

INDEPENDENT AUDITOR'S REPORT

To the Beneficiaries of Ruapuha Uekaha Hapu Trust

Report on the Financial Statements

We have audited the financial statements of Ruapuha Uekaha Hapu Trust on pages 2 to 14, which comprise the statement of financial position as at 31st March 2013, and the statement of financial performance, statement of movements in equity and schedule of property, plant and equipment for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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, as well as evaluating the overall presentation of the financial statements.

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

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

Basis for Qualified Opinion on Financial Position and Financial Performance

Advance to Tanetinorau Opataia Whanau Trust

The Trust has made advances to Tanetinorau Opataia Whanau Trust of \$714,681 of which \$46,163 is in relation to the Backpackers Hotel Development. The Trustees are currently unable to provide us with satisfactory evidence as to the eventual recoverability of these advances, and it appears that this balance may be written off or considered a distribution, subject to resolution of a proposal regarding amendments to the relative interests of the members.

Qualified Opinion on Financial Position and Financial Performance

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements on pages 2 to 14:

- Comply with generally accepted accounting practice;
- Give a true and fair view of the financial position of the Trust as at 31st March 2013 and the results of its operation for the year ended on that date;
- Give a true and fair view of the cash flows of the Trust for the year ended 31st March 2013.

Jonathan Hurst & Associates
28th November 2013
Te Awamutu



www.jonhurst.co.nz