

**Komiti Marae Ōrākei Trust**

Financial Statements

For the year ended 30 June 2019

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## DIRECTORY

For the year ended 30 June 2019

<b>Nature of Business</b>	Marae & Māori functions Restorative justice services
<b>Registered Office</b>	59B Kitemoana Street, Ōrākei Auckland 1071
<b>Registration Numbers</b>	CC48603 - Charities Service 2392406 - Companies Office (Charitable Trust Board)
<b>IRD Number</b>	102-995-112
<b>Trustees</b>	Hana Maihi (appointed 9/12/2018) Beronia Scott (appointed 12/02/2018) Leeann Melissa Corvette (appointed 03/12/2017) Mere Karaka Gillman (appointed 12/11/2012) Huia Hawke (appointed 24/04/2009) Wyllis Maihi (resigned 9/12/2018)
<b>Auditors</b>	Ernst & Young Auckland New Zealand
<b>Bank</b>	ASB Eastridge, Auckland New Zealand

## BOARD REPORT

The Board hereby presents its Report including the Financial Statements of the Komiti Marae Ōrākei Trust (the Trust) as at and for the year ended 30 June 2019.

The following disclosures have been made by the Board.

### Principal Activities

Komiti Marae Ōrākei Trust is a charitable trust settled for charitable purposes within New Zealand as detailed in the Deed of Trust dated 24 April 2009.

### Auditors

The Board's auditor is Ernst & Young.

### Board of Trustees Holding Office During the Period

Hana Maihi (appointed 9/12/2018)

Beronia Scott (appointed 12/02/2018)

Leeann Melissa Corvette (appointed 03/12/2017)

Mere Karaka Gillman (appointed 12/11/2012)

Huia Hawke (appointed 24/04/2009)

Wyllis Maihi (resigned 9/12/2018)

For and on behalf of the Board, who authorised the Financial Statements on the 25 day of  
November 2019



Trustee



Trustee

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
<b>Revenue from Exchange Transactions</b>			
Catering income		125,451	98,326
Kaumātua income		21,053	30,422
Marae income		184,758	76,616
Other income	1(a)	2,606	7,768
Restorative Justice income		462,075	457,496
<b>Total Revenue from Exchange Transactions</b>		<b>795,943</b>	<b>670,628</b>
<b>Revenue from Non-Exchange Transactions</b>			
Ngāti Whātua o Ōrākei Trust		573,619	538,571
Other income	1(b)	206,879	82,962
<b>Total Revenue from Non-Exchange Transactions</b>		<b>780,498</b>	<b>621,533</b>
<b>Total Revenue</b>		<b>1,576,441</b>	<b>1,292,161</b>
<b>Expenses</b>			
Catering expenses		45,587	33,395
Communication expenses		12,091	11,669
Depreciation and amortisation expense	8	10,482	9,801
Employee benefit expenses	2(a)	681,050	590,082
Finance cost		-	4
Occupancy expenses	2(b)	97,057	77,611
Other expenses	2(c)	284,115	48,398
Professional fees	2(d)	34,901	7,674
Restorative Justice expenses		417,168	456,209
<b>Total Expenses</b>		<b>1,582,451</b>	<b>1,234,843</b>
<b>Total Expenses</b>		<b>1,582,451</b>	<b>1,234,843</b>
<b>Total Comprehensive Revenue/(Expense) for the Year</b>		<b>(6,010)</b>	<b>57,318</b>

This statement is to be read in conjunction with notes to the Financial Statements.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Contributed capital	Accumulated comprehensive revenue and expense	Total
	\$	\$	\$
At 1 July 2017	-	383,634	383,634
Total comprehensive revenue and surplus for the period	-	57,318	57,318
<b>At 30 June 2018</b>	-	<b>440,952</b>	<b>440,952</b>
At 1 July 2018	-	440,952	440,952
Total comprehensive revenue and surplus for the period	-	(6,010)	(6,010)
<b>At 30 June 2019</b>	-	<b>434,942</b>	<b>434,942</b>

This statement is to be read in conjunction with notes to the Financial Statements.

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2019	Note	2019 \$	2018 \$
<b>Equity</b>			
Accumulated comprehensive revenue and expense		434,942	440,952
<b>Total Equity</b>		<b>434,942</b>	<b>440,952</b>
<b>Current Assets</b>			
Cash and cash equivalents	3	337,026	284,944
Trade and other receivables (exchange transactions)	4	234,467	276,088
Trade and other receivables (non-exchange transactions)	5	32,867	69,320
<b>Total Current Assets</b>		<b>604,360</b>	<b>630,352</b>
<b>Non Current Assets</b>			
Property, plant and equipment	8	35,738	39,525
<b>Total Non-Current Assets</b>		<b>35,738</b>	<b>39,525</b>
<b>Total Assets</b>		<b>640,098</b>	<b>669,877</b>
<b>Current Liabilities</b>			
Trade and other payables	6	76,264	102,637
Employee benefits	7	46,703	34,259
Related party liabilities	9	24,289	19,740
Income received in advance	10	57,900	72,289
<b>Total Current Liabilities</b>		<b>205,156</b>	<b>228,925</b>
<b>Total Liabilities</b>		<b>205,156</b>	<b>228,925</b>
<b>Total Net Assets</b>		<b>434,942</b>	<b>440,952</b>

For and on behalf of the Board:

Trustee B.A.S. A.

Trustee [Signature]

Dated this 25 day of November 2019

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2019	Note	2019 \$	2018 \$
<b>Cash flows from Operating Activities</b>			
<b>Cash was provided from:</b>			
Receipts from customers		858,831	470,460
Receipts from grants		780,765	618,000
Interest received		226	116
<b>Cash was disbursed to:</b>			
Payments to suppliers		(917,292)	(602,772)
Payments to employees		(668,606)	(568,331)
Income tax paid		(75)	(38)
Interest paid		-	(4)
<b>Net Cash Flows from Operating Activities</b>		<b>53,849</b>	<b>(82,569)</b>
<b>Cash Flows from Investing Activities</b>			
<b>Cash was disbursed to:</b>			
Purchase of property, plant and equipment		(6,696)	-
<b>Net Cash Flows from Investing Activities</b>		<b>(6,696)</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>			
<b>Cash was provided from:</b>			
Advances from related parties - Capex	9	(8,832)	(47,189)
Advances from related parties - Opex	9	13,381	(3,902)
Dividends received		380	700
<b>Net Cash Flows from Financing Activities</b>		<b>4,929</b>	<b>(50,391)</b>
<b>Net Increase/(Decrease) in Cash Held</b>		<b>52,082</b>	<b>(132,960)</b>
Cash and cash equivalents at the beginning of the year		284,944	417,904
<b>Cash and Cash Equivalents at the End of the Year</b>		<b>337,026</b>	<b>284,944</b>

This statement is to be read in conjunction with notes to the Financial Statements.

## STATEMENT OF ACCOUNTING POLICIES

### Basis of Preparation

Komiti Marae Ōrākei Trust (the "Trust") is a charitable trust settled by Matepura Epiha Maihi, Bronica Aroha Scott, Hui Ngamora Ann Hawke, Maryanne Madden and Te Aroha Alec Hawke for charitable purposes within New Zealand as detailed in the Deed of Trust dated 24 April 2009. The Trust is a reporting entity for the purpose of the Financial Reporting Act 2013 and its Financial Statements comply with that Act. The Financial Statements have been prepared on historical cost basis.

### Statement of Compliance

The Financial Statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and requirements of the Trust Deed.

The Trust is a Public Benefit Entity for the purpose of financial reporting. The Financial Statements comply with Public Benefit Entity International Public Sector Accounting Standards - Reduced Disclosure Regime ("PBE IPSAS - RDR"), as appropriate for Tier 2 not-for-profit public benefit entities. The Trust qualifies as a Tier 2 reporting entity on the basis that it does not have public accountability and it is not large.

### Comparatives

Certain comparatives have been reclassified to reflect changes in presentation in the Financial Statements and notes. These changes did not impact total comprehensive revenue and expense for the period.

### Functional and Presentation Currency

These Financial Statements are presented in New Zealand dollars, rounded to the nearest dollar. This is the currency of the primary economic environment in which the Trust operates.

### Property, Plant and Equipment

Items of capital work in progress are measured at cost less impairment losses. Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where an item of property, plant or equipment is disposed of, the gain or loss is recognised in the Statement of Comprehensive Revenue and Expense, and is calculated as the difference between the sale price and the carrying amount of the asset.

Depreciation is recognised in the Statement of Comprehensive Revenue and Expense on a diminishing value basis. The following depreciation rates have been applied:

8.0% - 67.0% DV	Kitchen Equipment
10.0% - 40.0% DV	Fixtures & Fittings
20.0% - 67.0% DV	Office Equipment
16.0% - 50.0% DV	Vehicles
10.0% DV	Building Improvements

## STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

### **Impairment of Property, Plant and Equipment**

For the purpose of assessing impairment indicators and impairment testing, the Trust classifies all property, plant and equipment as non-cash generating assets because the primary objective of these Trust's assets is not to generate a commercial return.

At each reporting date, the Trust reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Assets that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

### **Financial instruments**

All financial instruments are initially recognised at the fair value of the consideration received less, in the case of financial assets and liabilities not recorded at fair value through profit or loss, directly attributable transaction costs. Subsequently the Trust applies the following accounting policies for financial instruments:

#### *Cash and Cash Equivalents*

Cash and cash equivalents in the Statement of Financial Position comprises; cash at bank, in hand and short-term deposits with an original maturity of three months or less. Bank overdrafts are shown on the Statement of Financial Position as current liabilities.

#### *Loans and Receivables*

Loans and receivables at amortised cost consist of trade and other receivables.

Trade receivables generally have terms payable on the 20th of the month following. Collectability of trade receivables is reviewed on an ongoing basis and individual debts that are known to be uncollectable are written off when identified. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment.

#### *Financial Liabilities at Amortised Cost*

Financial liabilities at amortised costs consist of trade and other payables.

Trade and other payables are subsequently measured at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Trust prior to the end of the financial period that are unpaid and arise when the Trust becomes obliged to make future payments in respect of these goods and services. These amounts are unsecured and are usually paid within 30 days of recognition.

## STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

### Revenue

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

#### *Revenue from exchange transactions:*

##### Rendering of Services

Services rendered revenue is recognised in surplus or deficit in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to:

- A survey of the work completed for services under contract at reporting date.
- Proportion of time remaining under the original service agreement at reporting date for contracts spanning more than 12 months.
- The proportion of costs incurred to date compared to the total estimate costs of the transaction. Only costs that reflect the services performed to date are included in costs incurred to date. Only costs that reflect services performed to date are included in the estimated total costs of the transaction.

Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

##### Interest Revenue

Interest revenue is recognised using the effective interest method.

#### *Revenue from non-exchange transactions:*

Non-exchange transactions are those where the Trust receives an inflow of resources (i.e. cash or other tangible or non-tangible items) but provides no (or nominal) direct consideration in return for the inflow.

With the exception of services in kind, inflow of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and;
- Fair value can be reliably measured.

##### Government Grants

Revenue from government grants is recognised when the Trust obtains control of the transferred asset and the transfer is free from 'conditions' that require the asset to be refunded or returned if the conditions are not fulfilled. A deferred revenue liability is recognised instead of revenue when a condition is attached that requires the Trust to perform, or return the grant. Revenue is then recognised once the Trust has satisfied these conditions.

##### Ngāti Whātua Ōrākei Trust Funding

Ngāti Whātua Ōrākei Trust funding is recognised when cash is received.

### Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

### Employee Entitlements

Liabilities for wages and salaries, including non monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date, are recognised in respect of employees' services up to the reporting date. The liabilities are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

### Income Tax

The Trust operates as a charitable organisation and has been exempt from income tax by the Inland Revenue Department.

### Goods and Services Tax

These Financial Statements have been prepared on a GST exclusive basis with the exception of Accounts Receivable and Accounts Payable which are shown inclusive of GST.

### Leases

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense over the lease term as an integral part of the total lease expense.

### Going Concern

As at 30 June 2019 the Board has determined the Komiti Marae Ōrākei Trust is a going concern and no adjustments have been made to the carrying value of the assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

	2019	2018
	\$	\$
<b>1. Other Income</b>		
<b>(a) Exchange</b>		
Interest income	226	116
Dividend	380	700
Doubtful debts recovered	2,000	6,952
	<b>2,606</b>	<b>7,768</b>
<b>(b) Non-Exchange</b>		
He Tangata income	13,878	-
Iwi Panel income	143,890	27,500
Koha Mai	44,111	43,084
Small funding contract income	5,000	12,378
	<b>206,879</b>	<b>82,962</b>
<b>2. Operating Expenses</b>		
<b>(a) Employee Benefit Expenses</b>		
KiwiSaver employer contributions	12,152	10,477
Wages and salaries	524,987	403,494
Ngāti Whātua ō Ōrākei Trust Opex Expenses	143,911	176,112
	<b>681,050</b>	<b>590,082</b>
<b>(b) Occupancy Expenses</b>		
Insurance	9,819	2,596
Light, power, heating	37,770	31,710
Cleaning & laundry	17,180	17,255
Repairs & maintenance	31,903	24,047
Security	385	2,003
	<b>97,057</b>	<b>77,611</b>
<b>(c) Other Expenses</b>		
Bad and doubtful debts	4,575	884
Bank fees	1,326	1,170
He Tangata expenses	13,878	-
Iwi Panel expenses	83,434	14,653
Kaumātua expenses	1,163	1,284
Koha Atu	1,075	2,850
Marae booking expenses	3,136	6,918
Motor vehicle expenses	3,547	12,918
Ngāti Whātua ō Ōrākei Trust Capex Overspend	91,344	-
Office expenses	3,888	5,031

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2019	2018
<b>(c) Other Expenses (continued)</b>		
Small funding contract expenses	6,333	-
Staff expenses	3,853	2,388
Travel - National	-	302
Whare Ako Overspend	66,563	-
	<b>284,115</b>	<b>48,398</b>

	2019	2018
<b>(d) Professional Fees</b>		
Accounting fees	21,701	1,031
Audit fees	13,200	6,643
	<b>34,901</b>	<b>7,674</b>

### As at 30 June 2019

	2019	2018
<b>3. Cash and Cash Equivalents</b>	<b>\$</b>	<b>\$</b>
ASB 50	336,646	116,579
ASB Cheque 00	380	168,365
	<b>337,026</b>	<b>284,944</b>

### 4. Trade and Other Receivables (exchange transactions)

Accounts receivable - Exchange	100,577	258,064
Accrued revenue - Exchange	116,246	-
Community events	2,027	216
Provision for doubtful debts	(4,574)	(2,000)
Related Party receivables	17,035	16,727
Resident Withholding Tax	3,156	3,081
	<b>234,467</b>	<b>276,088</b>

### 5. Trade and Other Receivables (non-exchange transactions)

Accounts receivable - Non-exchange	32,867	69,320
	<b>32,867</b>	<b>69,320</b>

### 6. Trade and Other Payables

Accounts payable - Exchange	41,998	74,190
Accrued expenses - Exchange	29,600	20,400
GST payable	4,666	8,047
	<b>76,264</b>	<b>102,637</b>

### 7. Employee Benefits

Provision for Holiday Pay	13,088	20,169
Wages/Bonus accrued	15,274	13,845
Wages Deductions Payable	18,341	245
	<b>46,703</b>	<b>34,259</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8. Property, Plant & Equipment

	Kitchen Equipment	Office Equipment	Fixtures & Fittings	Vehicles	Building Improvements	Total
	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
At 1 July 2017	23,378	11,893	15,963	33,184	5,632	90,050
Additions	-	-	-	21,100	-	21,100
At 30 June 2018	23,378	11,893	15,963	54,284	5,632	111,150
At 30 June 2018	23,378	11,893	15,963	54,284	5,632	111,150
Additions	-	-	-	6,696	-	6,696
<b>At 30 June 2019</b>	<b>23,378</b>	<b>11,893</b>	<b>15,963</b>	<b>60,980</b>	<b>5,632</b>	<b>117,845</b>
<b>Depreciation and Impairment</b>						
At 1 July 2017	19,584	9,882	12,786	17,292	2,279	61,823
Depreciation Charge	560	1,009	1,175	6,722	335	9,801
At 30 June 2018	20,144	10,891	13,961	24,014	2,614	71,625
At 30 June 2018	20,144	10,891	13,961	24,014	2,614	71,625
Depreciation Charge	444	454	714	8,568	302	10,482
<b>At 30 June 2019</b>	<b>20,588</b>	<b>11,345</b>	<b>14,675</b>	<b>32,582</b>	<b>2,916</b>	<b>82,107</b>
<b>Net book value</b>						
At 30 June 2018	3,233	1,002	2,002	30,270	3,018	39,525
<b>At 30 June 2019</b>	<b>2,789</b>	<b>548</b>	<b>1,288</b>	<b>28,398</b>	<b>2,716</b>	<b>35,738</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9. Related Parties

	2019	2018
<b>Ngāti Whātua Ōrākei Trust - Capex</b>	<b>\$</b>	<b>\$</b>
Opening balance 1 July	8,832	56,021
Approved annual budget	30,000	300,000
Actual expenditure	(130,177)	(347,189)
Capex overspend expensed and funded by KMOT	91,344	-
Closing balance 30 June	-	8,832
<b>Ngāti Whātua Ōrākei Trust - Opex</b>		
Opening balance 1 July	10,908	14,810
Approved annual budget	587,000	549,000
Actual expenditure	(573,619)	(552,902)
Closing balance 30 June	24,289	10,908
	<b>24,289</b>	<b>19,740</b>

Centres	Budget	Actual	Variance	% of Budget
	\$	as at June 2019 \$	as at June 2019 \$	Spent
Opex Maintenance	150,000	145,216	4,784	97%
Opex Personnel	437,000	428,403	8,597	98.03%
Capex Wharenui Restoration	-	75,762	(75,762)	-
Capex Carvings Restoration	30,000	54,415	(24,415)	181.38%
Total Opex Funding	587,000	573,619	13,381	98%
Total Capex Funding	30,000	130,177	(100,177)	434%
<b>Total</b>	<b>617,000</b>	<b>703,796</b>	<b>(86,796)</b>	<b>114%</b>

Komiti Marae Ōrākei Trust (KMOT) oversees the management and administration of the Marae for the owner and related party, Ngāti Whātua Ōrākei Trust (NWOT). For the year ending 30 June 2019, NWOT distributed \$617,000 of funds to KMOT (2018: \$849,000). Of the \$617,000, \$587,000 was provided for costs associated with maintaining and operating the Marae (Opex) and \$30,000 was provided for the restoration of Marae assets (Capex). The pools of funds are to be used for their separate purposes as stipulated by NWOT. The nature of the stipulation is a "restriction" as surplus funds are not required to be returned to NWOT (PBE IPSAS 23). However, surplus funds are deferred for future expenditure by recognition of an advance from a related party in the financial statements.

As at 1 July 2018, the total amount of deferred funds from NWOT was \$19,740; \$8,832 for Capex and \$10,908 for Opex. For the year ending 30 June 2019, KMOT overspent on Capex by \$100,177 and underspent on Opex by \$13,381. As at 30 June 2019, \$24,289 remained unspent which can be used for future Opex expenditure. As NWOT owns the Marae assets (buildings, land, and funding), Capex related funding and expenditure is not recorded in the Statement of Comprehensive Revenue and Expense of KMOT. KMOT does not have legal ownership or control over the use of the assets, and no past transactions or gifting of assets has occurred. Therefore, the expenditure KMOT has applied to NWOT's assets cannot be capitalised as there is no asset to attach it to.

#### Receipt of Revenue

During the period, KMOT provided Marae, Kaumātua and Catering services totalling \$64,800 (2018: \$68,081) to NWOT on normal trade terms and conditions. At reporting date, there was a total of \$17,035 (2018: \$41,367) that remained receivable, which has been disclosed in *Note 4. Trade and Other Receivables (exchange transactions) - Related Party receivables.*

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10. Income received in advance

	2019	2018
	\$	\$
Marae and Catering income - Exchange	28,299	6,502
Iwi Panel income (NZ Police) - Non-exchange	-	43,478
He Tangata income (NZ Police) - Non-exchange	29,601	-
Whare Ako (Auckland Council) - Non-exchange	-	22,309
	<u>57,900</u>	<u>72,289</u>

### 11. Operating Lease Commitments

The Trust has entered into leases for a photocopier. The photo copier lease has a remaining lease term of 48 months.

The minimum lease rental commitments at balance date are as follows:

	2019	2018
	\$	\$
Within one year	3,108	3,108
Between one and five years	9,169	12,277
After more than five years	-	-
	<u>12,277</u>	<u>15,385</u>

### 12. Key Management Personnel Remuneration

The Trust classifies its key management personnel into one of two classes:

- Trustees (members of the governing body)
- Senior management team

The aggregate level of remuneration paid and number of persons (measured in 'people' for members of the governing body, and 'full-time-equivalents' (FTE's) for the senior management team) in each class of key management personnel is presented below:

	2019		2018	
	Remuneration of individuals \$	Number of persons	Remuneration of individuals \$	Number of persons
Trustees	-	5	-	5
Senior management team	185,346	3	164,209	3

Prior to 1 July 2017, key management personnel were paid by Ngāti Whātua Ōrākei Trust Board.

### 13. Subsequent Events

There were no significant events after balance date and before the signing of these accounts.

### 14. Contingent Liabilities

Komiti Marae Ōrākei Trust has not provided any other securities or guarantees to any other party as at 30 June 2019 (2018:Nil).



## **Independent auditor's report to the Beneficiaries of Komiti Marae Ōrākei Trust Report on the audit of the financial statements**

### **Qualified Opinion**

We have audited the financial statements of Komiti Marae Ōrākei Trust on pages 5 to 17, which comprise the statement of financial position of the Trust at 30 June 2019, and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year then ended of the Trust and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion, the financial statements on pages 5 to 17 present fairly, in all material respects, the financial position of the Trust as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

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

### **Basis for Qualified opinion**

There was no system of control over koha mai income and related cash which we could rely on for the purpose of our audit. We were unable to confirm or verify by alternative means the koha mai income included in the statement of comprehensive revenue and expense at a total amount of \$44,111 for the period ended 30 June 2019. As a result of this matter, the scope of our audit was limited and we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded income kohai mai income and related cash.

We conducted our audit in accordance with International Standards on Auditing (New Zealand). 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 interest in, the Trust. Partners and employees of our firm may deal with the Trust on normal terms within the ordinary course of trading activities of the business of the Trust.

### **Information other than the financial statements and auditor's report**

Those charged with governance are responsible for the Annual Report, which includes information other than the financial statements and auditor's report.

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



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working world**

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

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

### **Trustee's responsibilities for the financial statements**

The Trustees are responsible, on behalf of the entity, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, 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, the Trustees are responsible for assessing on behalf of the entity the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or 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 International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>. This description forms part of our auditor's report.

The logo for Ernst &amp; Young, featuring the company name in a stylized, cursive script.

Chartered Accountants  
Auckland  
25 November 2019