TE PŪRONGO Ā-TAU A

HINEURU IWI TRUST

ANNUAL REPORT

2019

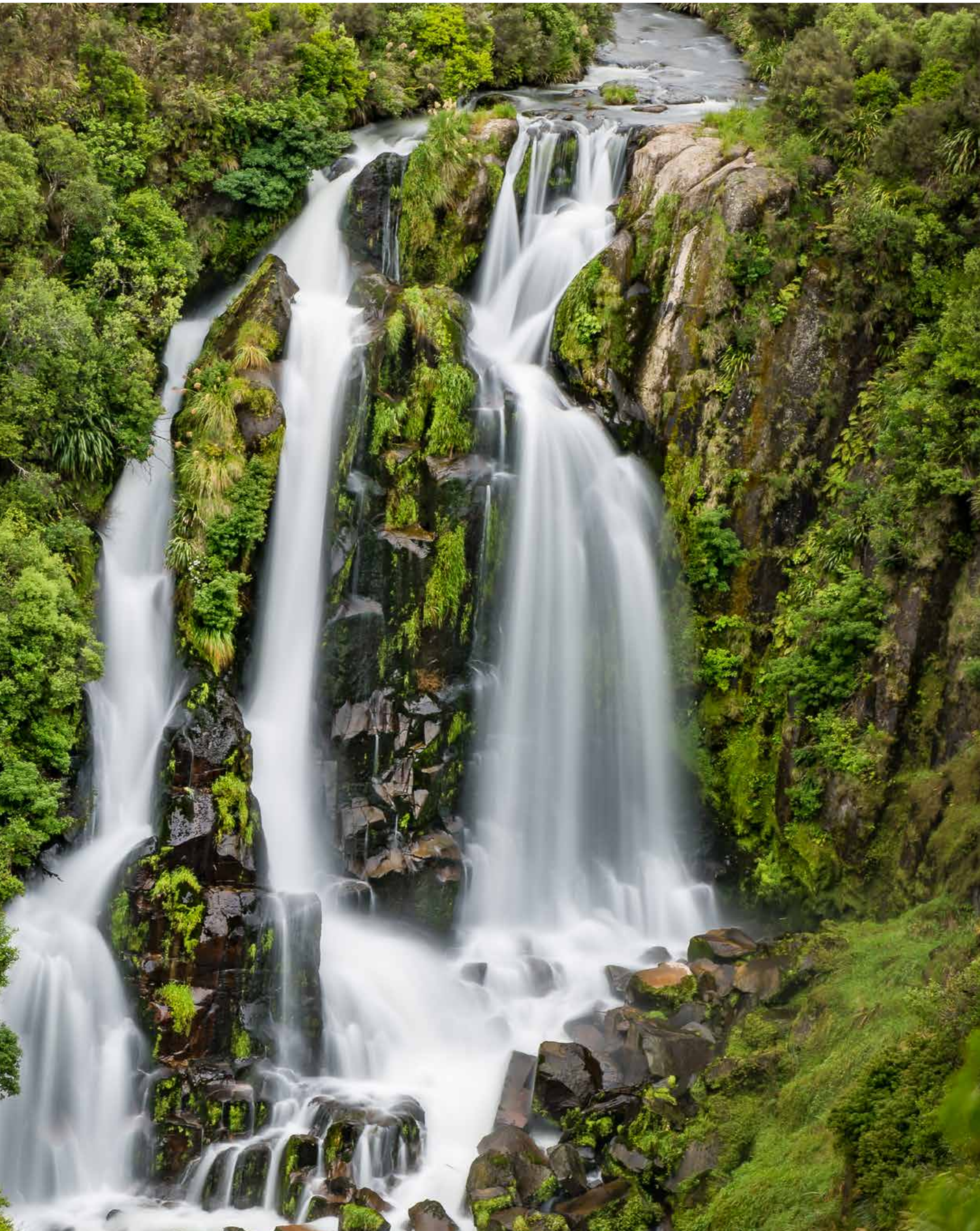
HINEURU
IWI TRUST

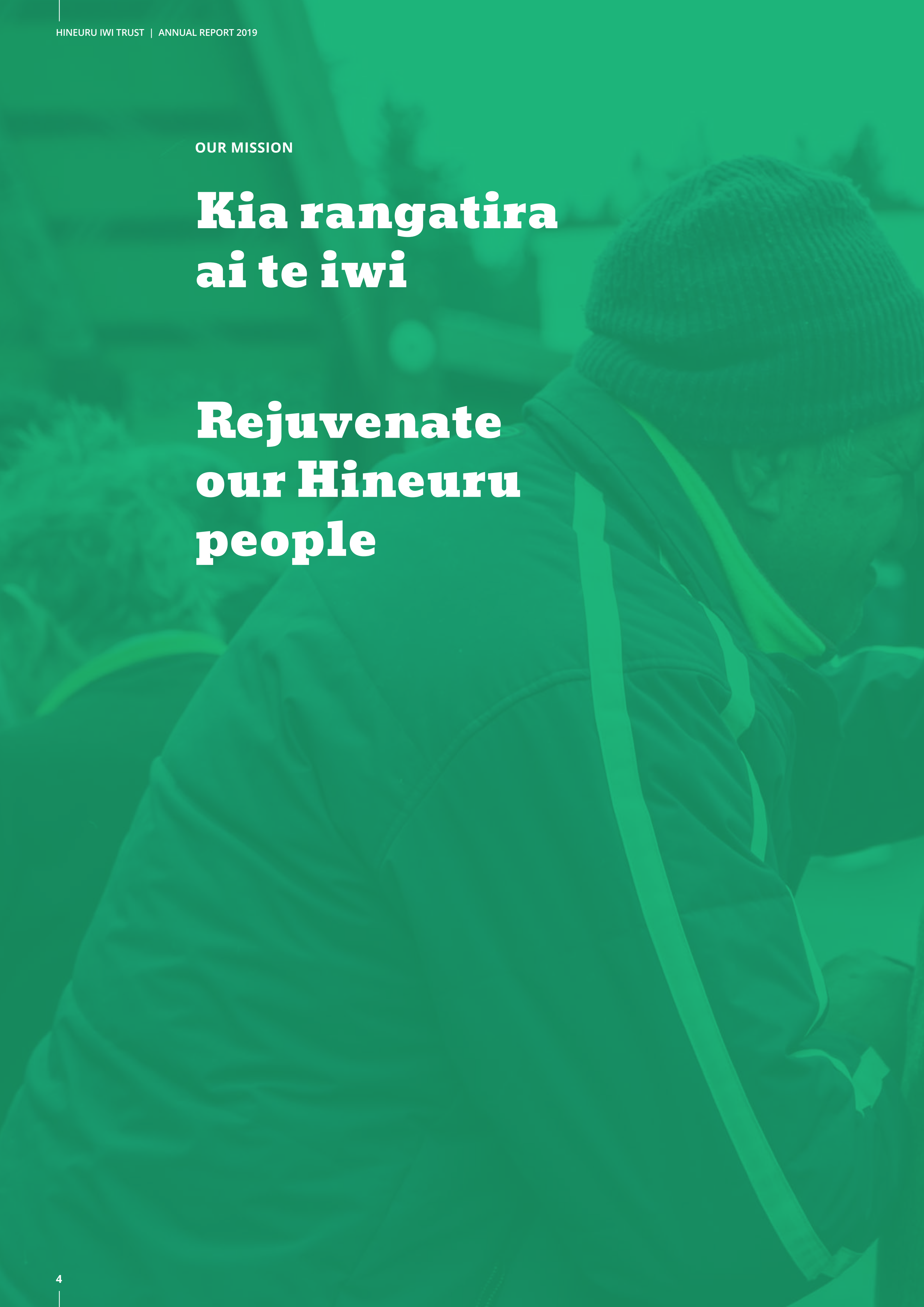
ANNUAL GENERAL MEETING

Time	12:00pm
Date	30 November 2019
Venue	Te Hāroto Marae, Te Hāroto

AGENDA

1. Apologies
2. Welcome and opening address by Chair
3. Apologies
4. Presentation of Annual Report
5. Commercial Report
6. Financial Statements
7. Appointment of Auditor
8. General Business
9. Close of Meeting





OUR MISSION

Kia rangatira ai te iwi

Rejuvenate our Hineuru people

CONTENTS

Ko Titiokura te maunga
Ko Mohaka te awa
Ko Mataatua te waka
Ko Te Haroto te Marae
Ko Hineuru te iwi
Tēnā tātou te iwi o Hineuru!

CHAIRMAN'S REPORT

I am delighted to present the fourth Annual Report for Hineuru Iwi Trust. It has been a busy and productive year for Hineuru over the past 12 months. This Annual Report sets out the progress we have made as an iwi over the past financial year.

During this period, we have continued to build on the foundations of our iwi structure while delivering the social, cultural and commercial aspirations of our whānau. As noted in our previous Annual Report, we have designed annual plans for the next two years which has been informed by the views of rangatahi and whānau during the ratification of our Treaty settlement.

It has been a long and continuing journey which has not been possible without the support I have received amongst Hineuru, from our Treaty settlement in the beginning, to Waitangi Tribunal proceedings to settlement negotiations and also in the post-settlement space. Thank you all.

This Annual Report is for the 12-month period from 1 July 2018 to 1 June 2019. I want to share some of the highlights of the past year below.

Development opportunities - joint venture with Cherri Global Limited

One of the key milestones over the past year was building a commercial foundation and leveraging our assets to create international export opportunities for our people. We have made our largest investment this year, valued over $9.3 million, with the purchase of three cherry orchards in the Hawkes Bay region.

We have entered into a joint venture with Cherri Global Limited (founded by the founder of Rockit Apple, Phil Alison) to grow, harvest, package and market our Hineuru cherries overseas. We have also, through our Workforce Training and Development Programme, been able to utilise our own Hineuru members to work on our land block. We are progressing a Provincial Growth Fund application to help us to fund the development of the land block.

Diversification - Forest Planting at Hineuru Station

We have completed the planting of an initial 100-hectare forest at Hineuru Station, with our partners and forest managers, PF Olsen. This has been in an effort to diversify our property asset base and to ensure that we have multiple income streams across our physical assets. We expect further diversification to continue.

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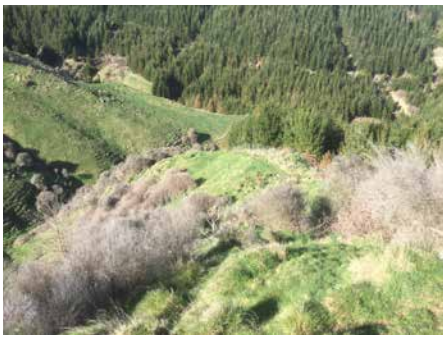
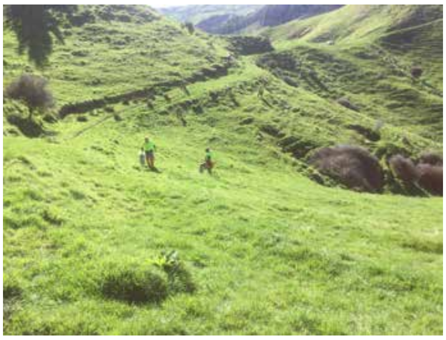


Forest planting on Hineuru Station in September 2019



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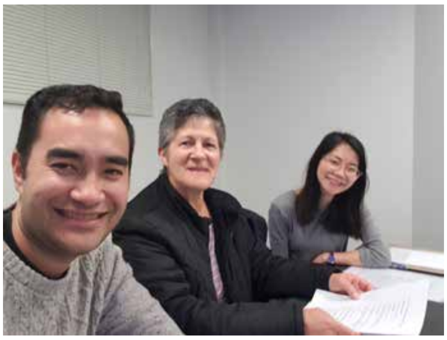


The singing at the execution ceremony for Te Ākinga Ture

Tackling Hard Issues - Te Ākinga Ture: Wills and Testaments Programme

We also launched 'Te Ākinga Ture', a wills and testaments programme undertaken in partnership with the Hawkes Bay Community Law Centre and Morrison Kent. As part of the programme we drafted wills and testaments for our Hineuru kaumātua or kuia free of charge. They told us they do not want to leave a whawhai for their whānau when they pass away. We will be continuing this programme next year with Automio, an automated wills, testaments and powers of attorney service that will be available to all of our iwi members.

Employment & Supporting Young People - Hineuru Workforce Programme

Our rangatahi are our future. Our social indicators report told us that our rangatahi make up the most of our iwi with over 50% of our iwi under 30 years of age. We have a youthful iwi and our focus must be on supporting them as well as our people now. Part of this is to target scholarships to our young people. Our scholarships have been up and running several years now and are fully subscribed.
Part of this is also to look for employment opportunities for future skills, training & development. We have sought to identify & place our Hineuru in work to manage our own assets through our Hineuru Workforce Programme. This has included the identification of many individuals who are actively seeking employment or are currently receiving support from Work and Income but want to expand their skills.

Wānanga Reo and Tikanga

We have had several wānanga reo to support the cultural development of our iwi. We have been very encouraged by the level of uptake and the real interest shown particularly by our young people. Wānanga have been part of our Hineuru Reo Strategy and we have been working hard to progress our cultural aspirations and plan. We have also had the Hineuru Leadership Summit in January, which has been directed at our young people and their leadership development potential. We are very proud of all of them and are very hopeful for the future of our iwi.

I wish to take this time to thank our Trustees for their hard work and continued support. We are still finding our way. The challenges we face are only overcome by us working progressively together. Thank you to all of our kaimahi and those who have been working tirelessly behind the scenes for Hineuru. Thank you to Tai Ahu who has worked over and above on many occasions to ensure the mahi is completed.

Mai Hineuru, mō Hineuru

Tuhuiao Kahukiwa

Chairman

CHIEF EXECUTIVE'S REPORT

Tēnā tātou katoa,

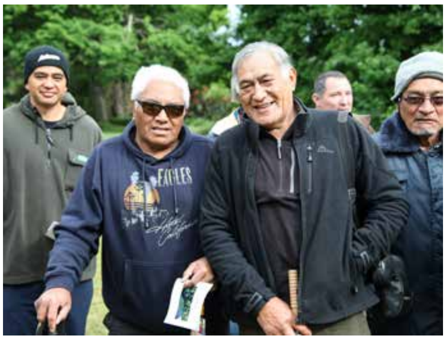
Tenei te mihi ki a tātou katoa e whāiti nei ki runga i te karanga o te iwi o Hineuru. This is my second and final Annual Report for Hineuru. In my finishing the role as Chief Executive, I am extremely proud of everything Hineuru has achieved over the past year, and indeed over the past 3 years since we received our Treaty settlement.

From economic and commercial development in horticulture, forestry, commercial property, to restoring the environment and tackling some important social and employment issues faced by our people.

Firstly, I want to acknowledge Tuhuiao Kahukiwa, whose leadership and vision for Hineuru has been critical and remains a core part of everything we do. E te rangatira, tēnā koe.
Secondly, I want to thank our Investment Committee, in particular Traci Houpapa and Craig Barrett, for their continued support of our collective aspiration. Finally, to the trustees – thank you for your trust and confidence.

We set a very ambitious strategic document with five-year outcomes that required a lot of work and effort. In February 2017 our trustees approved the Annual Plan for the year and the associated budgets so that we had a clear vision and clear view on where we are going and how we will achieve the outcomes necessary to keep Hineuru moving forward.

TE TAIAO
Environment



Over the past year we have continued to progress the environmental work programme for Hineuru and build upon the vision in our Treaty settlement. We have been active in representing Hineuru on various forums, including the Rangitaiki River Forum, the Regional Planning Committee, and Pou Tiriao o Tane, and also managing our relationships with central and local government and stakeholders.

Department of Conservation

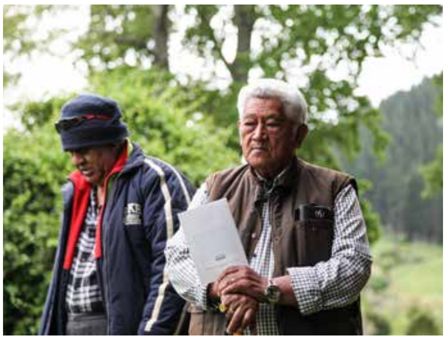
We have held our initial planning meeting with the Department of Conservation this year under our Kawenata. The Kawenata is an agreement in our Treaty settlement, whereby the Crown, through the Department of Conservation, agreed to actively work in partnership with Hineuru over Department of Conservation land in the rohe. One of the principles is to recognise the mana of Hineuru and their interest in, and special relationship with, conservation land.

DOC has agreed to support Hineuru with the Cultural Materials Plan, which will provide for the ability of whānau, hapū and iwi to exercise kaitiakitanga by setting out an agreed process for taking the plant and materials and plans from DoC land.

DOC has also provided funding to progress the Cultural Materials Plan and also funding to help establish our Hineuru nursery. We are also progressing collating your views on the Conservation Management Strategy which is due to be reviewed this year and is to be released to iwi for consideration.

Local Government

Our relationships with local government continue to develop as we work through issues together. Recently we have been progressing through the Regional Planning Committee Hineuru's participation on Plan Change 7: outstanding natural waterbodies. This ensures that in addition to the waterbodies included and protected as part of our Hineuru Deed of Settlement, that further rivers that are spiritually important to us are included.

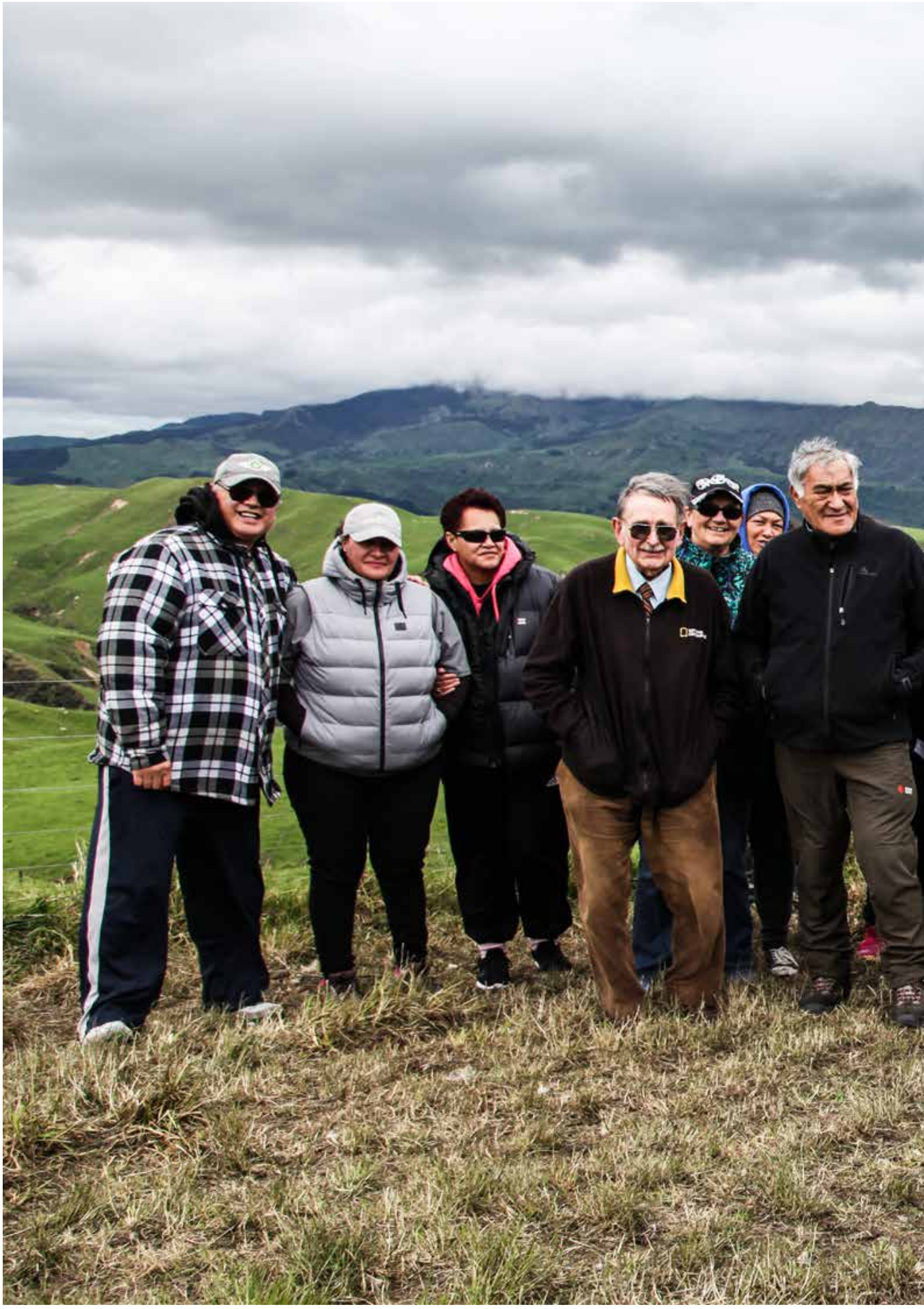


If our values in relation to these rivers are accepted, then the consenting authority must have regard to those values in their decision making. We have also fed into the decision-making of councils on various matters over the past year.

We have also been active on Pou Tiriao o Tāne, and were able to host Hineuru's own Hīkoi Tūtuki. This involved taking several of our kaumātua, kuia and rangatahi around various Hineuru cultural sites, including Te Pūrotu, Mōhaka River, Titiōkura, Waiparatī and also Te Hāroto Marae.

Rangitaiki River Forum

The Rangitaiki River Forum was established by way of legislation as a response to our settlement to ensure mana whenua co-operation with the Bay of Plenty Regional Council on the maintenance and health of the river. The purpose of the forum is to protect the cultural, environmental and spiritual health of the Rangitāiki river for future generations. It includes representation from Ngāti Manawa, Ngāti Whare, Ngāti Tuwharetoa, Ngāti Awa, Tūhoe and several councils. The forum has been focused on various issues this past year, including glass eel research along the awa, and flooding and drainage issues related to the Kopuriki Road bridge.



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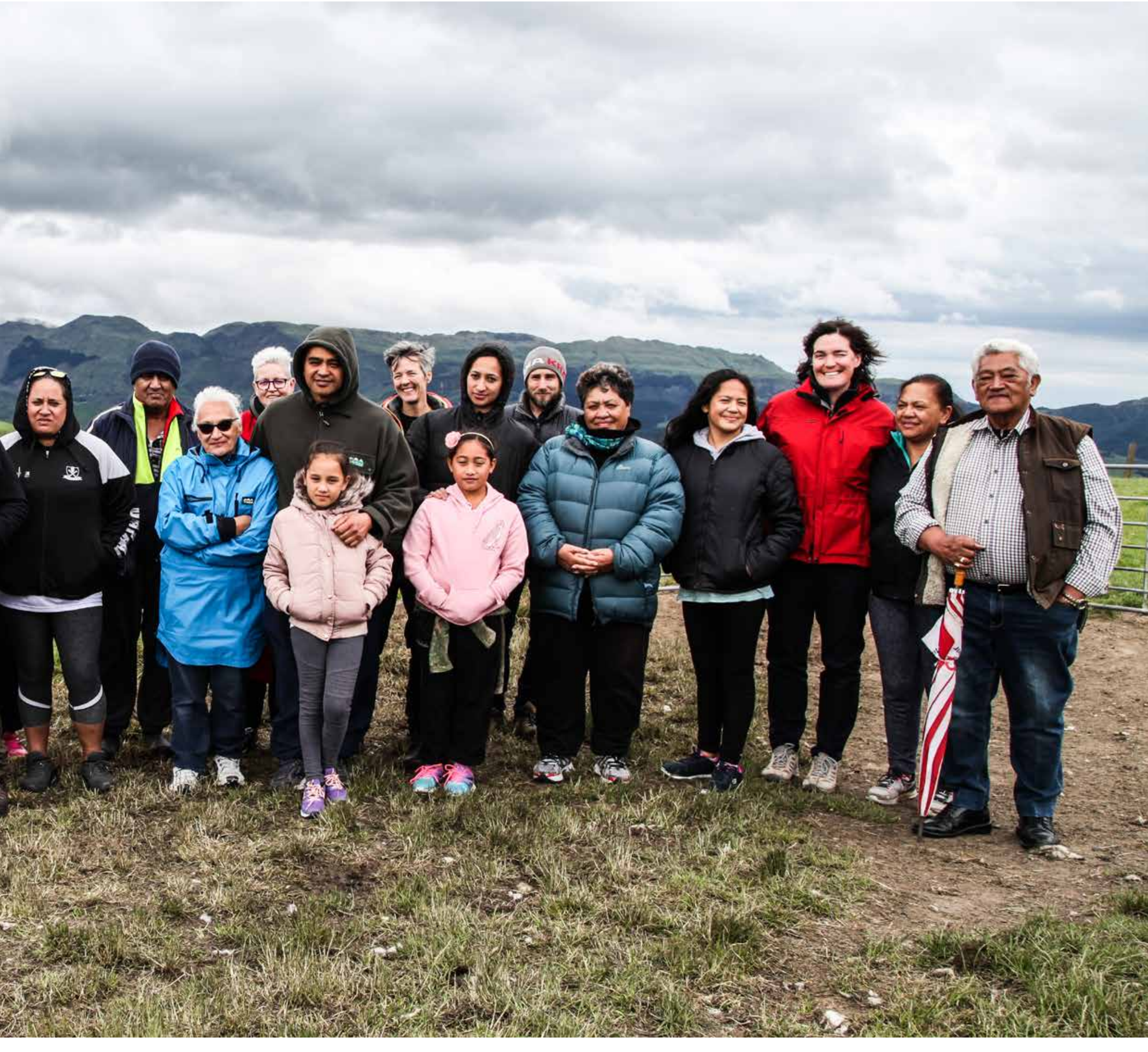

TE AHUREA
Hineuru Social & Cultural Development

Te Ākinga Ture – Hineuru's wills & testaments programme

The execution ceremony for Te Ākinga Ture

In terms of social and cultural development, we are led by the social indicators report that was commissioned by Hineuru and completed by Professor Tahu Kukutai and Dr Arama Rata of the University of Waikato. The report used our iwi register and census data from similar and same sized hapū and iwi groupings to determine our population projections.
The report concluded that Hineuru iwi is likely to double in size in the next 20 years based on the current iwi register. Critically, the report noted that our iwi is a young iwi, with 50% of our iwi members being under the age of 30 years old. Below are some of the initiatives that have been progressed.

Te Kāhui Kaumātua o Hineuru

We progressed the establishment of the Kāhui Kaumātua based on consultation with our kaumātua and kuia in both Rotorua and Napier. The Kāhui Kaumātua has had three meetings so far and the role of the Kāhui Kaumātua is to:

- Advise on aspects of tikanga and kawa for Hineuru;
- Provide a kaumātua and kuia perspective on the annual plan, 5 year plan and future strategy and direction of Hineuru;
- Provide advice on issues related to Hineuru projects;
- Participate or provide a view on wānanga for reo and tikanga for Hineuru;
- Making decisions on eligibility for iwi membership;
- Other matters as determined by the Trustees on a case by case basis.

The Kāhui is a critical part of informing the trustees of tikanga and kawa, and in the development of Hineuru's annual and strategic planning. Ki ngā kuia me ngā kaumātua, kia ora koutou katoa!

Te Akinga Ture

This year we completed the first phase of Te Ākinga Ture – Hineuru's Legal Education Programme. This was completed in partnership with the Hawkes Bay Community Law Centre and Morrison Kent. We wanted to make sure our beneficiaries are looked after and our needs are being met. Not just our social, economic and health needs, but also ensuring our legal needs do not become a barrier to whānau wellbeing.

We held our wānanga for Wills and Estate Planning – 'Don't Leave a Fight for the Whānau', and successfully drafted and completed several wills for our whānau. This year we have also engaged Automio, an automated wills and testaments service, to make wills and powers of attorney easily accessible to all of our iwi members free of charge.

Taiohi Ora – Hineuru Leadership Summit

The Taiohi Ora Hineuru Leadership Programme was held in January this year. We welcomed 14 rangatahi to develop their own leadership attributes and skills. Some of the key activities and outcomes were:

- Teambuilding – what it takes to lead a team
- Thought innovation
- Tikanga and kawa
- Communication

"Our reo strategy aligns to our vision of Hineuru – ka tipu, ka ora, ka rea. We know that if we grow the language, our tikanga will thrive and our people will prosper."

Taiohi Ora o Hineuru Leadership Summit 2019

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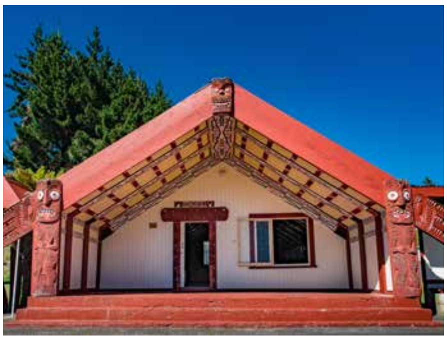

- Skills in planning and managing projects

Our rangatahi spend four days getting to understand tikanga, kawa and what it means to be Hineuru. Activities included water rafting, learning about culture, the Hineuru Station farm visit, swimming, physical exercise, preparing a hangi, harakeke/working with flax, tuna/eel catching, writing, listening and being together.

Te Reo Strategy Implementation

We have also progressed our Te Reo Māori Strategy with the support of Te Mātāwai, for which we are very grateful. Our reo strategy aligns to our vision of Hineuru ka tipu, ka ora, ka rea. We know that if we grow the language, our tikanga will thrive and our people will prosper. The reo strategy identifies key components including kaupapa to help bring the iwi back including wānanga a iwi and other events.

As part of this strategy, we have committed to a Hineuru position to support the reo and cultural aspirations of the iwi which will include supporting the redevelopment of our marae. We have as a result held several wānanga reo over the past year which have been a great way for whānau to learn about their Hineurutanga, whakapapa, kōrero tuku iho and basic sentence structures. The aims are as follows:

- Increasing awareness by Hineuru members of te reo Māori and tikanga at their marae
- Development and provision of iwi-based resources specific to Hineuru whānau
- Improved ability to converse and understand tikanga and te reo Māori
- Encouraging use of Māori at higher levels of proficiency amongst iwi members

We have also begun developing the Hineuru Reo Champions Project, where we are identifying whānau who are interested in learning Hineuru reo and developing resources for them to learn te reo Māori from their home. This is being led by Te Rangihau Gilbert, our Culture and Environment Manager.

Te Reo Resource Development

Over the past year we have put a lot of effort into developing a suite of language and cultural resources. This has included several videos, completed by Aroha Treacher, profiling our kaumātua and kuia and capturing their mātauranga and kōrero. These will also be available on our revamped website and members' database. We have also completed our mōteatea book, which will be included as part of our te reo Māori outputs and projects for Te Mātāwai.

Marae Redevelopment

This year we progressed indicative plans for the redevelopment of Te Hāroto Marae. This was progressed at a hui ā-iwi where we invited all Hineuru to attend, provide input and feedback on the indicative plans. This was done with the input and support of Ezra Kelly at DesignGroupStapletonElliot (DGSE), and his team of designers and architects. We are excited to progress this project in 2020, and we wish to thank the team at Te Puni Kōkiri for providing funding through Oranga Marae to progress this work stream.

TE PAKIHI
Commercial Development


Pakuratahi and Bayview cherry orchard blocks


Tree planting ceremony at Waverley orchard


The Miro team at the Meihana Koata development block

The Investment Committee

Our investment portfolio, led by the Chair of our Investment Committee Traci Houpapa, and with the support and contribution of Craig Barrett and Tirohia Bridger, has performed strongly over the past financial year.

The Hineuru Investment Plan is aligned to the strategic vision of Hineuru; ka tipu, ka ora, ka rea – we grow, we thrive and we prosper. Our strategy has been categorised into three asset classes – ka tipu assets, ka ora assets and ka rea assets.

The 'ka tipu' assets are those categorised as assets that provide a year on year return and support the operations. 'Ka ora' assets are mid-term investments and opportunities that provide returns and capital in 12-18 months. 'Ka rea' assets are longer term investments that provide returns over a 3 to 5 year period. The focus for us is to make investments in each of the categories and work to grow and support returns from each asset class.

We are active investors that look for opportunities. We also have a diversified asset base with investments in dry stock farming, forestry, freshwater koura, commercial property, high value horticulture, land and managed funds. We discuss the highlights of the past year in more detail below.

High Value Horticulture

This year we made our single biggest investment across our commercial portfolio. We purchased three blocks within the Hawkes Bay Region. The Bayview and Dartmoor blocks are subject to buy back by Cherri Global Limited in five years' time. However, as part of negotiations we secured the outright purchase of Waverley for a Hineuru specific orchard development.

We have also progressed a more strategic relationship with Miro, a collective involving Māori around the country to develop home grown, high value horticulture for overseas export. The produce includes blueberries and other high value crops. One of our directors, Craig Barrett, was recently appointed to the Board of Miro.

Forestry

We have also recently completed the first stage of our forestry planting on Hineuru Station, the farmland we received as part of our Treaty settlement. During this first stage we planted just under 100 hectares of forest, which took approximately two weeks to complete. This was done in partnership with PF Olsen, our Forest Managers, who organised our planters to undertake the planting before the end of the season. We are now in the process of assessing the further planting area for next year to achieve the right balance between farming dry stock and planting out the unproductive or underperforming marginal areas of the farmland.

Also in terms of forestry we have sought tenders in relation to the management of Esk Forest, totalling several thousands of hectares, which we received under our Treaty settlement. Ultimately, our people want us to own and manage our assets rather than be passive recipients of land rental.

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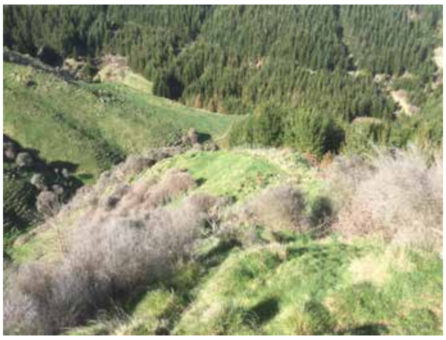

Forest planting at Hineuru Station in September 2019

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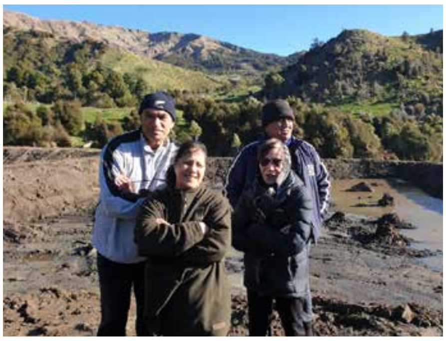
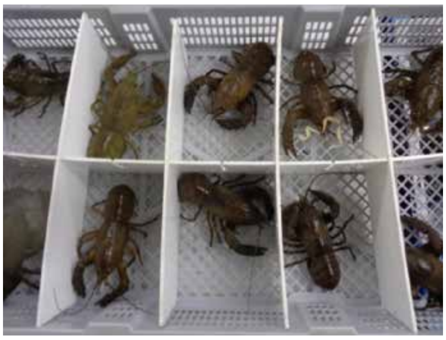




Hineuru Cherry Land Development Project and Joint Venture

We have partnered in the development with Cherri Global Limited (CGL), an international exporter of premium cherries. We have since undertaken feasibility studies on the remaining 14 hectares of land and have decided to proceed with developing cherry orchards on this land.

You can read more about this investment on page 17.

Property

We have continued to grow our property portfolio as Hineuru. This year we became owners in a commercial premises in Palmerston North with FMG, a long-term tenant. The capital gain on the property has increased over the past year to $22.5 million. This investment gives us regular returns and cashflow that we need to fund our operations, the main long-term economic gain being the uplift in capital value.

We have also invested in housing developments in Hamilton through a partnership with Obsidian Tahi which is being progressed at the moment.

Other Investments: Paua and Freshwater Koura

Over the past year we have continued to progress as investors in pāua operations and freshwater koura. We have achieved our resource consent for the digging of up to 300 koura ponds on our farm. We have nearly obtained our fish farm licence which, once granted, will be the first fish farm licence for koura in the North Island.

We have partnered strategically with John Hollows from Ernslaw, the leading New Zealand expert on freshwater koura to ensure that our freshwater koura operation is successful.

We are also assisting in the development of an industry body for freshwater koura to:

- increase awareness and understanding of the opportunities for freshwater koura as a 'fledgling' industry;
- establish domestic and overseas markets for the distribution and sale of premium, high quality freshwater koura;
- undertake or commission research to understand the conditions which enable freshwater koura to thrive;
- to provide input in regulatory activities that affect the freshwater koura industry, including activities and policies developed by the Department of Conservation and the Ministry for Primary Industries;
- create long-term partnerships with Māori and non-Māori landowners to encourage uptake in freshwater koura activities;

Finally, we set out in the following pages, the 2018-19 annual planning milestones for Hineuru Iwi Trust and how we have performed against those targets.

WHAT MAKES UP OUR SETTLEMENT ASSETS?

ASSET	VALUE (approx)
Farm	
Hineuru Station	$8 million
Pukenui Station	$2.765 million
Livestock	$1.763 million
Farming Assets	$0.321 million
Forestry	
Hineuru Forest (tree crop)	$6.467 million
Carbon Credits	$1.487 million
Forest Land	
Hineuru Forest (land)	$1.376 million
Esk Forest	$7.085 million
Horticulture Land	
Waverley Block	$3.2 million
Pakuratahi/Bayview block	$1.55 million
Dartmoor block	$4.55 million
Cash	
Craigs Investments	$12.137 million
Westpac Term Deposit	$3.911 million
Equity Investments	
Pauaco – A paua company in South Island and Australia	$1 million
Miro – A Māori blueberry collective	$0.16 million
FMG – A commercial premises	$3.818 million
Loans	
Loan – Pauaco	$1.96 million
Eneform – A clean energy company that turns waste tyres into biodiesel	$0.5 million
FMG	$2 million
Obsidian – Residential housing development	$2.83 million
Receivables	
Trade and other receivables	$0.90 million

Why Cherries?

Information on our proposed investment into the Cherry Industry

An investment into cherries was chosen for a number of reasons, including:

- ***Consistency with Hineuru's investment strategy.*** High value horticulture is a key part of Hineuru's investment portfolio and development strategy;
- ***Existing water consents.*** The land already has water consents in place to grow cherries;
- ***Industry expertise.*** CGL has agreed to partner with the Hineuru for the Development. CGL are experts in the New Zealand cherry industry and own a number of successful cherry developments;
- ***Financial return.*** Feasibility studies suggest that cherries will provide strong financial returns to the Hineuru. The cherry industry has been identified as a new growth industry in New Zealand; and
- ***Employment opportunities.*** The development will provide employment opportunities for Hineuru Members.

How will Hineuru partner with Cherri Global Limited?

Hineuru and CGL will enter into a joint venture arrangement to ensure the project progresses in a timely way and the required delivery expertise is retained. The joint venture will not own the land, the land will be owned by Hineuru, however the joint venture will enable a share of profit between Hineuru and CGL.

How will the development be funded?

The land purchase and feasibility studies have already been funded by Hineuru and the Trust may need to provide further funding for the Development. Hineuru has also recently made an application to the Provincial Growth Fund (PGF) for the development.

The funding from the PGF will likely be in the form of a loan (although some may be funded by way of a grant) and is considered a 'Whenua Māori' application given the land is owned by the Trust.

The PGF application requires support from landowners, being the beneficiaries of Hineuru. The purpose of this information sheet is to provide information to Hineuru members about the project, but also to seek approval for the PGF application.

What are the employment opportunities for Hineuru Members?

It is expected that the Development will require around five full time employees in the first 3-4 years, with this climbing steadily to a total of 26 employees in 2028 – 2029. As part of our Hineuru Workforce and Training Development programme, we have already employed three of our own people on the block.

The development will look to employ Hineuru members wherever possible and Hineuru will also look to assist with training and development opportunities through the Hineuru Training and Development Programme.

Next steps

Hineuru, together with CGL hope that the development is operational from 2020, with work being undertaken on the land in preparation for this. Hineuru will notify Hineuru members of any successful PGF application and continue to notify any employment or training opportunities.

FOCUS AREA 1: HINEURU IWI TRUST

ACTION	STATUS
Complete 12 month Annual Plan for 2018-19	COMPLETED
Continuously identify and apply for external sources of funding and resources	COMPLETED
Review legal and management structure and policies	IN PROGRESS
Begin assessment for digital archive and website rebuild	COMPLETED
Communication with iwi members	COMPLETED
Complete Annual General Meeting requirements 2018	COMPLETED

FOCUS AREA 2: CULTURE AND HISTORY

ACTION	STATUS
Te Reo strategy	COMPLETED
Videos and media for Hineuru	COMPLETED
Wānanga a iwi	COMPLETED
Tribal register of te reo speakers	IN PROGRESS
Hineuru resources for children and whānau	COMPLETED
Hineuru waiata recording	COMPLETED
Hineuru book underway	IN PROGRESS
Te Haroto Marae indicative plans	COMPLETED
Support development of te reo Māori resources	COMPLETED

FOCUS AREA 3: EDUCATION AND DEVELOPMENT

ACTION	STATUS
Hineuru education grants and scholarships	COMPLETED
Develop relationships with higher education institutes	IN PROGRESS
Hineuru Leadership Summit	COMPLETED
Te Ākinga Ture	COMPLETED

FOCUS AREA 4: HEALTH AND SOCIAL DEVELOPMENT

ACTION	STATUS
Complete Social Indicators report	COMPLETED
Development of partnerships with DHBs in HB, TPO and BOP	IN PROGRESS
Hauora day	IN PROGRESS

FOCUS AREA 5: OUR ENVIRONMENT

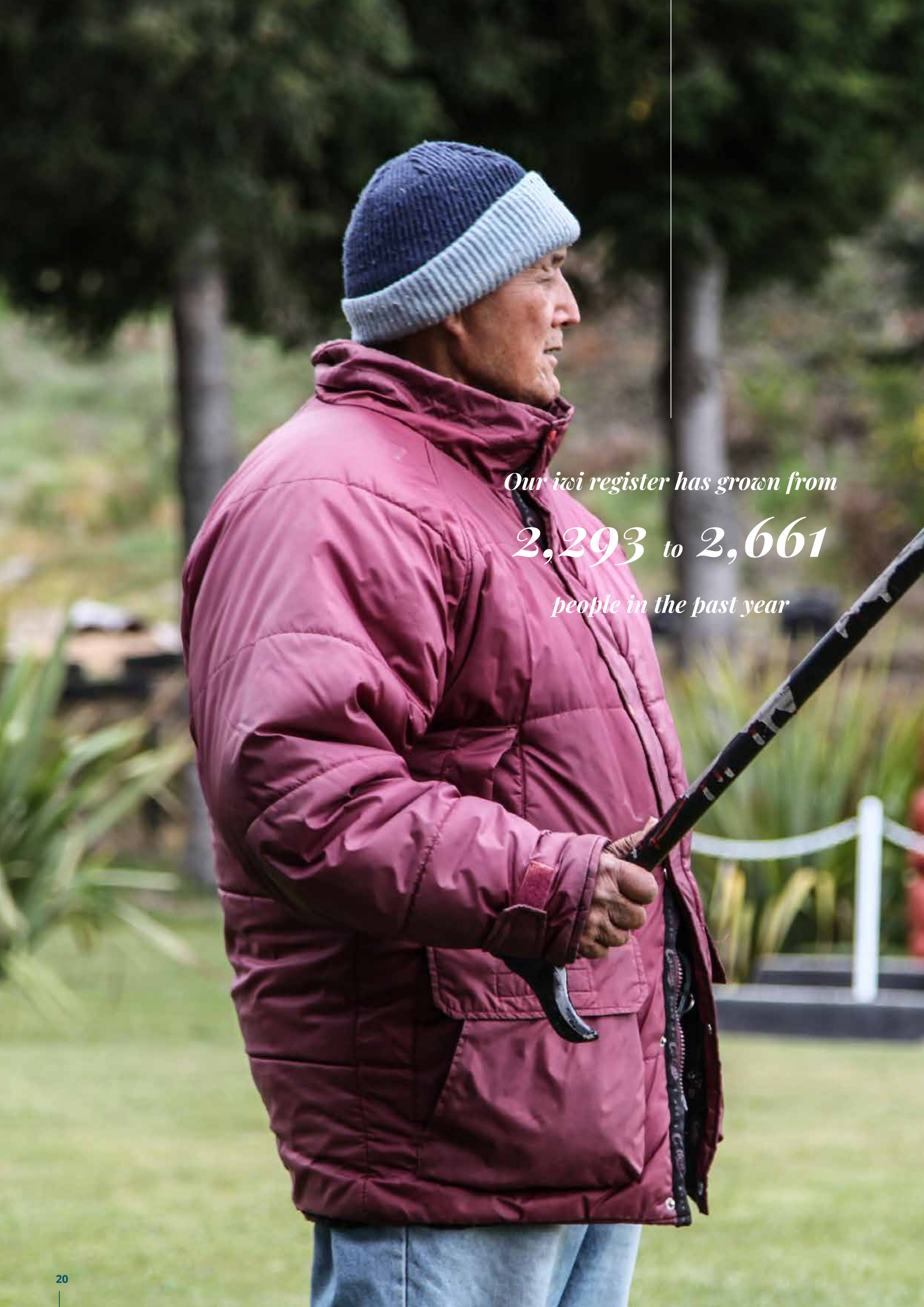
ACTION	STATUS
Begin development of an Iwi Environmental Management Plan	COMPLETED
Seek collaborative research opportunities for the environment	COMPLETED
Iwi Conservation Strategy	IN PROGRESS
Implement Te Kawenata with DOC	IN PROGRESS
Complete Landcare Report	COMPLETED

FOCUS AREA 6: ECONOMIC

ACTION	STATUS
Generating regular income	COMPLETED
Receive and invest settlement funds	COMPLETED
Investment Plan	COMPLETED
Freshwater koura project	IN PROGRESS

FOCUS AREA 7: AHIKAA

ACTION	STATUS
Initiate Hineuru pouwhenua project	TO BEGIN
Begin Marae development investigation	COMPLETED
Renewable energy project	COMPLETED
Develop relationships with other Iwi	COMPLETED



Our iwi register has grown from

2,293** to **2,661

people in the past year

SCHEDULE 1 – DETAILS OF HINEURU ANNUAL REPORT

Hineuru Iwi Trust – Trust Deed Requirements for the Annual report: Schedule 6, paragraph 3

REQUIREMENT	LOCATION
Comparison of the Trust's performance against the annual plan	This is provided in the Chief Executive's Report. The Annual Plan for 2018-19 is on the website and a summary provided in this report.
Balance sheet and income and expenditure statements, including details of trustee remuneration	Balance sheets and income and expenditure statements are included below. Audited financial statements will be sent to any member who requests a copy. See below for information on trustees' remuneration
Steps taken to increase registered members	See below
Details of settlement quota (if any)	Not applicable at present time
Fisheries matters	Not applicable at present time
Changes made to the constitutional documents of the Trust or Trust Entities	Two changes have been made and voted on by iwi.

BALANCE SHEET AND INCOME AND EXPENDITURE STATEMENTS

Iwi Register

In the past year, we have had a number of iwi register applications as part of our iwi wānanga and scholarships programme. Our iwi register has grown from 2,293 to 2661 people in the past year. This has resulted from the settlement and in part from the scholarships.

Trustee Remuneration

We are required to seek external advice when setting the remuneration of Trustees. External advice was sought by Grant Thornton in October last year. Grant Thornton are the recommended specialists for advice on appropriate levels for trustee remuneration. After receiving this advice, the Trustees determined to make an increase in remuneration to reflect the growing operations of Hineuru and increase in expected workload. This remuneration also covers any remuneration entitlement as a trustee of Hineuru Charitable Trust and therefore there was to be no additional trustee remuneration for any appointment to the Hineuru Charitable Trust.

Remuneration Levels

Position	*Recommended Range*	*Final Remuneration (each)*
Chairman	$30,000 – $35,000	$28,000 per annum
Deputy Chairman	$21,000 – $24,000	$16,000 per annum
Trustees	$15,000 – $17,500	$12,000 per annum

Constitutional Amendments

Two new trust deed amendments were approved by iwi members to allow HIT to make distributions to HCT, thereby allowing HCT to utilise refundable Māori authority tax credits accumulated by HIT, and also to ensure that outgoing trustee terms expire at the same time as the appointment of new trustees. This is to ensure that during an election year there is no period of time where there are no trustees are in place. The trust deed amendments were approved. Special Resolution 1 was approved by 91.05% and Special Resolution 2 approved by 93.39%. The total voter turnout was 14.59% (257 votes).

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES (FOR THE PERIOD ENDED 30 JUNE 2019)	2019 12 months $	2018 15 months $
Revenue from exchange transactions		
Programe funding	135,010	95,851
Income from farming operations	1,246,740	1,825,234
Investment and interest income	1,866,620	2,272,228
Lease and rental income	437,696	257,208
Net fair value gain/(loss) on forestry assets	279,554	2,043,732
Share of income from equity accounted investment earnings	897,748	-
Other operating income	69,100	49,524
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS	**4,932,468**	**6,543,778**
TOTAL REVENUE	**4,932,468**	**6,543,778**
Expenses		
Accounting & advisory service fees	71,569	55,599
Audit fees	36,000	15,975
Administration costs	64,086	42,087
Programme Expenses	--	175,532
Livestock Expense	597,335	944,469
Depreciation expense	54,337	39,452
Directors fees & expenses	116,320	113,971
Employment benefit expenses	424,440	375,994
Koha expense	1,360	10,500
Legal expenses	54,204	46,637
Professional & consultancy fees	274,783	329,472
Scholarships paid	26,400	50,608
Share of Miro Limited Partnership deficit	82,990	67,923
Trustee fees & expenses	110,131	102,597
Other expenses	894,787	765,938
TOTAL EXPENSES	**2,808,743**	**3,136,753**
Surplus/(deficit) for the period before income tax	**2,123,725**	**3,407,025**
Income tax expense/(income)	264,912	455,485
Surplus/(deficit) for the period	**1,858,813**	**2,951,540**
Other comprehensive revenue and expenses		
Net fair value gain/(loss) on carbon credits	163,456	192,248
Net fair value gain/(loss) on forestry land	710,000	3,098,000
Net fair value gain/(loss) on farm land	1,023,075	3,952,002
Total comprehensive revenue and expenses	**3,755,344**	**10,193,790**

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES (FOR THE PERIOD ENDED 30 JUNE 2019)	2019 12 months $	2018 15 months $
ASSETS		
Current Assets		
Cash and cash equivalents	3,911,294	2,663,944
Short term investments	-	3,009,242
Trade and other receivables	639,778	216,612
Related party advances	33,233	33,233
Loan receivables	7,292,111	2,811,180
Income tax receivable	33,371	101,549
Livestock	1,762,696	1,671,556
Total current assets	**13,639,249**	**10,474.083**
Non-current assets		
Property, plant and equipment	28,728,840	17,632,737
Forestry assets	6,467,000	6,032,000
Intangible assets	1,487,249	1,323,793
Investments	17,133,120	27,856,054
Total non-current assets	53,816,208	**52,844,584**
Total assets	**67,455,457**	**63,318,666**
LIABILITIES		
Current liabilities		
Trade and other payables	484,345	178,936
Income in advance	80,167	80,167
Total current liabilities	**564,512**	**259,103**
Non-current liabilities		
Deferred tax liability	614,364	538,326
Total non-current liabilities	**614,364**	**538,326**
TOTAL LIABILITIES	**1,178,876**	**797,429**
NET ASSETS	**66,276,581**	**62,521,237**
NET ASSETS COMPRISE OF:		
Treaty settlement proceeds	51,874,952	51,874,952
Retained earnings	4,997,453	3,138,640
Asset revaluation reserve	**9,404,176**	7,507,646
TOTAL EQUITY	**66,276,581**	**62,521,237**

CONSOLIDATED STATEMENT OF CASH FLOWS (FOR THE PERIOD ENDED 30 JUNE 2019)	2019 12 months $	2018 15 months $
Cash flows from operating activities		
Cash was received from:		
Receipts from non-exchange transactions	-	-
Receipts from exchange transactions	2,065,188	1,522,249
Net interest received	264,936	698,291
Net dividends received	200,565	88,024
Net PIE income received	568,455	255,361
Income tax refunds received	-	101,245
Net GST received	**20,796**	**124,122**
Cash was applied to:		
Payments to suppliers	(1,580,949)	(2,369,722)
Payments to employees	(412,122)	(364,110)
Scholarships paid	(26,400)	(50,608)
Interest paid	-	(158)
Income tax paid	28,880	-
Koha paid (1,360) (10,500)	(1,360)	(10,500)
Net GST paid	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	**67,455,457**	**63,318,666**
Cash flows from investing activities		
Cash was received from:		
Receipts from the sale of investments	1 5,581,550	-
Funds withdrawn from term deposits	3 ,009,242	4 ,990,758
Cash was applied to:		
Payments to acquire property, plant and equipment	(9,417,365)	(2,520,706)
Payments to acquire forestry assets	(155,446)	(150,268)
Payments to acquire investments	(4,823,156)	(16,741,683)
Loans advanced to other parties	(4,075,465)	(2,758,180)
Funds invested in term deposits	-	-
Net cash flows from investing activities	**119,361**	**(17,180,079)**
Cash flows from financing activities		
Cash was received from:		
Advances repaid by related parties	-	120,699
Treaty settlement funds received	-	185,000
Net cash flows from financing activities	**-**	**305,699**
Net increase / (decrease) in cash	**1,247,350**	**(16,880,187)**
Add cash at beginning of period	**2,663,944**	**19,544,131**
Equals cash at end of period	**3,911,294**	**2 ,663,944**
This is represented by:		
Cash and cash equivalents	3,911,294	2 ,663,944

SCHEDULE 2 – ANNUAL BUSINESS PLAN SUMMARY 2019-2020

1. Introduction

1.1 This document sets out the Annual Business Plan summary for Hineuru Iwi Trust for the next 12 months (from 1 July 2019 to 30 June 2020). In particular, it sets out our focus areas and our key objectives.

1.2 The table below sets out our seven focus areas for the next 12-18 months until the completion of the settlement and the first election of Trustees for the Trust.

FOCUS AREA	EXPLANATION
Objective 1: **Hineuru Iwi Trust (Governance)**	**Establishment and Internal infrastructure** is about building the proper systems, the foundations of the Hineuru settlement to ensure that Hineuru Iwi Trust is functioning properly to be able to deliver in the future. Internal infrastructure is still needed for development in this next year
Objective 2: **Culture and History**	**Culture and History** is about telling our stories, building our cultural identity so that our people feel Hineuru, and be confident in their identity as Hineuru.
Objective 3: **Education and Iwi Development**	**Education and Iwi Development** is about building our people through education and leadership development, and ensuring Hineuru leads the education of Hineuru people through effective collaboration with education institutes and advocating for the inclusion of Hineuru history in the NZ curriculum.
Objective 4: **Health / Social Development**	**Health / Social Development** is about being a conduit for our people to access good health and to empower our people to better lifestyles. Happy whānau and happy homes are important to Hineuru as well as our physical, mental and spiritual health.
Objective 5: **Our Environment (Taiao)**	**Our Environment** is about caring for our environment today for our future generations tomorrow. It is about educating our own as well as others about our environment and to advocate for the health of the environment so that we may continue to connect, understand and be involved in our environment.
Objective 6: **Economic**	**Economic** is about growing our asset base to help further our social, cultural and environmental aspirations as an iwi. We must grow our assets prudently and be creative in wealth creation for Hineuru.
Objective 7: **Ahikaa**	**Ahikaa** is about our Hineuru identity and being visible in and outside of our rohe. This is about our relationship with our land and how we maintain and reconnect our people to our whenua, to Te Haroto and our awa in the Hineuru rohe.

2 Proposed Activities and Priorities

2.1 We set below the current priorities as determined by the Trustees of Hineuru Iwi Trust. A full copy of the Annual Plan is on our website: www.ngatihineuru.com

FOCUS AREA	KEY OBJECTIVES
Governance	• Develop 5 Year Strategic Plan (2020 – 2025) • Complete 12 month plan • Grow the external sources of funding and resources to deliver our objectives • Review legal and management structure and policies • Training and succession plan for Trustees and prospective governors • Continuous communication with iwi members • Complete Annual General Meeting requirements
Culture and History	• Hineuru book complete (Prof Richard Boast author) • Continue wānanga ā iwi • Implementation of Hineuru Reo Plan • Hineuru resources for children and whānau • Hineuru waiata found and begin recording • Hineuru kura reo
Education and Iwi Development	• Continue education grants and scholarships but revise criteria • Strengthen relationships with higher education institutes • Hineuru industry leadership and networks • Develop a Hineuru metric system for measuring initiatives • Progress Te Ākinga Ture to all iwi members
Health / Social Development	• Progress iwi hauora • Strategic relationship with taiwhenua • Assess and feasibility for Hineuru rongoa centre
Our Environment	• Kawenata engagement • Environmental innovation and strategic relationships • Iwi Conservation Strategy developed • Iwi Environmental Management Plan finalised
Economic	• Hineuru financial literacy opportunities found and initiated • Hineuru koura project fully established • Review of SIPO complete
Ahikaa	• Hineuru pouwhenua established • Renewable and sustainable energy • Stocktake of iwi skills database begun • Develop relationships with other iwi

NOTES

HINEURU
IWI TRUST