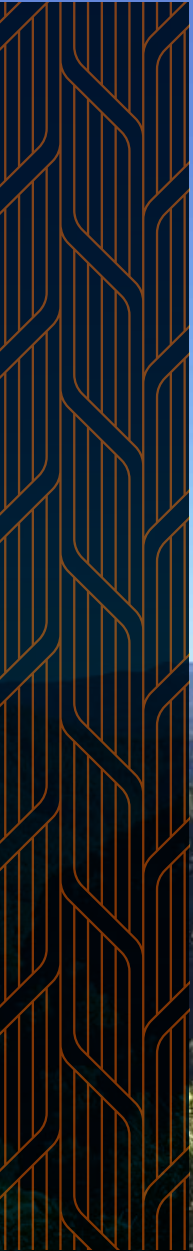




Annual Report

2019



Mihi

*I te pūaotanga o te atatū
maringi mai ana ngā
roimata a Ranginui ki
runga i a Papatuānuku,
Ko ngā roimata wēnā mō ō
tātau mate huhua e hinga
nei, e mate nei i runga i
o tātau marae puta noa
i te rohe pōtae o Tūhoe,
o te motu whānui hoki.
E piki koutou i te waka
whakarei o mate ka kake
ki te pūtahitanga o Rehua,
ki tua o te pae o te wharau,
moe mai, whakangaro atu.*

E ngā mana, e ngā reo, e ngā
ihoiho o ngā whakamataku o
rātau mā kua ngaro ki te pō, tēnā
koutou.

Tēnā koutou ngā ariki o ngā
whenua o Te Manawa o Tūhoe kua
tau nei i runga i te kaupapa o te
rā, ko tā tātau hui-ā-tau, Mauritū!
Mauriora!

E kī ana te kōrero ko te wai te toto
o te whenua, ko te whenua te toto
o te tangata.

Tēnā koutou e whai whakaaro
nui ana ki ngā mahi ahū whenua
kai runga i te onetapu i waihohia
mai e ō tātau kuia, koroua, ko
Te Manawa o Tūhoe!





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Our Vision

***Te Manawa o Tūhoe is a
leading world class
Māori enterprise.***

.....

Our Mission

***The protection and
growth of our taonga
through sustainable
development of all
current and future
business engagements.***

.....

Our Values

Pono

First and foremost this value is based on having integrity in everything we do which is about operating to the highest ethical standards which are intended to promote transparency and accountability;

.....

Rangatiratanga

This is based on the value of having dynamic governance as well as management leadership, accountability, transparency and vision;

.....

Kaitiakitanga

O ngā taonga tuku iho mō ngā uri whakaheke – te reo, ngā tikanga, ngā mātauranga, te whenua, ngā awa me ngā maunga;

.....

Manaakitanga

This is about valuing and respecting our beneficial owners, our customers, suppliers, employees and others according to the principles of Tūhoetanga;

.....

Whānaungatanga

This is based on the value of growing and maintaining meaningful and sustainable relationships.

.....

Chair's Report

Tau ana te kohu, tāpapa ana ki runga o Papatuanku, rongoa ana te hau mirimiri, te ua kōnehunehu o te rangi!

E tangi ana ki ngā mate huhua o te wā!

Hoki wairua mai ra koutou kua ngaro ki te pō!

Overview

For much of 2019 the board were engaged in re-considering the strategic direction of our organisation. Following on from reviews that were undertaken, we came to a view that we needed to streamline our operations and introduce efficiencies and financial prudence across our workstreams. This has not been easy, and it has met with its challenges as well as some rewards. 2019 also saw the following developments:

- three new trustees were introduced during a period of significant change
- an acting General Manager was employed to assume responsibility for the Trust's operations, subsequently releasing the Chair to focus back on governance matters
- implementing an organisational change management process that has led to efficiencies across the Trust's business units
- a change of Chair

We're making significant progress, improving systems and processes that are already showing positive results in terms of how we do things. However, there is still work to be done and one last review to complete.

Hatupere Farm

The dairy farming unit continues to make noteworthy gains in terms of quantity and quality of production. Despite the fluctuating markets, Hatupere remains viable in terms of sustainable returns on investment and value add for the Trust. There is some deliberate development work in terms of the obligation to improve our environmental footprint and show best practice performance, but there is no room for complacency in terms of our commitment and our kaitiakitanga responsibilities. We look forward to another productive year from Cam and his team.

Paekoa, Dairy Support Unit

A review of the Paekoa Dairy Support Unit operations demonstrated it is still a viable business option for Te Manawa o Tūhoe to support and invest in. The outlook remains positive with Paekoa presenting with the potential to grow over the forthcoming years. The focus remains on efficiencies of scale and ensuring Paekoa has a sustainable base to enhance the overall growth of Te Manawa o Tūhoe.



Nation Logging

The company has had a challenging year with securing ongoing work, although negotiations with current providers look promising. The viability of Nation Logging Ltd's operations is a key consideration of the Trust's strategic planning, and similar to our other business units, we intend to conduct a review of the company as part of our due diligence.

Health and Safety

We are again pleased to advise that our Health and Safety processes, across the whole organisation, continues to meet required standards. Maintaining robust Health and Safety protocols can be undervalued, which leads to significant risk in terms of staff welfare and organisational performance. We are fortunate to have an experienced Health and Safety Manager to ensure rigour in our practices to meet required standards.

We also maintain a strong emphasis on training and development, which has had positive results for our operational field staff who are better equipped to enforce health and safety practices in the workplace. It is evident in the incident rate that Te Manawa o Tūhoe is achieving and being acknowledged, across the various sectors we work in. I would like to acknowledge and thank Mike Christini for his outstanding contributions in this area, and for his continued efforts to ensure that Te Manawa o Tūhoe kaimahi have a safe and healthy workplace.

Miro Investment

Te Manawa o Tūhoe continues to maintain its investment in Miro. As Miro expands, we are excited by the opportunity to explore diverse opportunities, while the return on our investment grows.

Waiū - Kawerau Dairy Group

While Te Manawa o Tūhoe is an investor in Waiū, we also supply our milk products through Hatupere farm. This is a strategic move that will ensure we have greater leverage on value add to our asset base as well as maximising returns on our investment.

Te Puni Kōkiri

A special mention to Te Puni Kōkiri for the financial assistance that enabled the Trust to complete an internal review of our organisation and introduce best practice models of management and operations for the Trust to implement. We are already seeing the rewards of this initiative.

Conclusion

Although the Coronavirus pandemic hit our country in March 2020, it is important to note that the global impact of this pandemic is something that all businesses both here and abroad are acutely aware of. Its impact has been such that we have had to reflect on what is important for Te Manawa o Tūhoe, what the new way looks like, and what opportunities we should be investing in that will be sustainable and viable for the benefit of our beneficiaries. We remain hopeful that this pandemic will not adversely impact on our being able to realise our strategic aspirations.

Despite the trials and tribulations over the last year, the outlook remains positive. We look forward to completing our internal reviews and introducing further efficiencies to our operations. With that in mind, the Trustees would like to thank our shareholders for their continued patience and support. Moreover, we eagerly await the time when we can shift our focus on new opportunities for the Trust, while maintaining a continued focus on bringing value-add returns on investments that our current and future beneficiaries can enjoy.

Finally, we thank our outgoing staff members, Tania Melbourne, Maureen Rangihika and Anthea Te Moana for their contribution to keeping our waka afloat over the years. To Peter Madden, thank you for the skills and expertise you shared that resulted in much needed improvements to our operations, particularly with Paekoa and Hatupere.

Heoi anō ko te kupu whakamutunga ka tuku atu ki a Tāne Tūrei mō wāna whakapaunga kaha, whakapaunga werawera i ngā tau ka huri ki muri. Kite kau ake i tō ngākau nui ki tēnei whenua ōu a Te Manawa o Tūhoe.

Nō reira, tēnā rā koutou katoa.

A yellow CAT excavator is shown in the process of loading a large stack of logs onto a truck trailer. The logs are piled high on the trailer, and the excavator's arm is visible at the top of the frame. The background shows a logging site with trees and a cloudy sky. The excavator has the 'CAT' logo on its arm.

Business Directory

As at 30 June 2019

.....



Vested

4 December 1973

IRD Number

044-462-907

***Principal Activity
of Business***

Agricultural &
Forestry activities

Trustees

N Rangihau – Chairman
TW Turei
M Te Moana
T Graham
J McLean

Bankers

ASB Bank Limited
Whakatane Branch
The Strand, 3120

Solicitors

Tu Pono Legal Limited
Barristers & Solicitors
1268 Arawa Street
Rotorua 3010

Accountants

Goldsmiths
Chartered Accountants
Level 1, 189 The Strand
Whakatane 3120

Auditors

BDO Rotorua
Chartered Accountants
1130 Pukaki Street
Rotorua 3010



Auditors Report

***Te Manawa O Tūhoe
Trust Financial
Statements For the Year
Ended 30 June 2019***

.....



BDO Rotorua Limited

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF TE MANAWA O TUHOE TRUST AND SUBSIDIARY**

Report on the Audit of the consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Te Manawa o Tuhoē Trust ("the Trust"), and its controlled entity (collectively, the "Group"), which comprise the consolidated statement of financial position as at 30 June 2019, and the consolidated statement of financial performance for the year then ended, the consolidated statement of movements in equity and notes to the consolidated financial statements, including a summary of significant accounting policies. These are found on pages 4 to 18. We have not audited the appendix to these consolidated financial statements.

In our opinion, the accompanying consolidated financial statements of the Group for the year ended 30 June 2019 are prepared, in all material respects, in accordance with the accounting policies specified in Note 1 to the consolidated financial statements.

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 Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared solely for the Group's shareholders, as a body. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Group and the Group's shareholders, as a body, and should not be distributed to or used by parties other than the Group or the Group's shareholders. Our opinion is not modified in respect of this matter.

Other matter

We draw attention to Note 1 to the consolidated financial statements, which note that this is the first year that the consolidated financial statements of the Group have been prepared. The consolidated comparative balances for the previous year have not been audited.

Trustees Responsibilities for the consolidated Financial Statements

The Trustees are responsible for the preparation of the consolidated financial statements in accordance with the accounting policies specified in Note 1 to the consolidated financial statements and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, the Trustees are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

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

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we Report to

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

BDO Rotorua Limited
Rotorua
New Zealand
5 February 2020



***Consolidated
Financial
Statements***

.....

Consolidated Statement of Financial Position as at 30 June 2019

	Note	This Year	Last Year
Current Assets			
Cash at Bank	2	89,337	2,037,874
Prepayments		22,166	27,887
Bonds Paid for Forestry Keys		200	200
Prepaid Expenses		10,964	23,242
Interest Accrued		-	15,337
Accounts Receivable		84,363	302,826
Fonterra Co-Op Group Ltd		328,077	342,708
Taxation Refund Due	4	8,894	4,669
Biological Assets - Livestock	23,25	1,358,838	1,183,330
		1,902,838	3,938,073
Non Current Assets			
Property, Plant and Equipment			
As per Schedule (at Book Value)	6	17,431,031	17,750,558
Investments			
Investments	7		
Ballance	7	34,020	34,020
Fonterra	7	896,503	1,266,748
LIC Co-operative Shares	7	-	1,169
LIC Investment Shares	7	-	875
LIC Fully Paid Ordinary Shares	7	3,421	-
LIC Nil Paid Ordinary Shares	7	6,410	-
		940,354	1,302,811
Other Assets			
Te Manawa Investments Limited Partnership	8	28,712	10,195
Waiu Dairy Limited Partnership	8	963,292	219,526
		992,004	229,721
Biological Assets - Forestry			
Ahimanawa Forest	9	568,820	568,820
Waiohau Forest	9	1,469,676	1,469,676
		2,038,496	2,038,496
Total Assets		23,304,723	25,259,659

Current Liabilities			
Bank Overdraft	3	-	276
ASB Bank Ltd - Business Account	3	195,851	171,561
Accounts Payable		337,620	279,596
GST Payable		45,608	88,888
Hire Purchase Liability		-	12,553
Less Unexpired Hire Purchase Charges		-	(16)
Accrued Interest Payable		6,434	6,730
Bonds Received for Forestry Keys		200	200
Rent in Advance		150,420	150,420
Accrued Employee Benefits		96,639	149,303
Unclaimed Dividends		-	8,593
Unpaid LIC Share Capital		7,368	-
Audit Fee Accrued		4,428	4,428
Fonterra Co-op Support Loan		-	45,649
Loans - Current Portion	10	223,013	377,368
		1,067,580	1,295,549
Non Current Liabilities			
Term Loans	10	5,271,550	5,455,449
Unclaimed Dividends		600,507	616,862
		5,872,057	6,072,311
Total Liabilities		6,939,637	7,367,875
Net Assets		\$16,365,086	\$17,891,799
Trust Equity And Reserves			
Trust Equity		7,895,039	9,233,920
Asset Revaluation Reserve - Land	11	4,441,507	4,441,507
Asset Revaluation Reserve - Livestock	11	320,286	338,780
Asset Revaluation Reserve - Shares	11	-	169,338
Capital Profit on Sale of Asset	11	3,708,254	3,708,254
		16,365,086	17,891,799


Chairperson

4.2.20
Date


Trustee

4.2.20
Date



The accompanying notes form part of these financial statements

Consolidated Statement of Financial Performance for the year ended 30 June 2019 **Consolidated Statement of Movements in Equity for the year ended 30 June 2019**

	Note	This Year	Last Year
Revenue			
Revenue From Farming	17	1,538,962	1,966,070
Revenue From Forestry	18	1,387,068	1,847,221
Interest Income		11,941	25,505
Other Revenue	19	53,864	291,630
Total Revenue		2,991,835	4,130,425
Less Expenses			
Farm Expenses	20	1,467,976	1,331,717
Forestry Expenses		1,285,725	1,621,215
Net Financing Expenses	21	255,071	275,567
Other Expenses		852,590	808,889
Depreciation	22	443,205	508,205
		4,304,568	4,545,593
Operating Profit (Deficit) For The Year		(1,312,733)	(415,168)
Increase / (Decrease) in Livestock Values		194,002	2,007
Unrealised Gain (Loss) on Revaluation of Shares		(202,375)	-
		(8,373)	2,007
(Loss) / Gain for the Year		(1,321,106)	(413,161)

	Note	This Year	Last Year
Net Surplus (Deficit)		(1,321,106)	(413,161)
Total Recognised Revenues and Expenses		(1,321,106)	(413,161)
Less			
Kaumaturua Grants		(17,700)	(1,800)
Imputation Credits		(75)	(47)
Transfer Proceeds from Sale of NZU's to Capital Reserves		-	(3,658,996)
		(17,775)	(3,660,843)
Balance Retained as Trustees Income added to Equity		(1,338,881)	(4,074,003)
Equity at Start of Period		17,891,799	18,537,818
		16,552,918	14,463,814
Movements in Reserves			
Asset Revaluation Reserve - Livestock		(18,494)	(100,722)
Asset Revaluation Reserve - Shares		(169,338)	(130,289)
Capital Profit on Sale of Asset		-	3,658,996
Total Movements in Reserves		(187,832)	3,427,985
Total Equity And Reserves At End Of Period		\$16,365,086	\$17,891,799



Notes to the Consolidated Financial Statements for the Year Ended 30 June 2019

1 **Statement Of Accounting Policies**

These are the consolidated financial statements of Te Manawa O Tuhoe Trust (the Trust) and its subsidiary Nation Logging Limited (together the Group). Te Manawa O Tuhoe Trust is a Trust established and domiciled in New Zealand by Trust Order dated 4 December 1973. The Trust is classified as an Ahu Whenua Trust as defined in Section 215 of Te Ture Whenua Maori Act 1993. The special purpose financial report was authorised for issue on 4 February 2020.

These financial statements are Special Purpose Financial Statements prepared in accordance with the accounting policies outlined in the notes to consolidated financial statements ("SPFR Framework") and as required by the Trust Order.

The financial statements have been prepared for:

- . the Trust's owners;
- . Inland Revenue; and
- . the Trust's financiers.

This is the first year that the consolidated Financial Statements of the Group have been prepared. The consolidated comparative balances for the previous year have not been audited.

Measurement System

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except where otherwise stated.

Basis of Consolidation

The consolidated Financial Statements comprise the Financial Statements of the Trust and its subsidiary Company, Nation Logging Limited (the Company) as at 30 June 2019. The Company is New Zealand Resident Company Incorporated under the Companies Act 1993.

Controlled entities are all those entities over which the Trust has the power to govern the financial and operating policies so as to obtain benefits from their activities.

The Financial Statements of the controlled entities are prepared for the same reporting period as the Trust, using consistent accounting policies. In preparing the consolidated Financial Statements all inter-entity balances, transactions, unrealised gains and losses resulting from intra-group transactions have been eliminated in full.

Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is lost. Assets, liabilities, income and expenses of a controlled entity acquired or disposed of during the year are included in the Financial Statements from the date the Group gains control until the date the Group ceases to control entity.

A change in ownership interest of a controlled entity that does not result in a loss of control, is accounted for as an equity transaction.

If the Group loses control over a controlled activity, it:

Derecognises the assets (including goodwill) and liabilities of the controlled entity.

Derecognises the carrying amount of any non-controlling interest relating to the controlled entity.

Recognises the fair value of the consideration received from the transaction or event resulting in the loss of control.

Recognises the fair value of any investment retained in the controlled entity as a financial asset (unless upon loss of control the former controlled entity becomes an associate or a jointly controlled entity, in which case this fair value is recognised as the cost on initial recognition of an investment in an associate or jointly controller entity).

Recognises any surplus or deficit resulting from the above in the Statement of Financial Performance.

Reclassifies the Trust's share of components previously recognised in other comprehensive revenue and expenses to surplus or deficit, or accumulated comprehensive revenue and expenses, as appropriate.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2019

Going Concern

These consolidated financial statements have been prepared on the basis that the Group is a going concern.

Property, Plant, Equipment and Depreciation

Property, plant and equipment are included at cost less aggregate depreciation provided at the maximum rates allowed by the Inland Revenue Department, except for Land and Buildings which are valued at Government rating valuation on a three yearly basis.

Depreciation

Depreciation is charged at the same rate as is allowed by the Income Tax Act 2007. The following rates have been used:

	<i>Rate & Method</i>
Land	Land is not depreciated
Land Improvements	0% - 24% diminishing value
Buildings	0% - 16% both straight line and diminishing value
Leased Property Improvements	5% diminishing value
Plant & Equipment	4% - 100% diminishing value
Motor Vehicles	13% - 40% diminishing value
Office Furniture & Equipment	10% - 100% diminishing value
Furniture & Fittings	10% - 60% diminishing value
Computer Software & Equipment	13% - 67% diminishing value
Forestry Assets	16% diminishing value

All other repairs and maintenance expenditure is recognised in profit or loss as incurred.

Valuation of Biological Asset - Livestock

Livestock at balance date are valued using the Herd Scheme. Livestock measured using the Herd Scheme are measured at national average market values as issued by the Inland Revenue as a proxy for fair value less cost to sell. Holding gains and losses are recognised in the livestock revaluation reserve.

Valuation of Biological Asset - Forestry

The Ahimanawa and Waiohau Forests are valued at net current market value as determined by an independent valuer, Hardwood Management Ltd. Other valuations are undertaken on a five year cycle with the last valuation completed on 30 June 2016. The aggregate gain or loss arising in the period on the change in fair value has been reported in the profit or loss.

There is pre-1990 forest land on the property and a liability will arise under the Climate Change Response Act 2002 if the pre-1990 forest area or part of it is cleared and not replanted or has not regenerated with at least 500 stems per hectare within 4 years of clearing. The area must also have 30% minimum crown cover 10 or 20 years after planting or regeneration depending on whether the forest is exotic or native respectively. This potential liability is not recognised in the financial statements.

Taxation

Taxation charged against profits is based on estimated tax payable for the current year. Deferred tax accounting has not been adopted.

Maori Authority

Te Manawa O Tuhoe Trust has been granted Maori Authority status for taxation purposes.

Look Through Company

The Company has elected to be a Look Through Company (LTC) for Income tax purposes all profits and losses are deemed to belong to the shareholders. Therefore, the Company is not subjected to Income tax on its profit or losses and does not have an imputation credit account. Any profit or loss generated by the Company is passed on to the Trust and included in the Income Tax of the Trust.

Revenue

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent that the economic benefits will flow to the entity and revenue can be reliably measured.

Accounts Receivable

Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is lost. Assets, liabilities, income and expenses of a controlled entity acquired or disposed of during the year are included in the Financial Statements from the date the Group gains control until the date the Group ceases to control entity.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2019

Investments

Investments are stated at fair value. Gains and losses are recognised in the asset revaluation reserve for movements in the fair value of the assets and when the assets are derecognised. The investments in Te Manawa Investments Limited Partnership and Waiu Limited Partnership are equity accounted.

Intangible Asset/New Zealand Units (NZU)

New Zealand Units are valued at indicative market value or fair value. NZU's received are initially recognised as Government Grants and treated as an intangible asset at fair value on receipt. Subsequently, NZUs are revalued to market value. Impairment losses are recognised through the Statement of Financial Performance should their carrying amount exceed the recoverable amount.

Goods and Services Tax

Financial information in these accounts is recorded exclusive of GST with the exception of receivables and payables, which include GST. GST payable or receivable at balance date is included in the appropriate category in the Statement of Financial Position.

Leases

Operating Leases
Operating lease payments, where the lessor effectively retains substantially all the risk and benefits of ownership of the leased items, are recognised as an expense in the Statement of Financial Performance on a straight line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of liability.

Changes in Accounting Policies

There have been no changes in accounting policies.

2 Cash at Bank

	<i>Maturity Date</i>	<i>Remaining Term (Months)</i>	<i>Interest Rate</i>	<i>This Year</i>	<i>Last Year</i>
ASB Bank Ltd				77,795	97,779
ASB Bank Ltd - Petty Cash Account				131	809
ASB Bank Ltd - Putea Bank Account				8,568	17,556
ASB Bank Ltd - Saver Account				2,842	671,730
Term Deposit					
ASB Term Deposit 73	Matured	-	-	-	1,000,000
ASB Term Deposit 75	Matured	-	-	-	250,000
				<u>\$89,337</u>	<u>\$2,037,874</u>

3 Bank Overdraft

	<i>2019</i>	<i>2018</i>
ASB Bank Ltd -50 Acc	-	276
ASB Bank Ltd - Business Account	195,851	171,561
	<u>\$195,851</u>	<u>\$171,837</u>

4 Taxation

	<i>2019</i>	<i>2018</i>
Net Surplus (Deficit) per Accounts	(1,321,106)	(413,161)
Addback		
Entertainment - Non Deductible	3,315	3,175
Realised Gain/(Loss) on Sale of Shares	(398)	-
Unrealised Gain (Loss) on Revaluation of Shares	202,375	-
Wages - Holiday Pay Accruals	(12,821)	9,291
Audit Fee Accrued	-	3,850
ACC Levies	-	(4,881)
Accrued Interest Payable	(1,455)	(1,334)
Loss Attributed to Shareholders	650,841	438,361
Debt Remission	-	(434,783)
Imputation Credits Converted to Losses	(430)	(268)
Holiday Pay Accrual	68,902	108,745
Holiday Pay - Prior Year Reversal	(108,745)	(72,062)
Fonterra Deferred Payments Accrued	36,050	(252,602)
Koha	-	210
Commission on Sale of Carbon Credits	-	55,552
Look Through Company Surplus (Deficit)	(650,841)	(438,361)
Accrued Interest Receivable	15,337	(15,337)
Non-deductible Te Manawa Investments LP Surplus (Deficit)	2,533	10,430
Asset Impairment Loss	-	434,783
Realised Gain on Sale of Units	-	(90,410)
Prior Year Non-Deductible Waiu Dairy LP Surplus (Deficit)	(756)	-
Non-Deductible Waiu Dairy LP Surplus (Deficit)	51	-
Taxable Surplus (Deficit)	(1,117,148)	(658,801)
Less		
Tax Losses Brought Forward	(2,543,129)	(1,884,327)
Loss Carried Forward	<u>\$(3,660,276)</u>	<u>\$(2,543,128)</u>
Taxation	-	-
Opening Balance	(4,669)	(228)
Refund Received	4,471	-
	(199)	(228)
Less		
Imputation Credits Received	75	47
RWT Paid	8,695	4,441
Excess Imputation Credits	(75)	(47)
Tax Payable (Refundable) as per Statement of Financial Position	<u>\$(8,894)</u>	<u>\$(4,669)</u>

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2019

5 Maori Authority Credit Account

	2019	2018
Opening Balance	1,245,439	1,240,998
Add		
RWT Paid	8,695	4,441
Imputation Credits Received	75	47
	<u>1,254,209</u>	<u>1,245,486</u>
Less		
Excess Imputation Credits	75	47
Refund Received	4,471	-
	<u>\$1,249,664</u>	<u>\$1,245,439</u>

The closing MACA balance is available to be attached to dividends issued.

6 Property, Plant And Equipment Summary

	Cost	Accum Depn	Book Value
2019			
Plant & Equipment	2,639,672	1,456,031	1,183,641
Motor Vehicles	560,548	293,100	267,448
Land	13,442,255	-	13,442,255
Land Improvements	971,957	506,101	465,856
Buildings	2,093,987	473,790	1,620,197
Leased Property Improvements	4,356	54	4,302
Office Furniture & Equipment	39,492	36,842	2,650
Furniture & Fittings	45,362	25,682	19,680
Computer Software & Equipment	52,549	45,333	7,216
Forestry Assets	1,101,818	684,033	417,785
	<u>\$20,951,997</u>	<u>\$3,520,966</u>	<u>\$17,431,031</u>

2018

Plant & Equipment	2,573,574	1,241,455	1,332,120
Motor Vehicles	560,548	240,792	319,756
Land	13,442,255	-	13,442,255
Land Improvements	923,927	464,019	459,908
Buildings	2,093,987	428,623	1,665,364
Office Furniture & Equipment	39,492	36,092	3,400
Furniture & Fittings	43,756	22,080	21,676
Computer Software & Equipment	48,960	40,246	8,714
Forestry Assets	1,101,818	604,454	497,364
	<u>\$20,828,318</u>	<u>\$3,077,761</u>	<u>\$17,750,558</u>

7 Investments - Shareholding

	Shares 2019	Market Value per Share	2019	2018
Investments				
Ballance	4,200	8.10	34,020	34,020
Fonterra	232,858	3.85	896,503	1,266,748
LIC Co-operative Shares	-	-	-	1,169
LIC Investment Shares	-	-	-	875
LIC Fully Paid Ordinary Shares	3,932	0.87	3,421	-
LIC Nil Paid Ordinary Shares	7,368	0.87	6,410	-
			<u>\$940,354</u>	<u>\$1,302,811</u>

8 Other Assets

	2019	2018
Te Manawa Investments Limited Partnership	28,712	10,195
Waiu Limited Partnership	<u>963,292</u>	<u>219,526</u>

Subsequent to year end Waiu Limited Partnership has incurred operational losses of \$2,905,416 up to October 2019. No impairment provision has been made in these financial statements as profits are expected to be generated once the Dairy facility is operating smoothly at capacity.

9 Biological Assets - Forestry

	2019	2018
Ahimanawa Forest	568,820	568,820
Waiohau Forest	1,469,676	1,469,676
	<u>\$2,038,496</u>	<u>\$2,038,496</u>

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2019

10 Loans	Maturity Date	Remaining Term (Months)	Interest Rate	2019	2018
ASB Bank Loan - Term Portion	01/10/2019	4	5.55%	-	60,706
ASB Bank Ltd - 91-1	21/12/2032	162	4.29%	2,766,193	2,767,556
ASB Bank Ltd - 91-18	21/11/2020	17	4.12%	257,529	284,752
ASB Bank Ltd - 91-22	21/10/2021	27	4.35%	1,213,171	1,213,811
ASB Bank Ltd - 91-23	21/10/2021	27	4.35%	994,403	994,927
ASB Bank Ltd - 91-5	21/11/2020	17	4.98%	40,253	133,698
Current Portion				<u>223,013</u>	<u>377,368</u>
				<u>\$5,494,562</u>	<u>\$5,832,817</u>

The security held over these loans is made up of the following assets:

- General Security Deed over Te Manawa O Tuhoe Trust
- All the property situated at 623 Reid Road
- Over proceeds from Fonterra Co-operative Group Limited
- All the assets and undertakings from the Trustees
- 2 x Caterpillar Diggers
- 2014 Caterpillar 336D2L Excavator, 2013 Caterpillar 325D FMGF, 2013 Caterpillar 325D FMLL Log Loader
- 2015 Woodsman Pro 850 Head
- All the assets and undertakings of Nation Logging Limited
- Limited guarantee and indemnity from Billy Tom Waaka, John Rangī Mika, Meri Elen Whaitiri White, Tane Whitu Turei and Tunuhia Tupe, limited to \$1,006,375.50

11 Reserves	2019	2018
Asset Revaluation Reserve - Land		
Opening Balance	<u>4,441,507</u>	<u>4,441,507</u>
Asset Revaluation Reserve - Livestock		
Opening Balance	338,780	439,502
Movement	<u>(18,494)</u>	<u>(100,722)</u>
	<u>\$320,286</u>	<u>\$338,780</u>
Asset Revaluation - Shares		
Opening Balance	169,338	299,627
Movement	<u>(169,338)</u>	<u>(130,289)</u>
	<u>-</u>	<u>\$169,338</u>
Capital Profit on Sale of Asset		
Opening Balance	3,708,254	49,258
Movement	<u>-</u>	<u>3,658,996</u>
	<u>\$3,708,254</u>	<u>\$3,708,254</u>

12 Events Occurring After Balance Date

Other than as highlighted in note 8, there are no events occurring after balance date.

13 Contingent Liabilities

There are no contingent liabilities at year end (30 June 2018: \$Nil).

14 Capital Commitments

There are no capital commitments at year end (30 June 2018: \$Nil).

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2019

15 Related Parties

Nation Logging Ltd is a wholly owned subsidiary Company of Te Manawa o Tuhoe Trust. During the year transactions between the two entities were carried out at arms-length, and all inter-entity balances are eliminated on consolidation. Two Trustees, T Turei and N Rangihau are Directors of Nation Logging Limited and are paid Directors Fees from Company funds for attendance at Board meetings. The fees paid for the year totalled \$10,525 (2018: \$13,570).

T Turei is a Director of Wai-O-Te Hau G P Ltd which the Trust provided services to in the year. These services were at arms length and the value was \$4,025 (2018: \$24,483) and this is reported in the Statement of Financial Performance.

Other than these there were no material related party transactions. No related party debts have been written off or forgiven (30 June 2018: \$Nil).

16 Fonterra Co-Op Support Loan

During the 2016 year the Trust received Fonterra Co-Op Support interest free loan payments amounting to \$69,663. The loan remained interest free until 31 May 2017 when interest at the rate of 2.47% began being charged and these interest payments were deducted from milk payments received. The loan was repaid in full at September 2018.

17 Farming Revenue

	2019	2018
Sale of Livestock	69,958	241,165
Dairy Production Income	1,430,136	1,660,524
Other Farm Revenue	38,868	64,381
	<u>\$1,538,962</u>	<u>\$1,966,070</u>

18 Forestry Revenue

	2019	2018
Rent Received	222,640	222,640
Logging Income	1,159,146	1,624,114
Insurance Proceeds	-	467
Timber Sales	5,283	-
	<u>\$1,387,068</u>	<u>\$1,847,221</u>

19 Other Revenue

	2019	2018
Dividend Income	269	70,025
Other Income	53,595	221,605
	<u>\$53,864</u>	<u>\$291,630</u>

20 Farming Expenses

	2019	2018
Farm Working Expenses - Hatupere	1,122,749	1,004,334
Farm Working Expenses - Paekoa	345,227	327,383
	<u>\$1,467,976</u>	<u>\$1,331,717</u>

21 Finance Expenses

	2019	2018
Interest Paid	255,071	275,567
	<u>\$255,071</u>	<u>\$275,567</u>

22 Depreciation

	2019	2018
Depreciation Charges	443,205	508,205
	<u>\$443,205</u>	<u>\$508,205</u>

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2019

23 Dairy Cattle Working Account

Sales

	Average Price	Qty	2019	2018
Calves	59	219	12,996	14,986
Rising 1 Yr Heifers	138	5	689	-
Rising 2 Yr Heifers	600	72	43,184	-
Mixed Age Cows	1,035	11	11,381	77,609
Weaners	-	-	-	9,120

Cash Surplus to Farm Working Account

307	\$68,250	\$101,715
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Opening Stock

Rising 1 Yr Heifers (HV)	685	162	110,970	95,358
Rising 2 Yr Heifers (HV)	1,274	138	175,812	195,637
Mixed Age Cows (HV)	1,513	526	795,838	784,377
		826	1,082,620	1,075,372

Closing Stock

Rising 1 Yr Heifers (HV)	685	203	139,055	111,942
Rising 2 Yr Heifers (HV)	1,274	85	108,290	181,194
Mixed Age Cows (HV)	1,513	614	928,982	804,254
Rising 1 Yr Steers & Bulls (HV)	497	3	1,491	-
Rising 2 Yr Steers & Bulls (HV)	901	5	4,505	-
		910	1,182,323	1,097,390

Increase in Livestock Values

84	\$99,703	\$22,018
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24 Dairy Cattle Reconciliation

	2019 Qty	2018 Qty
Sales	307	356
Transfer out to beef cattle	24	-
Closing Stock	910	826
	1,241	1,182
Opening Stock	826	800
Purchases	-	-
Transfer in from beef cattle	5	-
Natural Increase	454	409
	1,285	1,209
Deaths and Missing	44	27

25 Beef Cattle Working Account

Sales

	Average Price	Qty	2019	2018
Rising 2 Yr Heifers	-	-	-	4,118
Mixed Age Cows	1,708	1	1,708	18,843
Rising 1 Yr Steers & Bulls	-	-	-	42,276
Rising 2 Yr Steers & Bulls	-	-	-	22,653
Rising 3 Yr Steers & Bulls	-	-	-	51,561

Cash Surplus to Farm Working Account

1	\$1,708	\$139,450
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Opening Stock

Rising 1 Yr Heifers (HV)	717	79	56,643	11,760
Rising 2 Yr Heifers (HV)	1,097	1	1,097	17,055
Rising 1 Yr Steers & Bulls (HV)	844	29	24,476	25,816
Rising 2 Yr Steers & Bulls (HV)	-	-	-	51,320
		109	82,216	105,951

Closing Stock

Rising 1 Yr Heifers (HV)	717	50	35,850	58,065
Rising 2 Yr Heifers (HV)	1,097	61	66,917	1,137
Rising 1 Yr Steers & Bulls (HV)	844	53	44,732	26,738
Rising 2 Yr Steers & Bulls (HV)	1,209	24	29,016	-
		188	176,515	85,940

Increase (Decrease) in Livestock Values

79	\$94,299	\$(20,011)
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26 Beef Cattle Reconciliation

	2019 Qty	2018 Qty
Sales	1	170
Transfer out to Dairy Cattle	5	-
Closing Stock	188	109
	194	279
Opening Stock	109	99
Purchases	-	-
Transfer in from Dairy Cattle	24	-
Natural Increase	79	194
	212	293
Deaths and Missing	18	14

**Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2019**

27 Hatupere Farm

	This Year Milk solids Kg	Last Year Milk solids Kg	This Year	Last Year
Monthly Production				
July Milk Payment	3,349	1,462	15,339	6,405
August Milk Payment	17,535	17,655	79,613	76,918
September Milk Payment	28,579	30,011	117,991	124,357
October Milk Payment	31,088	33,216	128,774	140,608
November Milk Payment	28,525	30,300	118,546	129,033
December Milk Payment	28,306	26,958	113,364	117,941
January Milk Payment	26,610	23,954	127,076	118,109
February Milk Payment	21,881	21,036	111,732	109,066
March Milk Payment	17,980	18,448	95,451	99,352
April Milk Payment	14,041	14,423	75,729	80,285
May Milk Payment	7,345	5,984	41,366	34,492
	<u>225,238</u>	<u>223,447</u>	1,024,981	1,036,567
Plus:				
Deferred Milk Payment Previous Year			-	182,330
Standard This Season Increase			413,264	449,671
			<u>413,264</u>	<u>632,001</u>
			1,438,245	1,668,568
Less:				
Dairy Insight Levy			8,109	8,044
Net Operating Profit			<u>\$1,430,136</u>	<u>\$1,660,524</u>

Appendix for the Year Ended 30 June 2019

	Note	This Year 2019	Last Year 2018
1 Forestry Expenses			
Consultancy Fees		-	893
Contractor Expenses		-	385
Chainsaw Expenses - Consumables		4,214	3,754
Chainsaw Expenses - Petrol & Oil		4,306	7,980
Digger, Grapple, Skidder - Repairs		71,764	209,901
Digger Expenses - Fuel & Oil		151,058	188,301
Drug Testing		2,525	1,347
Fees & Permits		130	130
Freight & Cartage		7,987	9,223
Health & Safety Inspection		-	725
Hireage		223,290	320,006
Logging Supplies		13,494	7,971
Printing & Stationery		1,816	1,164
Management Fees - Forestry		-	11,433
Management Fees - Forestry		-	22,729
Management Fees - Forestry		-	1,464
Motor Vehicle Expenses - Fuel & Oil		11,615	7,563
Rates		2,128	2,002
Motor Vehicle Expenses - Repairs & Maintenance		51,426	20,106
Motor Vehicle Expenses - GPS Tracking		2,880	2,978
Other Forestry Expenses		-	218
Other Forestry Expenses		-	435
Protective Clothing		16,158	9,428
Rates		1,682	1,538
Rates		3,223	-
Rates		7,765	6,709
Rates		1,626	1,555
Repairs - Plant & Equipment		35,615	15,622
Security		-	31,646
R & M - Tairahia Project		1,378	1,378
Safety Equipment & Signage		1,855	1,388
Staff Training		992	409
Staff Training		6,229	3,735
Staff Welfare & Expenses		1,570	2,672
Telephone		199	364
Travelling & Accommodation Expenses		2,205	8,871
Wages		662,062	714,794
Holiday Pay Accrual		(5,466)	401
		<u>\$1,285,725</u>	<u>\$1,621,215</u>

Appendix for the Year Ended 30 June 2019

2	<i>Other Expenses</i>	<i>Note</i>	<i>This Year</i>	<i>Last Year</i>	<i>Note</i>	<i>This Year</i>	<i>Last Year</i>
			<i>2019</i>	<i>2018</i>		<i>2019</i>	<i>2018</i>
	Share of Waiu Dairy LP Surplus/(Deficit)		85,341	-		-	1,210
	Accountancy Fees		94,333	81,828		11,080	11,340
	ACC Levy		19,166	15,398		28,276	9,548
	Advertising		750	531		424	201
	Advertising		-	1,875		1,391	-
	Auditors Remuneration		10,875	10,875		4,144	635
	AGM & SGM Costs		15,729	9,257		17,533	13,083
	Bank Charges		1,477	1,782		158	1,006
	Cleaning & Office Supplies		2,168	2,771		1,534	26,074
	Computer Expenses		7,592	3,627		26,804	22,826
	Consultancy Fees - Administration		3,980	3,766		869	1,287
	Commission on sale of Carbon Credits		-	55,552		283	119
	Drug Testing		262	280		1,083	150
	Electricity		4,241	4,321		24,471	-
	Entertainment - Deductible		2,698	2,286		4,378	2,634
	Entertainment - Non Deductible		2,880	2,529		170	-
	H & S Compliance Costs		-	17		2,000	550
	Insurance		21,570	21,690		7,454	8,594
	Administration Services		3,040	-		1,989	2,328
	Advertising		6,569	-		16,601	19,466
	Computer Expenses		8,394	8,360		898	-
	Consultancy Fees - Governance		-	1,350		1,600	1,035
	Entertainment - Deductible		476	562		273,918	307,225
	Entertainment - Non Deductible		435	646		(10,876)	12,476
	Strategic Planning & Review		20,551	7,500		648	1,099
	Travelling Expenses - Governance		9,510	2,055		-	397
	Trustees Fees		28,600	26,129		82,680	82,680
						2,445	17,941
						<u>\$852,590</u>	<u>\$808,889</u>

*Minutes of
2018 AGM*

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Minutes of the Annual General Meeting of Te Manawa o Tūhoe Trust held on Saturday, 30 March 2019 at Ōhotū Marae, Rūātoki.

Hui Commenced 9.16am

Karakia: Hohepa McLean.

Mihi whakatau: Tu Waaka
Peho Tamihana

Chairman: Tane Turei
Quorum confirmed.

Present: Bill Akuhata, Rangi Anderson, Tirakahurangi Ramari Anderson, Hariata Akuhata, Patangata Aranga, Tamihana Biddle, Rapaera Black, Te Waaka Bush, Hemarangi Carnegie, Katrina Clements, Nora Clements, Whatiri Craig, Kathryn Dalton, Joe Edwards, Mihiwai Gibbs, Golan Takurua Rikihana, Titia Graham, Karo Hare, William Hatata, Maire Haumate, Te Ata Heurea, Jane Hill, Kelly Kaata, Raiha Katene, Pita Keepa, Paroa Kepa, Tamati Kruger, Katrina Loffely, Mark Mahaki, Reginald Mahaki, Erica Noti Matena, Hakeke McGarvey, Riwa McGarvey, Hohepa McLean, Lulu McLean, Hitaua Mohi, Cynthia Moke, Peter Moke, Mihipeka Nuku, Mary Ovenden, Elizabeth Paul, Moana Peck, Mere Peita, Parewarewa Peita, Jimmy Peri, Stacey Pryor, Jessie Sam, Reta Pouwhare, Tawhini Rangihau, Awhina Rangitauira, Rosemary Rangitauira, Mohi Ranui, Rachel Ranui, Te Kauru Rikihana, Wilma Puna Riini, Mohi Rogers, Tane Rua, Tauwhiri Rua, Cynthia Russell, Audrey Tamanui-Nunn, Ellen Tamati, Peho Tamihana aka Korotau Basil Tait, Jame Tarewa, Ruiha Taurima Biddle, Vilama Tautau, Tangiora Tahwara, Timi Tawhi, Hauwai Te Moana, Maaka Te Moana (Spock), Turaki Teepa, Mo Tihi, Charlie Timoti, Hiro Timoti, Hinehou Timutimu, Bill Tiopira, Mihimate Tiopira, Rob Tiopira, Marewa Titoko, Paaku Titoko Richard Tumarae, Diana Tupe, Kapi Tupe, Taame Tupe, Pearl Waaka, Simon Waaka, Manaaki Waaka-Timoti, Tiare Waaka-Timoti Sheena Waiwai, Mathew Weko, Aileen Wharepapa, Mel Winitana

TMOT Trustees: Tane Turei (Chair), Tu Waaka (Deputy Chair), Yvonne McGarvey, Mihihea Turei, Ngatai Rangihau

TMOT Staff: Board Admin – Tania McDonnell, Operations Manager – Tunuhia Tupe, Health and Safety Manager – Mike Christini, Office Manager – Tania Melbourne, Admin – Maureen Rangihika

TMOT Legal Advisors (Tu Pono Legal): Jason Pou TMOT

Accountant & Election Scrutineer (Goldsmiths Accounting): Ken Goldsmith

Apologies: Tahawera Tai, Frances Timoti, Raymond Nelson, Paul Nikora, Mary Timoti David Hillman, Tony Martin, Bryce and Rueben Morrison, Te Whanau Nohotana ki Waiwhetu, Patricia Awhi Burnton Whānau Trust, Colin and Aggie Burnton Whānau Trust, Ata Nuku, Te Peka Nuku, Marcus Matena, Tryan Matena, Victor Martin, Esther Matena, Makuni Whānau Trust, Calvin Kingi, Winiford and Jimmy McLean, Jody Tihi, Hemana Waaka, Tania Paipa, Te Hiamoe Waaka.

RESOLUTION: That the Apologies are received and accepted.

Moved: Cynthia Russell
Seconded: Hiro Timoti **CARRIED**

1. VOTING METHOD FOR ELECTIONS

(1) Two voting methods of ‘show of hands’ or ‘poll voting’ (voting via number of shares) was put to the floor for discussion and voting.

(2) The Poll voting option was presented.

(3) It was duly noted that

- Whānau trust’s only have one vote.

- There must be at least 10 shareholders present to support a poll vote.

(4) The Poll voting was discussed and supported by;

- a. 9035 – P Waaka
- b. 9080 – Daniel and Polly McCormack
- c. 9017 – Mihihea Turei
- d. 9095 – Mihiwai Gibbs
- e. 9016 – Mihihea Turei
- f. 9094 – Rangi Waaka
- g. 9091 – Hieke Tupe
- h. 9038 – Hone and Pina Hillman
- i. 9078 – Georgina Timoti
- j. 9037 – Hauwai Te Moana

RESOLUTION: That the method of voting for the 2018 Te Manawa o Tūhoe Trust election of a responsible trustee will be by poll voting.

Moved: Mere Peita
Seconded: Simon Waaka **CARRIED**

2. ELECTION PROCESS

(5) Each candidate to give a presentation outlining skills, experience and aspirations for Te Manawa.

(6) Questions from the beneficial owners to individual candidates permitted.

(7) The location of the voting boxes highlighted

(8) Beneficial owners were encouraged to vote before 12pm accordingly.

(9) Members were advised that it was too late to present proxy votes as these should have been registered at the Te Manawa o Tūhoe Offices, before 26 March 2019.

(10) Ken Goldsmith, of Goldsmiths Accounting Ltd, is engaged as the Election Scrutineer

3. AUDITED FINANCIAL REPORTS (KEN GOLDSMITH):

(1) The 2017-2018 Financial Reports for Te Manawa o Tūhoe were presented for adoption. The reports were audited by BDO Ltd who confirmed the financials as a true

and correct record. The Auditors reported that there were no concerns with the financial accounts.

(2) Under the pre 1990 Ngā Kaihautu agreement, Te Manawa o Tūhoe were given emission carbon credits, that were given to Te Manawa o Tūhoe and were sold as we did not have any reason to hold onto them.

(3) The sale of Carbon credits was tax free. We retained the carbon credits for our Forestry crops.

(4) **Investment assets** have increased slightly, with no significant change around our current liabilities.

(5) **All unclaimed dividends** were carried forward from Tūhoe-Waikaremoana Trust Board where these were previously covered by a specific pūtea allocation. Members were advised that at the 2007 AGM, it was agreed that the Trust would purchase Hatupere farm (as an asset) using funds that had been allocated to dividend payments. As a result of that purchase the Trust has not been able to make dividend payments. This is likely to continue for next year, however it is hoped that this will change in the future.

(6) **Hatupere Farm** is operating well, with productivity rising steadily, and losses remaining low. The Farm has an overall increase in assets thanks to the Farm Manager.

(7) **Paekoa farm** is also doing well, with losses remaining low as well. Milk prices have risen from \$6.12 in 2017, to \$6.69 in 2018. The price has almost doubled since 2015/2016. The forecast for 2019 is between \$6.30 28 and \$6.60.

(8) **Nation Logging Ltd** are currently working in Ōmaio. Te Manawa o Tūhoe provides services to Nation Logging Ltd such as leasing diggers, Health & Safety, and administrative assistance. Overall, Te Manawa o Tūhoe contributed \$258,000,

which is slightly lower than the previous year. Nation Logging Ltd’s future appears to be prosperous.

(9) The Trust’s overarching debt is being reduced and some overall debts have been cleared.

- **The floor** enquired if Nation Logging Ltd employees were of Ngai Tūhoe descent. Response is that all employees have an affiliation to Ngai Tūhoe.

- **Parewarewa:** called for the Dairy milk report to be more user friendly, especially for Beneficial owners. and suggested that exact explanation is put in the book. This was noted by Ken.

- The Hatupere Farm manager, Cam, has improved the productivity, quality and growth base and is proving to be a very good asset for the Trust.

(10) A grants policy for Rangatahi is yet to be investigated by the Board, however Kaumatua grants have been approved and were paid out on Tuesday 26th March 2019.

(11) **Wilma Riini** noted that the original vision for Te Ahimanawa was “Ko ngā hua kia hoki ki ngā mokopuna”. That was the vision that was in place for over 35 years, and is yet to be realised. As a beneficiary/owner, I want to see what the vision and goals are. Kia mau pūmau koutou ki wērā. Whakatutukihia. “

(12) Comments from the floor highlighted a focus on supporting the future generations with their studies, and the future aspirations of hāpū and iwi of Ngai Tūhoe.

(13) **The floor** suggested that Te Manawa o Tūhoe look options to support the future aspirations of hāpū and iwi of Ngai Tūhoe. A sponsorship process has been developed, and other areas are on the table for consideration.

(14) Kaumatua grants can be applied for.

RESOLUTION: That the 30 June 2018 audited financial reports, as provided in the 2018 Annual General Report, be accepted

Moved Rob Tiopira
Seconded: Peho Tamihana CARRIED

4. AUDITOR FOR 2018-2019

(1) A nomination for BDO Ltd, to remain as the Trust's Auditor for 2019 was discussed.

RESOLUTION: That the Auditor for the Te Manawa o Tūhoe 2019 General Meeting will be BDO, Rotorua

Moved Jimmy Peri
Seconded Peho Tamihana CARRIED

5. 2017 MINUTES

(1) the minutes of the 2017 AGM (in the 2018 Annual Report) were read by Ngatai Rangihau.

(2) It was noted that there were numerous errors and typos throughout the minutes

RESOLUTION: That the minutes of the 2018 AGM are accepted as a true and correct record with the amendments above.

Moved Tangiora Tawhara
Seconded Rob Tiopira CARRIED

**At 12.30pm the meeting
adjourned for Lunch and
reconvened at 1.42pm**

6. MATTERS ARISING FROM THE MINUTES

(1) **Peho Tamihana:** Concerns with all the spelling mistakes within the minutes. Karekau i te tika te takatō o ngā kōrero, noting 'ko tō tātau reo te mea nui'.

Also queried the purchase of Hatupere farm. It's really for all of the other shareholders that we bought the farm. It is included in that the 2018 AGM report booklet.

(2) **Rapaera Black:** Questioned who the woman was seated with the trustees, to which the Chair responded by introducing the new Board Secretary.

(3) **Rapaera Black:** Suggested that the Farm Managers, eg Cameron, be invited to attend the hui so that the owners can meet him and commend him for a job well done.

(4) **Peho:** Why was Te Moutere Trust not mentioned in the Annual Report – is it part of Paekoa unit.

(5) **Tu:** Te Moutere is one of the land blocks that Te Manawa o Tūhoe has been leasing. It does not include Te Whakakii Trust, or The 6BD Trust. There is no arrangement with Te Moutere to be part of the Dairy factory. Paekoa is a business unit of Te Manawa a Tūhoe, just like with Hatupere Farm. Nation Logging Ltd is also part of Te Manawa. It is Te Manawa that leases the land, and not the individual or Paekoa Unit. Only the Trustees can sign off leases for land blocks.

(6) Suggested that Moutere Trust need to hold a hui of their Trustees. Tu also noted that Moutere is one of the blocks that Te Manawa leases through Paekoa. Whakakii Trust is also leased through Paekoa Unit. Te Manawa lease a number of blocks to use to feed the cows - that's all.

(7) Further discussion followed where clarification was sought for other land blocks such as B56. Tane confirmed that Te

Manawa Trust pays leases for the use of the blocks.

(8) **Wilma:**

- Noted that Terina, is not on the attendance list. It was explained that the name should've been Terena, whom was the Trust's Lawyer.

- What is happening with the Research Kaupapa that Hema presented at the last hui?
Tu: This hasn't been progressed, mainly due to Hema becoming unavailable and then she passed away. Therefore, at this stage nothing has been done.

- Can you elaborate on page 9 re Kaumatua grant? There is a resolution for the first one on page 8. Does that resolution carry forward to page 9? That the age be lowered to 70? given they are under the same resolution?

(9) **Tane:** There were two separate resolutions. The first was a resolution to pay a Kaumātua grant for those aged 80 years, the second was to lower the age to 70 years. Discussion points:

- **Tangiora:** Ko te mea tuatahi kia utua tonuhia ngā mea waru tekau ki te toru rau

- ko ngā mea whitu tekau, ko ngā toenga mai ngā moni. Ka toha orite katoahia ki ngā mea whitu tekau tau.

- **Tane:** The resolutions have been passed.

(10) **Ada:** With voting, on page 17 and 18, it notes that poll voting was used. Yet the process was voted on again this morning? Is there not a procedure in place for poll voting?

(11) **Tane:** The voting process has to be announced and agreed on from the floor. This question has to be asked at every AGM as per the Trust Deed.

(12) **Buddy Nikora:** Kei hea tātau i roto i ngā whakanekeneke o te Pamū Organic?

(13) **Tane:** Introducing organics was going to be too expensive. However, Te Manawa o Tūhoe are still interested in organics, and are already over two-thirds organic.

(14) **Tunuhia Tupe:** Organics is quite difficult - if your neighbours aren't organic you have to put extra things in place like fencing. It is a specialist area and needs people experienced in doing this, and where there are others practicing organics.

(15) **Kapi Tupe:** I was one of the Trustees on the Board when we transferred assets over to the Trust. There was \$21 million of equipment and assets that came over to Te Manawa – a bit pouri to hear that no money came over to Te Manawa. It's been six years since that handover, we need to stop using the Tūhoe Trust Board as an excuse.

(16) **Tu:** Clarified that when he said that "it came back with nothing from the Trust Board" it means that we did not receive any money when Te Manawa o Tūhoe Trust took over from the Trust Board. Not all of the assets came to Te Manawa, and none of the books were handed over. Te Manawa o Tūhoe have no historical documents from the Tūhoe Trust Board. Miharo Armstrong, who was Te Manawa o Tūhoe's legal advisor at the time, oversaw that transition.

(17) **Mihihea Turei:** I was an advisory trustee in 2009. At Tauarau we were made interim Responsible Trustees. There was a 12week transition period from the Trust Board - the CEO at the time was Vivienne. The Trust inherited approximately \$7million of debt. Some assets came across, and there were bills. There were also issues with Buddy, the accountant. The Trust also inherited a bill through not completing our GST responsibilities which amounted to around \$287,000.00, (*Two hundred and eighty-seven thousand dollars*). At the same time the Trust Board assets of around 11.2 million, along with the Tūhoe Fisheries assets all

went to Te Uru Taumatua. Te Manawa o Tūhoe ended up with the \$7million debt?

(18) The transition was a big hikoi. Hemana Waaka, Uncle Rawa, John Mika and Meriana White were all on the board at the time.

(19) **Kapi Tupe:** Questioned why one of the candidates (Rob) was seeking re-election. Mihihea clarified that that the candidate in question was the General Manager, and not a Trustee.

(20) **Parewarewa:** Everyone who attends the hui must sign the register, to ensure everyone is recorded as being present.

(21) **Rangi Anderson:** In 2010/11, I was told that there were problems with the transfer of assets - there was difficulty in getting full disclosure of what the assets were. Was a forensic investigation carried out at the time? Should the Trust be looking to have this done? Te Manawa o Tūhoe holds the responsible trusteeship of the Te Manawa blocks.

(22) **Tunuhia Tupe:** When Te Manawa o Tūhoe was with the Trust Board, there were 5 different blocks and not just Te Manawa, eg Tahora, Matahina F, Te Manawa o Tūhoe, and Te Pae o Tūhoe. They were all separate blocks. When the assets were returned to the Land Trusts, Te Manawa only received the Te Manawa assets. We did not get Matahina F, Tahora, Tūarangaia etc as they are all separate blocks. Therefore, when the Trust Board was generating revenue through the forestry, this was being made through the 5 (five) different forestry blocks.

Te Manawa is now a standalone entity with its own forestry. I was part of the Board when it transferred from the interim Trustees. When I came on board, we were in debt \$7.5 million, and this has since reduced. There were also issues with Buddy that impacted on Te Manawa. There is a lot of history, but what we have to look at now and move forward.

(23) **Rangi:** It will be hard to move forward if we are not given a true account of what assets should have come to Te Manawa. This may need to be taken up with the Māori land court. It costs \$65.00 for the application.

(24) **Jason Pou:** Noted that he was attending the hui as the Trust Lawyer, and has taken over from Terena who has been appointed a Māori Land Court Judge.

In response to the application, it is \$60.00 to apply to the Land Court. A lawyer usually costs more than that, if you look at the real costs of running an application. There is also the obligation to hold records for 7 (seven) years. The Trust has been in operation now for 7 (seven) years and is at that point where you have to disengage from what the Trust Board did. The opportunity to forensically investigate and find out those sorts of things has passed. However, it was acknowledged that if there has been a loss, the Trustees have an obligation to find it, fix it, and rectify it. But if it's more than 7 (seven) years ago, that obligation becomes more difficult solely because if you go to the Trust Board now, they can say, the 7 (seven) year deadline is over. It is the same for accountants and for lawyers. We have to hold records for 7 (seven) years.

Rangi: Noted the right to exercise Tino Rangiratanga and noted that full disclosure from Tūhoe Waikaremoana Trust Board should have been followed. Not happy with the legal advice given.

MOTION: For the Te Manawa o Tūhoe to engage in an investigation of the shortcomings that were received and not received from Tūhoe Waikaremoana Trust Board

Moved: Rangi Anderson
Seconded: Peho Tamihana

(25) **Jason:** There was advice given and the advice taken, and the decision was made at the hui. Rather than use the Te Ture Whenua Māori Act 1993 to enforce against Buddy, the Trust chose to exercise their rangiratanga and not prosecute. That is what happened. The advice was disregarded.

(26) **The Floor:** Noted that the right advice was given, and that the people did not accept it.

(27) **Tu:** E Rangi, kei te rongo atu i te wairua o tō kōrero. Kei te pai a Buddy, waiho atu ki kōra – engari ko te wairua kē o tō kōrero kia tikina atu ngā pukakpuka kei reira e noho mai ai. Kia mōhio ai tātau he aha kei roto? It might be an avenue for the Trustees to consider, however, it will cost.

(28) At this point the hui was asked to decide whether or not the matter of getting the Trust Board records was to be progressed.

(29) **Rangi:** We have an obligation to make sure things are clear. There were no such things as blacks or grey, in the old days it was black or white. But if we can look at what has been suggested, that we can get the books as it is a part of the history of the Trust - I would like to move a motion in that respect.

(30) **Wilma Riini** asked for clarification of the discussion, to which the Chair advised that Rangi Anderson has put a motion on the floor asking that the Trust asks for the books from the Tūhoe-Waikaremoana Trust Board. Noted that the Trust Board is in recess.

(31) **Janet Mclean:** Has experience in working with Trusts, especially when there is debt. One of the decisions made was to not to go chasing the debt, part of the reason for that was that there was nothing to be gained by it. Often the trustees were gone, and what you would find was either mismanagement, incompetence, but you

couldn't hold anyone accountable. You need to weigh up the cost of employing a lawyer and going down a path to recover the books; and accept that Te Manawa is unlikely to get any benefit. The Trust is already doing a good job of addressing the debt, and we are moving forward.

(32) **Tangiara:** Kei te tautoko ngā kōrero a Janet, nā te mea, mai te timatanga o tēnei hikoi, hoki atu, hoki atu tātau, koinei wā tātau kōrero. Kaare e hoki mai he hua? Engari ko wā tātau hua kē ka pau.

(33) **Rangi:** Me tangohia te motini.

RESOLUTION: That the abovenamed motion is withdrawn by Rangi Anderson, and all matters arising have been received and accepted.

Moved: Tangiara Tawhara

Seconded: Tom Tupe

CARRIED

7. CHAIRMAN'S REPORT:

(1) Tane Turei acknowledged the Interim CEO's report in the 2018 Annual Report.

(2) **Mary Ovensen:** Commended the management and staff, noting by far Te Manawa has been the most efficient, and politest of Trusts she has worked with. The staff are a delight to deal with. When you say your staff are working hard they are working hard and they know what they are doing.

RESOLUTION: That the Chairman's report for 2018 Annual General Meeting is received, and accepted

Moved: Buddy Nikora

Seconded: Tom Tupe

CARRIED

8. CEO REPORT:

(1) Tane presented the Interim CEO report in the 2018 Annual Report

(2) Page 13, te ripoata a Fonterra, kei te whakamenemene atu te Poari, mo te kaimahi rā a Cam. There were no complaints, no grade losses, the milk was all premium grade, and we got top price for our milk, He has done a great job, and is in the top 2% of farms in the Bay of Plenty.

(3) I tukuna mai he reta e Hancocks, page 17. Ko ngā korero e tautoko ana ngā kaimahi o Nation Logging.

(4) Nation Logging has work until the end of the year. However, Te Manawa has given directive that Nation Logging needs to show proof of ongoing work. There have been discussions re possible contracts, and have received a letter from Dean Nielson. Tae atu ki te Helli Logging, e patai mai ana mō wētahi taonga a ngā puna paihere painga kei Ōmaiao. Kāre e tareka i te tiki atu, ma te helicopter rāno.

(5) Ara a Waikawa. Kei te raru ngā mihini i reira. Kei te pakaru mai te rori o Maraenui. Kāore e puta mai te transporter. Ko ngā taraka noaiho. Kua whakaae mai ki te homai mahi ki a ngā tātou o Tūhoe. Kei reira te whakawhānaunga i runga rā i ngā tikanga. Ka tika, me heke atu anō ki te honore, ki te ruru ringa, ki te tukituki ihu.

(6) **Tunuhia:** October of last year, Nation Logging did not have a contract. The forestry crew had no contract. As of October, last year they would have had no work and would have had to close down. Through the efforts of the Directors of Nation Logging, they secured a contract with Hancocks and PF Olsen that is to last into 2020. Even though some of that work is going to be in Ōmaio or Waikawa, the contracts give a bit of breathing room for the forestry crew. Would prefer that the crews are working

in the Tūhoe blocks, but there are no more trees to be cut. The hard work that the Directors have done to get a contract through to 2020, has been a breath of fresh air. I commend and endorse what they did.

(7) **Tane:** Last year we were only getting paid \$45 (*forty-five dollars*) a tonne, which was unsustainable, because we were just picking up clumps of wood. We managed to get our next block at \$66 (*sixty-six dollars*) a tonne, which was a \$20 (*twenty dollars*) increase. We successfully renegotiated with Hancocks. It's a hard game the forestry.

(8) **Hohepa McLean:** Noted Page 16 in the Nation Logging Report, paragraph 3 (*three*). "Another significant factor that affected morale and productivity of this crew was the fact that there was a high turnover of staff particularly around the time of the departure of the CEO".

(9) **Tane:** It happened around that same time. With our CEO resigning, there were some resignations which affected our numbers. We also found that we weren't paying enough.

(10) **Kapi Tupe:** How long have we been running without a CEO? And who is the interim.

(11) **Tane:** since July and the Trustees made me the interim CEO. A consultant was commissioned to conduct a health check and an analysis of our operations, and a organisational health check. The Board wanted to review our operations before we appointed another CEO.

This was so the Board had clarity on where we were going and what we wanted the new CEO to do. A number of areas needed addressing. Management systems were not in place that the Board was comfortable with including Annual operations plan to measure against our strategic intent. Nation Logging was also not in a good financial

state, with machinery breakdowns and staff turnover. Hence the focus on negotiations to get better rates for Nation Logging.

(12) **Kapi:** How did the outgoing CEO finish?

(13) **Tane:** After 6 years with Te Manawa o Tūhoe Trust, we regretfully announced that Rob Tiopira tendered his resignation. During Rob's tenure as Chief Executive, the Trust's business expanded to include Nation Logging Limited, a profitable dairy farm and a heifer grazing unit. The Trust's forestry operations were recognised nationally and we thanked Rob for his dedication and hard work.

(14) **From the floor.** There is a conflict of interest with the Chair being the Acting CEO as well. Kei te kite atu, kei te marama atu, hei aha i noho pērā ai. Kare i te āta tutuki te mutuhanga o te mahi o te CEO. Mehemea kua reri koutou ki te whakatū anō i tētahi CEO, ki te tuku pānui. How soon will see the advertisement?

(15) **Tane:** Very soon.

(16) **Reta Pouwhare:** Kei te korero tātou mo Robert Tiopira. Mehemea he patai, patai atu ki a Rob through the Chair. Kei kōnei ia, hei korero mōnā anō. Ko ahau tētehi kei te hiahia, whakarongo, he aha kē ia i makere mai i tāna tūnga? Nā te mea he ngākaunui ahau ki tāna tūnga ki tāna noho.

(17) **Tangiora:** What happened between Rob and the Trust is not our business as owners. He aha ngā mea ka puta i tērā. As a beneficiary I accepted that there was nothing untoward about his resignation. So why are we wanting to put him in this position. It was between him and the Board.

RESOLUTION: That the Acting Chief Executive Report is received and accepted.

Moved: Hiro Grace

Seconded: Tangiora Tawhara CARRIED

9. GENERAL BUSINESS

(1) **Moutere.** The floor sought clarity regarding Moutere land block as it was mistakenly thought that Te Manawa o Tūhoe had bought this block outright. Tu Waaka clarified that Te Manawa o Tūhoe Trust is simply leasing the Moutere land block.

(2) Education Grants

(3) **Cynthia Russell,** a mokopuna of Mihinangi Kopere, raised the question whether grants or scholarships are being made available for rangatahi that are demonstrating exceptional levels of achievement. To support their educational costs, fees, equipment, travel, accommodation and other costs.

(4) **The floor** was advised that there are other Tuhoe entities that have education grants available.

(5) **Kaumatua Grants** have been granted from the Ōwhakatoro hui. Other areas for grants need to be investigated further by the Board, relevant to the Trust's business variables.

(6) **Logging Trucks in the rohe;** It had been noticed that some logging trucks were seen on the road in recent weeks and it was clarified that the trucks and the contractor that were carting logs out of Ōwhakatoro were not from Te Manawa o Tūhoe or Nation Logging Ltd.

(7) **Blue Blue Chip Trees Sale to Te Uru Taumatua.** Te Manawa o Tūhoe Trust came across an opportunity to purchase land from an American company that wanted to leave the area. Te Manawa o Tūhoe entered into an agreement to purchase a land block with a Blue-chip forest that had 15 (Fifteen) years of maturity left to complete; then subsequently sold the trees to Te Uru Taumatua. Te Uru Taumatua pay Te Manawa o Tūhoe rental for the Trees being on the land, and 26% of the stumpage. Te Manawa o Tūhoe owns the land and Te Uru Taumatua owns the trees. 'By Tūhoe for Tūhoe'.

(8) The transaction was misreported by the Beacon, and the Whakatāne Beacon attempted to retract the misreporting, however the damage had already been done. However, overall this transaction is a plus for Tūhoe and Te Manawa.

(9) **Rapaera:** Kua mohio atu au kua kore a PF Ohlsen, ko Hancocks kē. Do we still retain our work? within Tūhoe and our forestry?

Tane: Yes

Rapaera: A number of our people have lost their jobs. Therefore, it would be good to secure the work with PF Olsen. Can you give assurance to secure jobs i roto i Ngai Tūhoe, kia pūmau tonu ki a tātau.

I must commend Tane on that. But there is a new taniwha on the block now. He Tangata hou.

- Mo te bio. I pau ngā moni nā te whakaroaroa mo te whakatikatika i a Taiaraha. Ka haria e te Regional Council ngā moni - \$75,000.00 (*seventy five thousand*) dollars. Discussions followed regarding the regional council laws, the eradication of possums, and holding talks with the council and with Te Uru Taumatua about Taiaraha.

- Raised question with the value of our trees being 50 million. Can we get anything long term.

Tane: kei te iwi.

Rapaera: A, koina... if we apply through the strength of the Trust, can somebody strategically look at that plan of attack?

Tane: Yes, E haere ana au ki te hui ki Rotorua, mō te uru rakau and it sounds good.

(10) **Tunuhia:** In regards to the PG fund. They don't give money for forests that are already established. If it's new planting, then they will talk with you but only to the land owner. They won't talk to a big Trust, you physically need to go and talk to MPI in regard to that

funding. TPK has already been approached via Ben Dalton. He basically said that they can't fund Te Manawa to grow pine trees on an established block.

(11) **Rapaera:** I wasn't meaning pine trees, I was meaning wetlands. Natives need to be planted back into our whenua. There is a lot of land that is gapped out because of the forestry. The swamps have been devastated by forestry. We need to help restore these.

(12) **Peho:** Nōnaiane, te wā e mahia ana a māua mahi mystics. Kāore anō te health and safety i uru mai. Nā e korero ana au i runga i te ahuatanga o tērā wā. Ko ngā whakatūpato i tērā wā, ko ngā tohutohu i a koe, kia tika, kia pono o ōu whakaaro, i runga i te ahuatanga o aua mahi. I tērā wā o mua, pikirua te wā i reira, engari nā te mea i runga i te ahuatanga kua āhua pākeke haere hoki au. Ka kimihia ngā tamariki, ka harihia e māua nā tamariki tonu o Ruātōki. The First Forestry training for Te Manawa o Tūhoe, ko ahau te kaiawhina. I'm a training provider for Forestry, Silviculture - koina tāku mahi

10. MINUTES, INFORMATION AND NOTIFICATIONS OF AGM.

(1) **Maia Atarau:** suggested that the Trust's minutes, and all other AGM report information is distributed prior to hui. It was recommended that notification of hui be via online methods which is more cost effective. Technology is more efficient in reaching beneficiaries, and is a more effective communication tool.

(2) **The Chair** acknowledged the request from the floor and agreed that the Trust would also like to improve the distribution of AGM information and welcomes the use of online platforms to do this. Eg. Trust website, social media, and email mailouts where requested. Past AGM reports can also be made available upon request also.

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(5) **Proxy Votes.** A request for an amendment to be made to the Trust order to add in the use of a Justice of Peace, and Notary Publics to witness proxy forms for the Te Manawa o Tūhoe election processes was put on the table. The Floor agreed to add in the aforementioned to be able to witness proxy forms for beneficiaries.

(6) **Jessie:** Nō Ahitareia ranō tētahi o āku proxy. Engari kāre he mea o reira hei witness. Ka whakakorehia tērā o āku proxy. Ko te mea pea, kia tiroiro anō me pehea tērā ahuatanga e whakatika? Nā Proxy kei ahau i tēnei rā nō Ahitareia - ko tāku whānau, engari e rua ngā shareholders kei kōnei.

(7) **Jason:** You can vote via proxy. But there is a process that is set out in the Trust Deed, whereby those proxies have to be received by the Trust 2 (*two*) days before. If the process wasn't followed then they can't be accepted.

(8) **Jessie:** It was witnessed, but by my sister-in-law's daughter. She is not a beneficiary. Therefore, my proxy was disallowed today.

(9) **Jason:** My understanding is... it has to be witnessed by a fellow beneficiary. At the moment as the Trust Deed sits, that type of

proxy can't be accepted. The only way it can be accepted in the future is if there is a change to the Trust order. If there is a desire for the rules to change, then that is a tonu to make to the trustees and the trustees can affect that.

(10) **Wilma:** So, who then can choose to make that application? Do you need some justification, like a JP or someone like that whom can witness?

(11) **Jason:** When they do their proxy and sign it, it needs to be witnessed. The person that witnesses it needs to be a beneficial owner.

(12) **Floor:** I have two sister's. Kei te mau iui and I am their big sister, if they call it out can I sign it?

(13) **Jason:** You can witness it because you are a beneficial owner. Then that proxy can be given to anybody. A proxy acts like a Limited Power of Attorney, for the purposes of just this one-off vote. Basically, by signing the proxy over the person is saying 'you have got my vote', and then the trustees know, and there is a process that says that you have to inform them. It is a check in balance to make sure that the process has integrity. If there is a crack that things are falling into, the tonu is to the Trustees and then they have to change it and everyone has to know, so that we all know what the rules are.

(14) **Tane:** Is this a process we could use?

(15) **Jason:** Yes. The Trustees can get an amendment done. A risk analysis should be done on these sorts of things because it relates to voting, and if the Trustees think that it is a good idea to change the process. Everybody needs to know what is happening, and they need to feel safe with the process. The changes have to be broadly acceptable to the owners and the beneficiaries.

Ultimately the tono is made and it is being heard and discussed and might be amended. If this hui decides to make an amendment... to seek an amendment on that, and we say yes, the Trustees are then able to seek to change the amendment for the next hui. It is still up to the trustees to make the final decision, however, at least they know there is support for it.

(16) **Floor:** Pai tēnā. We would like to make that recommendation please.

(17) **Jason:** What is being asked is that proxy could be witnessed by either a beneficial owner, or by a Justice of Peace, or by a Notary Public, or by lawyers of the High Court. What is being said is that they understand the recommendation that is coming from the floor would be that we add different classes of witnesses. To include JP's, in Australia it will be a Notary Public, so they have Notary Publics all over the world, or somebody similar. That is what I understand is the recommendation from the floor.

(18) **Titia Graham:** Hei whakamarama, doesn't just apply to Australia, it applies here too?

(19) **Jason:** Yes

RESOLUTION: For the Trust order clause 7(a) (iii) be varied to allow proxy forms to be endorsed by notary publics for those who cannot get another beneficial owner to provide witness.

Moved: Jessie Sam

Seconded: Tangiora Tawhara CARRIED

11. BI-ANNUAL GENERAL MEETINGS

(1) The suggestion for Te Manawa o Tūhoe to hold biennial meetings rather than annual meetings was raised.

(2) **Tu:** This is just for discussion, hei whakaaro. We have found that it costs roughly \$20,000.00 (*Twenty Thousand dollars*) to hold an AGM. It is pretty expensive. The suggestion to move to a biennial AGM helps to cut costs. There will still be a general meeting, the only difference would be the accounts won't need to be audited. Kei reira tētehi utu nui. The AGM Booklet is also expensive. Ahakoa te ataaahua o ngā korero kei roto it is expensive to produce.

(3) **Tane:** The suggestion is to hold a General Meeting in November i tēnei tau. It won't be an AGM, it will be a general meeting. The change helps to better report our financial year which ends in June.

(4) **Wilma:** If we agree to the general meeting in November, what type of reporting will we see.

(5) **Ken:** We can do the financial reporting but it would not need to be audited. The Auditor would not be able to completed their audit work by that time. Instead a financial overview of the operations for the year will be presented. As long as the owners accept that the financials will not be audited, we can still provide the results for the year.

(6) **Tane:** This is being considered because of our financial reporting – the issue is that we are holding an AGM before the end of our financial year in June.

(7) There is no rotation in November. Therefore, we don't need a JP to sign your proxy.

(8) **Janet:** Noted confusion about the November meeting. The accounts are always retrospective, the year-end report is always retrospective, so you'll be reporting

against June 2019, in November, December, which you would also provide for an Audit?

(9) **Ken:** There is no guarantee that an audit could be done within 2 or 3 months. Auditors are taking between 3-5 months to get through the work.

(10) **Janet:** Trying to ascertain whether we can have a year-end report. I would be concerned if we still wouldn't have been audited the accounts at some point in time and they would still be available.

(11) **Ken:** The audit would need to be carried out currently under the Trust order anyway. The audit would continue, but a financial update would be provided at the general meeting, and then the annual general meeting. The next one would get the audited accounts. It is assumed that is how the Trustees would implement it.

(12) **Rangi:** Every two years? To save money? It might be better to have one every year to have a financial overview.

(13) **Peho:** Koinā tāku.

RESOLUTION: For the Trust order, clause 7(a)(i) be varied to move Te Manawa o Tūhoe's obligation to hold a general meeting at least annually to biennially and to amend references to AGM to biennial general meeting.

Moved: Peho Tamihana

Seconded: Rangi Anderson CARRIED

(14) **Jason:** It is likely you will need a special resolution to change to biennial and a special resolution meeting would need to be advertised prior to the general meeting. To change requires that there will be a general meeting in November, which will be the start point. Instead of Annual General meetings every year, it will go to biennial meetings. This will need to be advertised, and the reasons for the amendment would

need to be advertised and needs to go out to the beneficiaries so that everybody knows that is what is happening when they turn up to the meeting. Beneficiaries will be clear that they are going to be voting on that resolution. We can't just take that from the floor now.

(15) **Floor:** Ka pai.

(16) **Jason:** In terms of the issue around the Auditor's report. I don't see why the accounts cannot be accepted subject to an Auditor's report, in terms of something practical moving forward.

(17) **Titia:** A lot of terms are being thrown around, me mārama tātau. If we move to a biennial process, we don't say that we move our AGM because AGM means Annual General Meeting. We have to adjust our thinking because it becomes a biennial general meeting rather than an Annual General Meeting. Kia marama tātau ki ērā.

(18) **Floor** - pai ana

12. 2018 ELECTION RESULTS

(1) Ken Goldsmith arrived back to the meeting at 4.30pm and announced that the following candidates were successful;

- 1) Titia Graham
- 2) Janet McLean
- 3) Maaka Te Moana

(2) It is therefore announced that Titia Graham, Janet McLean and Maaka Te Moana have been duly elected as Trustees, joining the rotating trusteeship for Te Manawa o Tūhoe. The Chair congratulated the new trustees.

Hohepa McLean closed the hui at 4.34pm with Karakia.

2019
***Candidates for
Responsible
Trustee***

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Rob Tiopira

Rob is well known for his passion for assisting with Māori business growth, mentoring others where possible, working with tangata whenua for the betterment of mokopuna, and tamariki katoa.

- National Manager Government/lwi Partnerships for Manuka Farming NZ
- Chair of Ōwhakatoro Marae
- Previous Chief Executive Officer with Te Manawa o Tūhoe, 2013-2018
- Previous Chair and Director of the Tūhoe Fisheries Asset Holding Company
- Previous Director for Miro Limited
- A founder of Waiu Geothermal Dairy Factory,
- A background and experience in Forestry and Management.



Kapi Tupe

Ko Hikurangi te maunga
Ko Rangitaiki te awa
Ko Mataatua te waka
Ko Tamaki Hikurangi te whare tipuna
Ko Patuheuheu -Ngāti Haka toku rahi
Ko Te Hina te Tangata
Ko Kapi Adam Tupe toku ingoa

I am a past trustee of Te Manawa o Tūhoe and Tūhoe Waikaremoana Maori Trust Board, I served on these boards for 5 - 6 years and I learnt a great deal from members of those trusts. I am currently, alongside my father Tom Tupe, Owner Drivers with Mainfreight. We have been with Mainfreight for over 6 years, its been a real game changer for me, and has given me a better business understanding from working in the transport industry. Now I feel it is time for me to give something back to Te Manawa o Tūhoe Trust, I'd like to ensure the ongoing success of the trust and to give the beneficiaries confidence of the growth of Te Manawa o Tūhoe.



Kararaina Rangihau (aka Karlite)

Ko Ngāti Tāwhaki te hapū
Ko Tūhoe te iwi

For over 20 years I have served as a trustee, delegate and kaimahi for different whānau, hapū, and iwi governance entities throughout Tūhoe. Much of that experience included making decisions for land and business management, leases and commercial properties, financial audits, education grants, beneficiary rolls and dividends, and strategic planning.

Roles I currently hold include Chairperson, Te Kura o Waikaremoana, Executive Trustee Ruapani Ki Waikaremoana Charitable Trust, Trustee, Te Rangianiwaniwa Whānau Trust, Papakāinga Trustee, Te Kopari 27,28,29,30, and Trustee, Ngāti Tawhaki Trust.

My way of governing is based on the Tūhoe principle that the individual must act in the best interests of the collective, and vice versa, the collective; in the best interests of the individual.

“Ko tā te kotahi, he manaaki i te katoa, ko tā te katoa, he manaaki i te kotahi.”



Te Whata Joseph Ratu (Hohepa McLean)

“Ko Te Amorangi ki mua, Ko Te Hapai o ki muri”. *(The spearhead of God’s work followed by our achievements).*

I see myself playing a fundamental role in administrative roles such as strategic development and economic development with key objectives and milestones. Having my own companies’ in property investments, health and justice. I have served on trust boards in Auckland and currently on my principle marae Raroa and the Taraipara o Te Waimana Kaaku.

This is a new environment for me to proceed in however, all systems in governance are pretty much systematic so I would not have any issues in contributing to the role as a Kaitiaki for Te Manawa o Tuhoe.

Overall, I can contribute to the current skill base the concepts of, “Te Taha Wairua” component of Spiritual and Physical health and wellbeing of human resources, machinery, equipment and specifically whenua, taiao, through karakia whakawaatea.

Agenda

2019 General Meeting of Beneficial Owners

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Saturday 29 August 2020 Ngā Whakaritenga

- 10.00am** Karakia
- 10.05am** Chairman's Mihi
- 10.10am** Election of Officer
- 10.30am** Selection of Auditor for 2019-2020
- 10.35am** Presentation of the 2019 Annual Report
- 11.35am** General Business
- 12.00pm** Lunch
- 1.00pm** Election Results
- 1.10pm** Ka Mutu



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