from operating activities | | (233,034) | 293,491 |
| Cash flows from investing activities | | | |
| <i>Receipts</i> | | | |
| Sale of property plant and equipment | | 330 | 7,674 |
| Withdrawal of short term investments | | 1,306,801 | 500,000 |
| | | 1,307,131 | 507,674 |
| <i>Payments</i> | | | |
| Purchase of property plant and equipment | | (99,935) | (145,490) |
| Investments in short term deposits | | (850,000) | (905,629) |
| | | (949,935) | (1,051,119) |
| Net cash flows from investing activities | | 357,196 | (543,445) |
| Cash flows from financing activities | | | |
| <i>Receipts</i> | | | |
| Proceeds from borrowings | | - | 30,000 |
| | | - | 30,000 |
| <i>Payments</i> | | | |
| Interest paid | | (358) | (1,160) |
| Repayment of borrowings | | (48,000) | (61,864) |
| | | (48,358) | (63,024) |
| Net cash flows from financing activities | | (48,358) | (33,024) |
| Net increase/(decrease) in cash and cash equivalents | | 75,803 | (282,978) |
| Cash and cash equivalents at 1 July | | 307,171 | 590,149 |
| Cash and cash equivalents at 30 June | 11 | 382,974 | 307,171 |

Note: This Statement must be read in conjunction with the accompanying notes on pages 7 - 18

TE ORANGANUI TRUST INCORPORATED

Notes to the Financial Statements

for the year ended 30 June 2017

1 Reporting entity

The reporting entity Te Oranganui Trust Incorporated is domiciled in New Zealand and is a charitable organisation registered under the Incorporated Societies Act 1908 and the Charities Act 2005.

The financial statements are presented for the year ended 30 June 2017.

These financial statements and the accompanying notes summarise the financial results of activities carried out by Te Oranganui. Te Oranganui Trust Incorporated provides health and social services to people living in the Whanganui region.

These financial statements have been approved and were authorised for issue by the Board of Trustees on 16 October 2017.

2 Statement of compliance

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, Te Oranganui Trust Incorporated is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees have elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions. This decision results in the Trust not preparing a Statement of Service Performance for the 2017 reporting period.

3 Changes in accounting policy

There have been no changes in accounting policy for this financial year. All accounting policies have been applied consistently to both years presented in these financial statements.

4 Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied in the financial statements.

4.1 Basis of measurement

These financial statements have been prepared on the basis of historical cost.

4.2 Functional and presentational currency

The financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency. All financial information is presented in New Zealand dollars and has been presented in whole dollars.

4.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

TE ORANGANUI TRUST INCORPORATED

Notes to the Financial Statements

for the year ended 30 June 2017

Revenue from non-exchange transactions

Grant revenue

Grant revenue are 'support grants' awarded to staff for specified workforce development. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attached to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations

Donations are recognised as revenue upon receipt. Last year's donations were mostly from the general public for the 2015 flood relief.

Other non-exchange revenue

Bequest

Revenue from Estates that satisfies the definition of an asset is recognised as revenue when it is probable that future economic benefits or service potential will flow to the entity and the fair value can be measured reliably.

Residential Care

These funds are disability allowances received from Work and Income for the clients under this setting for their personal care and needs.

Revenue from exchange transactions

Government contracts

Revenue from government contracts relates to income received from the Ministry of Health, Ministry of Social Development, Whanganui District Health Board, Te Puni Kokiri and the Department of Corrections, and is provided as funding for services the Trust provides relating to the provision of health and social services in the community.

Interest income

Interest income is recognised as it accrues, using the effective interest method.

Other operating income

Other income includes revenue from Patient fees and the Whanganui Regional Health Network for primary health care and Te Pou Matakana for whanau ora initiatives.

4.4 Financial instruments

Financial assets and financial liabilities are recognised when Te Oranganui Trust Incorporated becomes a party to the contractual provisions of the financial instrument.

The Trust derecognises a financial asset or where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either;

- has transferred substantially all the risks and rewards of the asset; or

TE ORANGANUI TRUST INCORPORATED

Notes to the Financial Statements

for the year ended 30 June 2017

- has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: *Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Trust's financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at fair value through surplus or deficit.

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designed at fair value through surplus or deficit upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments or a derivative that is a financial guarantee contract. The Trust has no investments that fall into this category of financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. Cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any other categories of financial assets.

Impairment of financial assets

The Trustees have assessed at the end of the reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

TE ORANGANUI TRUST INCORPORATED

Notes to the Financial Statements

for the year ended 30 June 2017

In determining whether there is any objective evidence of impairment, the Trust first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Trust determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Based on a review of the financial assets no impairment is deemed necessary. The rates used in the Depreciation Schedule fairly reflect the useful life of the asset.

Financial liabilities

The Trusts financial liabilities include trade and other creditors, employee entitlements, loans and borrowings and deferred income (in respect to grants whose conditions are yet to be complied with).

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

4.5 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.6 Short term investments

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

4.7 Nature and purpose of reserves

The Trust creates and maintains reserves in terms of specific requirements.

Special Purposes Reserve

A Special Purposes Reserve was created in the last reporting period to consolidate the retained surpluses from the Putea Aroha – Flood Relief Fund, Bequest - Est. B Deere Fund and Hau ora a Iwi Fund due to the specific purpose of each fund and ensuring that the remaining funds are available for those purposes only.

This year a new fund is added – Residential Care which Te Oranganui Trust Incorporated receives on behalf the clients placed in this setting.

TE ORANGANUI TRUST INCORPORATED

Notes to the Financial Statements

for the year ended 30 June 2017

4.8 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a DV basis over the useful life of the asset, except for the land. Land is not depreciated. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset over its remaining useful life.

Depreciation Rates Range:

| | |
|----------------------|--------------|
| Computers | 12% to 100% |
| Furniture & Fittings | 9.5% to 48% |
| Land and Buildings | 3.0% to 6.5% |
| Motor Vehicles | 26% to 36% |
| Plant & Equipment | 10% to 80.4% |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

Assets purchased under the Maori Potential Development Scheme (term of one year at a time) are depreciated at 100% to ensure the fund is breakeven. These assets remain in the asset schedule until disposed of.

4.9 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

4.10 Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Te Oranganui Trust Incorporated has chosen not to capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

4.11 Employee benefits

Liabilities for wages, salaries and annual leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

4.12 Income tax

Due to its charitable status, the Trust is exempt from income tax.

4.13 Goods and services tax (GST)

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included.

TE ORANGANUI TRUST INCORPORATED

Notes to the Financial Statements

for the year ended 30 June 2017

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating cash flows.

4.14 Equity

Equity is the community's interest in Te Oranganui Trust Incorporated, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the Trusts accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

Special purposes reserve

This is a restricted equity reserve created by the Trust in this financial year and will continue for the purpose as stated. The use of these funds is restricted to the specific purpose of the fund.

5 Significant judgements and estimates

In preparing the financial statements, the Board of Trustees is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The uncertainty from these assumptions and estimates could result in outcomes that may result in a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

The Trust bases its assumptions and estimates on parameters available when the financial statements are prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Trust. Such changes are reflected in the assumptions when they occur. The key significant judgements and estimates used in the preparation of these financial statements are as follows:

Operating lease commitments

Te Oranganui Trust Incorporated has entered into a number of equipment leases, including vehicles.

Te Oranganui has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the vehicles, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Useful Life of an Asset

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset

TE ORANGANUI TRUST INCORPORATED

Notes to the Financial Statements

for the year ended 30 June 2017

The estimated useful lives of the asset classes held by the Trust are reflected in the depreciation rates listed in note 4.8.

6 Total operating revenue

The total operating revenue of the Trust for the year is \$8,690,620. (2016: \$8,340,861).

7 Government contracts

This is the list of Government funds received:

| | 2017 | 2016 |
|------------------------------------|--------------------|--------------------|
| ACC | \$147,370 | \$164,884 |
| Department of Corrections | \$182,813 | - |
| Ministry of Health (MOH) - General | \$1,507,241 | \$1,591,190 |
| MOH - Health & Disability | \$321,256 | - |
| MSD - Enhanced Taskforce | - | \$161,006 |
| MSD - Family Start | \$962,250 | \$910,008 |
| MSD - Other | \$3,986 | \$4,580 |
| MSD - Vocation | \$118,885 | \$105,636 |
| Te Puni Kokiri | \$109,600 | \$218,850 |
| Whanganui District Health Board | \$3,334,223 | \$3,271,929 |
| Work & Income | \$6,291 | \$16,522 |
| | <u>\$6,693,914</u> | <u>\$6,444,605</u> |

8 Other operating income

Other operating income is made up of the following funds:

| | 2017 | 2016 |
|---|--------------------|--------------------|
| Patient Fees | \$146,788 | \$153,240 |
| Te Pou Matakana | \$390,137 | \$217,605 |
| Whanganui Regional Health Network (PHO) | \$1,362,368 | \$1,215,265 |
| Sundry Income | \$52,530 | \$90,939 |
| | <u>\$1,951,824</u> | <u>\$1,677,048</u> |

9 Donation income

Donations are usually below \$1,000, however due to the Flood of June 2015, Te Oranganui received koha to administer the Flood Relief Fund – Putea Aroha to assist whanau and Iwi affected by this event.

| | 2017 | 2016 |
|------------------------|--------------|------------------|
| Donations: Putea Aroha | - | \$122,194 |
| Donations: General | \$410 | \$10,186 |
| | <u>\$410</u> | <u>\$132,380</u> |

TE ORANGANUI TRUST INCORPORATED

Notes to the Financial Statements

for the year ended 30 June 2017

10 Grants and donations expense

The Trust gave koha to Ngai Tahu to support them with the Kaikoura Earthquake . This was paid for through the Putea Aroha reserve funds. The Trust also administered five Scholarships through service placement for six weeks with an additional grant for the student studying as a GP.

| | 2017 | 2016 |
|------------------------------|-----------------|-----------------|
| Putea Aroha - koha to whanau | \$15,000 | \$20,135 |
| Donations: General | \$3,555 | \$4,007 |
| Scholarships | \$21,200 | \$10,259 |
| | <u>\$39,755</u> | <u>\$34,401</u> |

11 Cash and cash equivalents

Cash and cash equivalents includes the following components:

| | 2017 | 2016 |
|--------------|------------------|------------------|
| Cash at bank | \$382,024 | \$306,681 |
| Cash on hand | \$950 | \$490 |
| | <u>\$382,974</u> | <u>\$307,171</u> |

12 Short term investments

Investments are made up of the following short term deposits:

| | 2017 | 2016 |
|---------------------|----------|------------------|
| Term deposit 73 | - | \$53,323 |
| Term deposit 74 | - | \$403,478 |
| Total term deposits | <u>-</u> | <u>\$456,801</u> |

13 Auditor's remuneration

Spooner Hood & Redpath Ltd provides audit services to the Trust. Total audit fees are \$9,950, (2016: \$15,680).

14 Credit card

Te Oranganui Trust Incorporated has an ASB Credit Card which is used for purchases required for business related expenses. The Credit Card has a limit of \$5,000 with a current interest rate of 20.95% *pa* on balances due.

15 Equity

The equity of Te Oranganui Trust Incorporated as at 30th June 2017 is \$709,498. (2016: \$690,766).

TE ORANGANUI TRUST INCORPORATED

Notes to the Financial Statements

for the year ended 30 June 2017

16 Equity reserves

During the reporting period these funds were transferred to the Special Purposes Reserve in recognition that these funds sit outside the normal business of the Trust and so have a specific purpose to meet community needs.

Reserve: Hauora a Iwi

| | <u>2017</u> | <u>2016</u> |
|----------------------------------|------------------|-----------------|
| Opening balance | \$22,283 | - |
| Transfers from retained earnings | - | \$22,283 |
| Surplus/(deficit) for the year | <u>(\$5,513)</u> | <u>-</u> |
| Closing balance | <u>\$16,770</u> | <u>\$22,283</u> |

Reserve: Estate J Deere

| | <u>2017</u> | <u>2016</u> |
|----------------------------------|-----------------|-----------------|
| Opening balance | \$13,043 | - |
| Transfers from retained earnings | - | \$13,043 |
| Surplus/(deficit) for the year | <u>(\$859)</u> | <u>-</u> |
| Closing balance | <u>\$12,184</u> | <u>\$13,043</u> |

Reserve: Putea Aroha

| | <u>2017</u> | <u>2016</u> |
|----------------------------------|-------------------|-----------------|
| Opening balance | \$44,106 | - |
| Transfers from retained earnings | - | \$44,106 |
| Surplus/(deficit) for the year | <u>(\$15,241)</u> | <u>-</u> |
| Closing balance | <u>\$28,865</u> | <u>\$44,106</u> |

Reserve: Residential Care

| | <u>2017</u> | <u>2016</u> |
|----------------------------------|----------------|-------------|
| Opening balance | - | - |
| Transfers from retained earnings | <u>\$5,865</u> | <u>-</u> |
| Closing balance | <u>\$5,865</u> | <u>-</u> |

Total Special Purpose Reserve

| | | |
|--|-----------------|-----------------|
| | <u>\$63,684</u> | <u>\$79,432</u> |
|--|-----------------|-----------------|

TE ORANGANUI TRUST INCORPORATED

Notes to the Financial Statements

for the year ended 30 June 2017

17 Property plant and equipment

| <u>2017</u> | <u>Depreciation</u> | <u>Capital</u> | <u>YTD</u> | <u>Accumulated</u> | <u>NBV</u> |
|--|---------------------|------------------|---------------------|---------------------|-------------------|
| <u>Category</u> | <u>Method</u> | <u>Value</u> | <u>Depreciation</u> | <u>Depreciation</u> | |
| Computers | DV | 759,610 | 51,629 | 694,056 | 65,554 |
| Furniture & Fittings | DV | 146,095 | 12,038 | 87,317 | 58,778 |
| Land and Buildings | DV | 672,998 | 37,441 | 162,732 | 510,266 |
| Motor Vehicles | DV | 207,953 | 7,030 | 188,858 | 19,095 |
| Plant & Equipment | DV | 245,434 | 15,690 | 185,155 | 60,279 |
| | | <u>2,032,090</u> | <u>123,828</u> | <u>1,318,118</u> | <u>713,972</u> |
| Total Property, Plant & Equipment | | | | | \$ 713,972 |

| <u>2016</u> | <u>Depreciation</u> | <u>Capital</u> | <u>YTD</u> | <u>Accumulated</u> | <u>NBV</u> |
|--|---------------------|------------------|---------------------|---------------------|-------------------|
| <u>Category</u> | <u>Method</u> | <u>Value</u> | <u>Depreciation</u> | <u>Depreciation</u> | |
| Computers | DV | 752,595 | 61,749 | 677,689 | 74,906 |
| Furniture & Fittings | DV | 178,912 | 8,346 | 127,987 | 50,925 |
| Land and Buildings | DV | 655,330 | 31,984 | 125,290 | 530,040 |
| Motor Vehicles | DV | 207,953 | 9,730 | 181,828 | 26,125 |
| Plant & Equipment | DV | 245,859 | 21,575 | 179,942 | 65,917 |
| | | <u>2,040,649</u> | <u>133,384</u> | <u>1,292,736</u> | <u>747,913</u> |
| Total Property, Plant & Equipment | | | | | \$ 747,913 |

18 Contracted commitments

a. Vehicle leases

Non-cancellable operating leases for vehicles leased by Te Oranganui Trust Incorporated are as follows:

| | <u>2017</u> | <u>2016</u> |
|---|------------------|------------------|
| No later than 1 year | \$136,395 | \$139,762 |
| Later than 1 year and no later than 5 years | \$136,646 | \$148,179 |
| Later than 5 years | - | - |
| | <u>\$273,041</u> | <u>\$287,941</u> |

b. Photocopier leases

Non-cancellable operating leases for photocopiers and printers leased by Te Oranganui Trust Incorporated are as follows:

| | <u>2017</u> | <u>2016</u> |
|---|-----------------|-----------------|
| No later than 1 year | \$22,711 | \$21,612 |
| Later than 1 year and no later than 5 years | \$26,078 | \$46,957 |
| Later than 5 years | - | - |
| | <u>\$48,789</u> | <u>\$68,569</u> |

TE ORANGANUI TRUST INCORPORATED
Notes to the Financial Statements
for the year ended 30 June 2017

c. Property rental

Non-cancellable property leases for Te Oranganui Trust Incorporated are as follows:

| | <u>2017</u> | <u>2016</u> |
|---|------------------|------------------|
| No later than 1 year | \$139,998 | \$136,564 |
| Later than 1 year and no later than 5 years | \$134,250 | \$268,500 |
| Later than 5 years | - | - |
| | <u>\$274,248</u> | <u>\$405,064</u> |

d. Capital commitments

As at 30 June 2017 there were no capital commitments. (2016: \$10,390).

e. Income in advance

Income in advance includes the following funds held for contracts not fulfilled at year end and are expected to be utilised in the coming year:

| | <u>2017</u> | <u>2016</u> |
|---|------------------|------------------|
| Ministry of Health - Healthy Families | \$466,743 | \$445,735 |
| Ministry of Health - MPDS | \$23,539 | - |
| Ministry of Health - Disability Support | \$57,853 | - |
| Te Pou Matakana - Whanau Ora Navigators | - | \$80,400 |
| Ministry of Health - Te Puawai o te Ahi Kaa | - | \$30,245 |
| Te Puni Kokiri - He Puna Whiriwhiria | - | \$97,600 |
| | <u>\$548,135</u> | <u>\$653,980</u> |

19 Term liabilities

The Trust had the following term liabilities at the end of the financial year:

| | <u>2017</u> | <u>2016</u> |
|---|-----------------|------------------|
| Less than 1 year | \$48,000 | \$48,000 |
| More than 1 year | \$18,000 | \$66,000 |
| Security - All Trust assets [0% interest] | <u>\$66,000</u> | <u>\$114,000</u> |

20 Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

| Financial assets | <u>2017</u> | <u>2016</u> |
|--|--------------------|--------------------|
| <u>Loans and receivables</u> | | |
| Cash and cash equivalents | \$382,974 | \$307,171 |
| Short term investments | - | \$456,802 |
| Receivables from exchange transactions | \$1,056,054 | \$682,460 |
| | <u>\$1,439,028</u> | <u>\$1,446,433</u> |

TE ORANGANUI TRUST INCORPORATED

Notes to the Financial Statements

for the year ended 30 June 2017

| Financial Liabilities | <u>2017</u> | <u>2016</u> |
|---------------------------------------|--------------------|--------------------|
| <u>At amortised cost</u> | | |
| Trade and other creditors | \$510,519 | \$417,567 |
| Employee entitlements | \$319,214 | \$328,077 |
| Loans and borrowings | \$66,000 | \$114,000 |
| Deferred income (conditions attached) | \$548,135 | \$653,980 |
| | <u>\$1,443,868</u> | <u>\$1,513,624</u> |

21 Subsequent events after balance date

There are no subsequent events after balance date and up to the time of signing these financial statements that materially affect the position as it existed at that date.

22 Contingent liabilities

Mediation is pending regarding an employment dispute as at balance date. The amount of exposure is unknown at the date of signing the accounts

23 Related party transactions

Key management personnel

The key management personnel, as defined by PBE IPSAS 20 *Related Party Disclosures*, are the members of the governing body which is comprised of the Board of Trustees, the Chief Executive, and other staff members who have direct influence on decision making. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

| | <u>2017</u> | <u>2016</u> |
|--|--------------------|--------------------|
| Board remuneration | \$55,305 | \$47,105 |
| Number of persons | 8 | 11 |
| CEO and Senior Management remuneration | \$554,630 | \$588,504 |
| Number of persons | 7 | 7 |

Remuneration and compensation provided to close family members of key management personnel

During the reporting period total remuneration and compensation of \$73,844, (2016: \$8,850) was provided by the Trust to employees who are close family members of key management personnel.

Assets sold to personnel

During the reporting period the organisation opted to sell miscellaneous obsolete furniture for koha. Total funds received were \$330.

2016: Two motor vehicles were sold to staff via an open tender process. The total amount of \$8,100 was received. The market value was \$9,000.

INDEPENDENT AUDITOR'S REPORT**To the Trustees of Te Oranganui Trust Incorporated****Opinion**

We have audited the financial statements of Te Oranganui Trust Incorporated on pages 3 to 17, which comprise the statement of financial position as at 30 June 2017, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Te Oranganui Trust Incorporated as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime ("PBE IPSAS RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Responsibilities of Those Charged with Governance for the Financial Statements

Those charged with governance are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime ("PBE IPSAS RDR") in New Zealand, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Description_Auditors_responsibilities.aspx.

Restriction on Distribution or Use

This report is made solely to the Trustees, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Brent Hood

Spooner Hood & Redpath Ltd

Chartered Accountants

Whanganui, New Zealand

16 October 2017



Accredited by:

