

Te Uri o Hau Settlement Trust
2018 ANNUAL REPORT



TE URI O HAU
SETTLEMENT TRUST

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Te Uri o Hau Settlement Trust

Chair report - Georgina Connelly



Haere ra

The trustees acknowledge the leadership of Russell Kemp who has been involved in the claims process and settlement from 1991 to 2018. The Board would like to thank Russell, Barbara and their family for the years of dedication working for the betterment of Te Uri o Hau. With the recent passing of Russell, the Board have moved into a new direction of operational and governance leadership. This year we farewell Deborah Harding and Peter Wilson who collectively dedicated some 18 years to the Settlement Trust. Both Deborah and Peter have moved the trust through some challenging times and we are grateful for their years of service. Deborah has taken on the role of delivering some smaller contracts for Te Uri o Hau. She is enjoying the flexibility of her work hours and spending more time at home with her whanau. Peter Wilson is still involved with the Te Uri o Hau nursery in Te Arai, on a part time basis.

Nau mai

The Settlement Trust welcomes the services of Jonathan Rishworth. Jonathan brings with him a strong commercial back ground, financial and operational strengths. There have been some subtle operational changes to staffing roles and responsibilities. A strong administration support team is now in place to assist the CEO. Also, nau mai haere mai Stan Walker, new trustee for Otamatea Marae.

2017 – 2018

This year the Board kicked off with a workshop to discuss and enhance the way in which we do business and make business decisions, with a large emphasis on land retention and understanding the land that is under the commercial redress heading. I am pleased to report that the Board have a greater acceptance on decisions pertaining to land. There is also a need to work with and alongside good business partners. Valuing key business partners and their expertise is one factor to our success and moving forward. 2017 has seen the refreshment of our 25-year hapu plan.

It has given us a good snapshot of what we have achieved, and where we need to move towards.

Te Uri o Hau, Ngati Whatua Runanga, Ngati Whatua Orakei, Te Roroa and Nga Maunga Whakahi along with the Integrated Kaipara Harbour Management Group make up the Kaipara Harbour Uri collective, who are negotiating with Crown regarding the restoration and kaitiakitanga over the Kaipara Harbour. The goal is to bring the Kaipara Harbour as near as possible to a pristine water and eco friendly place and restore the mauri of the harbour.

Environs has been busy with the Matakoho Bridges Project, which has seen some of our people in employment. The Hokai Nuku Project in the Puhoi rohe is going well and many Te Uri o Hau are employed under Hokai Nuku. Overall with these roading projects being undertaken we have seen an increase of 10% - 20% Te Uri o Hau employed within the respective companies.

Tangata Developments is delivering its contracts and the thinking is now around securing more contracts and building up these areas of Tangata Development. There seems to be a gap in youth development.

RGL has been quiet for a few months, as the new CEO and myself as Trust chair get our heads around the whole commercial landscape and identifying and reducing risk and increasing financial capacity.



In all, it has been a very busy time for us all as we go about serving our people, building and maintaining business relationships and identifying business opportunities with minimal risk and capital outlay.

We are an ambitious lot of trustees who bring a diverse range of skills and expertise. I would like to thank the Board for the attributes they bring as well as commitment.

No reira

Georgina Connelly

Ka tuku atu ra tenei te mihi tuatahi ki to tatau matua nui i te rangi. Te mea nana ra tatou I manaaki ngia ki tai tika mai ki tenei to tatou hui a tau mo Te Uri o Hau. Kororia ki tona ingoa tapu. Tuarua ka mihi atu ki o tatou tini mate penei a Russell Kemp ma ko wheturangitia ko tae atu ki te kainga tuturu e ki nei mo tatou te tangata, moe mai koutou i roto i te Ariki ka hoki mai nga mihi. Kia tatou te hunga ora kia ora mai ra tatou katoa i tae mai ki tenei te hui a tau mo Te Uri o Hau. Kia ora tatou.

Whanau it has been another busy year for our Taumata throughout the 2017 -2018 year. This is just an example of what was achieved since the last Annual General Meeting.

Engagements with community stakeholders

- Restoration Project for Taporapora, Manukapua Sand Island (Earle Wright).
- Meeting with new Maori General Manager Northland District Health Board, Harold Wereta.
- Meeting with Integrated Kaipara Harbour Management Group (IKHMG) (William Wright).
- Meeting with KDC naming streets in Takahoa Bay – (Refer Otamatea Marae).
- Meeting with Visual Solution re: signage for Pou Tu Te Rangi / Harding Park Committee.
- Taumata recommendation that a 10 year time restriction be placed on a beneficiary if they change their Ancestral Marae during any election period. (On Thursday 5th October 2017 during matters arising Russell Kemp confirmed at the last Trustees meeting a decision was made to make this recommendation a resolution to be voted on by the beneficiaries at the 2018 Te Uri o Hau AGM.)
- Taumata endorsed Rex Nathan and William Wright to represent Te Uri o Hau on the Pou Tu Te Rangi / Harding Park Committee.
- The Ripia Marae committee resolved with the passing of Rob Sarich that Barry Tana be appointed onto the Taumata Kaunihera.
- Resolution moved that Taumata Kaunihera approves and support's the partnership between Te Uri o Hau Settlement Trust, and the Ngati Whatua Runanga to establish a Kura Kaupapa within the Kaipara Region.
- Te Uri o Hau Kakahu criteria can be used for education, graduations, birthdays, and weddings. Not for tangihanga.
- Naming of Matakohu Bridge's has been given over to Otamatea & Waihaua Marae.
- Meeting with Jessie Trust Mangawhai re: information, signage, carvings and sculptures.
- Meeting with Annett Champion from Auckland Council re: Te Arai Regional Park.
- Welcome to Kaipara District Council Mayor Dr. Jason Smith.



So, whanau this is just a sample of what the Taumata have been doing during the 2017/2018 year.

E kore mutu Nga mihi ki te Heamana o mua a Russell Kemp mo ona Mahi I Mahi ngia mo Te Uri o Hau moe mai e te Rangatira.

Welcome to Georgina Connelly, Chairperson for Te Uri o Hau Settlement Trust, thank you for the support given to the Taumata. Mihi to all the Trustees, tena ra koutou katoa. Farewell to Deborah Harding former CEO, thank you for all the help over the years, we wish you well.

Welcome to our new CEO Jonathan Rishworth, the Taumata Kaunihera are looking forward to working closely with you.

To all staff a very big thank you for your help in making our mahi a lot easier. A big thank you to Sessa Perkinson our office secretary who keeps us on the straight and narrow.

Nga mihi nui kia koutou katoa

Ka hoki mai nga mihi ki nga whaikorero o nga Marae o Te Uri o Hau me pehea te korero ki a koutou me hoki pea nga whakaaro ki ena ko wheturangitia moe mai ra koutou i roto i te ariki. Ka hoki mai nga mihi ki a tatou te hunga ora kia ora mai ra tatou katoa nga mema o te Taumata Kaunihera o Te Uri o Hau mo o koutou mahi nui i mahingia i te ra atu hui a tau tae noa ki tenei tau.

Mauri ora ki a koutou katoa

Ka hoki mai te mihi mutunga ki a koutou te whanau i haere mai ki tenei to tatou hui a tau mo Te Uri o Hau ki te whakarongo i nga take e pa ana ki to tatou hapu.

No reira tena koutou, tena koutou tena ra tatou katoa.

Na Ben de Thierry QSM

Te Uri o Hau Settlement Trust

Chief Executive Report - Jonathan Rishworth



Kia ora Koutou,

Having come on board on 14 May 2018 (nearly 3 months at the time of my writing this report) I am gradually building my understanding of the various strands of activities Te Uri o Hau Settlement Trust and its subsidiaries are involved in, but I am not able to provide detailed

insights into the previous 12 months progress of Te Uri o Hau Settlement Trust. I thought that I could instead share with you some of the lessons I have received from my involvement in a variety of businesses over the last 30 plus years and particularly in the last decade, which I believe have relevance to whatever organisation a person is involved in. I have been fortunate during the last 13 or more years to have been given the opportunity to work and serve three Maori entities whose fundamental mission is identical. That mission being to seek and implement opportunities to maximise the benefits inherent in their whenua for their people.

Such a purpose requires a dedicated focus each day, week, month, year in, year out – if great outcomes are to be achieved.

Barriers to Progress

What I have observed over the years are that certain barriers must be overcome for any organisation to achieve excellent outcomes.

Such barriers include:

- Personal self-interest outweighing what is best for an organisation, which dissipates an organisation's energy and focus;
- Where people seek short-term gain at the expense of long-term sustainable benefits;
- Where there is a culture of blaming others;
- Where there is a lot of distrust within an organisation, which results in an inability to utilise the strengths of both people within an organisation and of potential partners who can bring to the table enormous value;
- An unwillingness to fully consider others' ideas when they differ from our own

True Leadership is Lacking in Today's World

These barriers slow down potential progress, can cause stagnation, with disunity increasing and opportunities to make significant advances being lost. In worst case

scenarios this can result in an organisation failing which can have serious consequences on many people's lives.

With the media focusing so much on the machinations and behaviours of political leaders and their parties, we regularly see examples of the outcomes of these barriers to progress, while we seldom hear examples of excellent leadership where a person in a leadership position has demonstrated a very high degree of integrity, honesty, trustworthiness, and humility. We can then become more and more cynical, sceptical and suspicious of the motives of others, particularly of those in roles of leadership. It is therefore important, in my view, for us to have the ability to discern sincerity of motive from those who act primarily in their own interest.

Cultural / Spiritual Principles

Without wanting to "romanticise" the reality of any culture (I don't believe any culture is perfect), within the Maori community there are significant cultural / spiritual principles such as manaakitanga, whanaungatanga, kaitiakitanga, that are timeless in their efficacy and power to transform and shape vibrant and healthy communities. But to live those truths and principles takes great strength, courage, humility and compassion.

I take great heart in such values and principles that I believe will over time prove to be the bedrock upon which success for Te Uri o Hau will be achieved.

Te Uri o Hau will be Very Successful

Despite Te Uri o Hau having completed its Treaty Settlement and then having been subjected to unjust treatment regarding the Te Arai whenua, I believe Te Uri o Hau, through adhering to its time honoured cultural and spiritual principles and values will be hugely successful. The question is not in my view so much about whether Te Uri o Hau succeeds or not, but about when will Te Uri o Hau achieve significant success. It seems to me that the answer lies in the degree to which the principles and values of manaakitanga, whanaungatanga, kaitiakitanga, and other foundational truths are lived by in each and every person associated, in whatever way, with Te Uri o Hau.

It Is Up To Us

In other words how long it takes for Te Uri o Hau to achieve high levels of success in every aspect of well-being will depend on how we live our lives; whether we walk the talk. The Hopi Nation have a saying, "We are the people we have been waiting for!" May we leave this world knowing we never gave up and always kept on trying.

Kia whakakotahi tatou!

Let us unite!

Jonathan Rishworth

Te Uri o Hau Settlement Trust

Tangata Development - Social Wellbeing

Whanau Ora

In collaboration with Te Puna Hauora and Te Ha Oranga was formed a Ngati Whatua Whanau Ora collective. This partnership enabled the extension of our Kaiarahi Navigator's contract to July 2020.

Kaiarahi continue to support whanau to develop plans and achieve their goals and aspirations. The number of referrals to support whanau has increased over this last year. Common issues that Kaiarahi are presented with are very similar to our other services i.e., lack of affordable housing, unhealthy housing, financial issues, employment / education needs.

The Kaiarahi are based in our Kaiwaka office and service the area Ruawai to Te Hana (east to west) and across to Mangawhai. We have temporarily taken on the Wellsford area to help out our partner Te Ha Oranga and to awhi those whanau who require our assistance.

Family Start

The Kaipara Family Start program has been in operation for 1 year and has seen a growth in staff. We are pleased to introduce our new Kaimahi, Debra Gee, Talayus Jones and Patrice Donaldson. Debra has an extensive background in Early Childhood education and is a qualified Teacher. Talayus and Patrice are both studying toward their Social Work degree. We have another position available within the Family Start team and look forward to recruiting that position in August 2018 which will give us our full team.

We are grateful to Ngati Hine Health Trust- Whanau Whanui team for the support and mentoring they provided during the pilot period. They have held the Family Start program in Whangarei for over 14 years and openly shared their knowledge and expertise to enable us to successfully gain the contract for Kaipara.

Our Family Start service area is Tangiteroria to Dargaville including Kaihu/ Waipoua Forest and Pouto, down to Wellsford, across to Mangawhai and up to Waipu.

Our babies deserve to have the best possible start in life. Our Family Start Kaimahi do this by supporting parents to be the best they can be for their babies.

"The measure of us as Parents is revealed in our growing children".

Social Worker Support

Tangata social worker continues to provide home based support to whanau within the Te Uri o Hau rohe. The social worker support includes an initial risk and needs assessment, development of a goal plan with whanau, intervention support and review to identify outcomes.

Total number of whanau who received intervention within this period	74
Common Issues: Relationship breakdown, alcohol and drug use, housing, financial issues, parenting	74
Total number of whanau who have set goal plans	74
Total number of whanau who have completed plans	53

Matariki Kapa Haka Festival

Te Uri o Hau received funding through Te Puni Kokiri for Māori to participate in or hold Matariki celebrations. The funding provided us an opportunity to achieve potential growth around Maori world views and bringing our tamariki together. Te Uri o Hau hosted the first Kapa Haka Festival-Matariki celebration which was held at Otamatea College. This was a great opportunity for the schools of Kaipara to take part in the collaborative celebration within the Kaipara Region with a raft of activities showcased during the event. The overall objective was to promote Te Reo through the art of Kapa Haka. We also had a waiata competition where schools composed waiata relevant to Te Uri o Hau. Congratulations to Otamatea High School for first prize and Ruawai College for second.

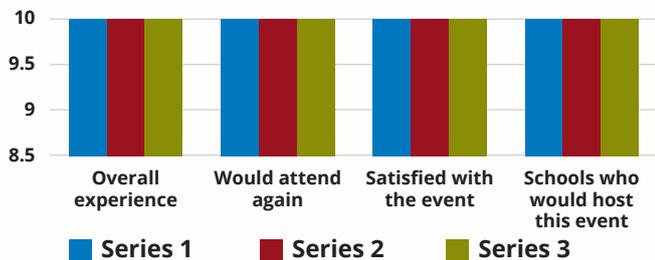


The event was sponsored by Te Puni Kōkiri and Te Uri o Hau Settlement Trust and proudly supported by Otamatea High School and Te Uri o Hau Tangata Development. We are thankful for all the students, teachers and whanau who attended and enjoyed this positive event. There was a fantastic turn-out of schools from Te Uri o Hau who performed on stage and came together as one in a cultural manner.



(Photo Credit : Josie Gritten Photography).

Survey feedback:



Overall experience (Satisfied schools): 100%
 Would attend again (Satisfied Schools) : 100%
 Satisfied with event (Satisfied Schools) : 90%
 Would your school host this event : 10 / 10 Yes

Additional feedback from a survey each school received:

- “Snapshots and descriptions of the marae in Te Uri o Hau Rohe”
- “Between each roopu to have spoken about the marae where the school is representing”
- “Schools to be informed 1 year prior to the event”
- “The event to be held on annual, or bi-annual under Te Uri o Hau for a more meaningful partnership with schools and the hapu”

Ruawai School

“Just a quick message to say massive thanks for the festival on Saturday. This was the first time our kura has ever performed at a festival and it was such a great buzz. Ka pai to mahi - It was such a great day and we cannot wait for next year. Please pass our thanks onto the rest of your team”.

Principal

Te Kopuru School

“Just want to take this opportunity to express how much our kids, parents and I enjoyed, attending and performing at the Te Uri o Hau Festival. What an amazing day, awesome performances, awesome kai. Was also great to see the changing face of Kapa Haka. Big thanks to you Matua, your staff and the Te Uri o Hau settlement trust for an awesome kaupapa”.

Titiro whakamua ki te tau i muri mai.
 No reira

Nga mihi nunui ki a Koe me te Iwi o Te Uri o Hau
 No Te Roopu Kapa Haka o Te Kopuru
 Pere Te Kopuru School

Strategic Overview

The Te Uri o Hau Settlement Trust 10-year plan was recently ratified and there is an aim for a Kaitiaki Resource Management Unit to be transitioned to one of our marae in three years. The overall goal is to get four of these units by the end of 10 years and the mission is to continue to grow the capacity and capability of kaitiaki.

Policy

The Auckland Council Mana Whenua Kaitiaki Forum calls for a ten year 'Kaitiaki Strategic Plan' and an annual work programme. In July 2017 the Forum signed off a Kaitiaki Strategic Plan (Year One) document with the intention of reviewing the one-year plan and signing off a full ten-year plan in July 2018.

The ten-year plan is to cover the ten-year period 1 July 2018 to 30 June 2028 (with three-year reviews), aligning with the Auckland Council's Long-Term Plan (LTP) cycle. Strategies include water, climate change, environment, cultural and economic development. Additional key projects and engagement include:

- Infrastructure & Environmental Services
- Parks, Sports and Recreation
- Community and Social Policy
- Community Services and Community Facilities
- Maori Cultural Heritage
- Cultural Values Assessment
- Te Kete Rukuruku
- Te Arai Regional Park Plan
- Auckland Plan and Long-Term Plan
- Auckland Council Regional Pest Management Plan
- Auckland Council Long Term Plan
- Watercare Services Ltd
- Auckland Transport

The Hōteō Sediment Reduction Project aims to address sedimentation in Kaipara Moana by targeting stream bank erosion in Kourawhero Stream, a tributary of the Hōteō River. Methods include using a range of Geomorphically-Effective Management Solutions (GEMS), founded on manawhenua and landowner ownership and engagement. A steering committee has been established to provide key input to project design and delivery. The project is funded by the Ministry for Environment Fresh Water Improvement Fund which contributed \$1 million to support the five-year \$2 million project with Auckland Council.

The Kaipara Harbour is the largest harbour in the Southern Hemisphere and is a national taonga for its many ecological, cultural, historic and economic values. The mauri (spiritual life force) of the harbour, its ecological health and wellbeing are being degraded, particularly by the high sediment carrying Wairoa River.



Credit: Auckland Council (2017, August 10). Hōteō River running through farmland.

Collaboration is the key to this project and significant experience and knowledge will be drawn from successful projects undertaken by the project partners; Northland Regional Council, Fonterra, Department of Conservation Living Water Partnership, Manaaki Whenua (Landcare Research), Integrated Kaipara Harbour Management Group (IKHMG), Ngā Kaitiaki o Ngā Wai Māori (NKONWM), Te Roroa, Reconnecting Northland, Te Uri o Hau and Sustainable Business Network. The project is a five-year project with an allocation of over \$2.7 million supported by the Ministry for Environment Freshwater Improvement Fund and Northland Regional Council.

The Freshwater Initiative Fund Dune Lakes Project aims to improve water quality in 24 Dune lakes (14 of the 24 lakebeds are owned by mana whenua) throughout Northland through a series of mitigations of risk. These mitigations include management of water weeds and pest fish, removal of grass carp where they have achieved management objectives, strategic fencing, sediment detention earthworks and planting and nutrient removal through plant aquaculture.

Alongside this is the intention for Northland Regional Council to work with mana whenua to identify environmental indicators from a Mātauranga Maori perspective, towards future bicultural State of the Environment monitoring. Maruwai Kaiwhakahaere will be attending hui at marae, where critical decisions will be made on mitigation work associated with these waterbodies.

Project partners include Ngati Kuri, Te Aupouri, Ngai Takoto, Te Rarawa, Te Hiku Iwi Development Trust, Te Roroa, Te Kuihi, Ngati Whatua and Te Uri o Hau. The total funding allocated to Northland for the Dune Lakes protection exceeds \$1.5M, and approximately \$150K has been allocated to the Pouto dune lakes and catchment group.



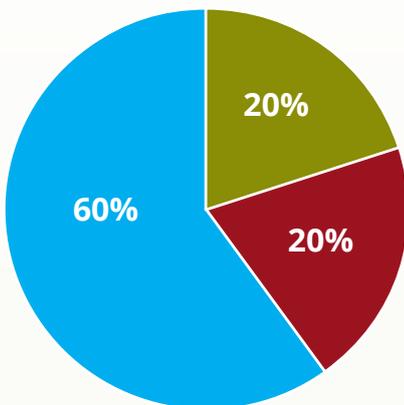
Credit: Shereen Worthington (February 2018). Hawaiki Cable Landing. Te Uri o Hau and Hawaiki Cable Members.

Resource Consenting

Environs Holdings Limited continues to have considerable project activity under the Resource Consenting Act 1991. This has enabled significant engagement of our kaitiaki who participate in cultural monitoring. Activities also include site visits, engagement and ongoing collaboration of consent projects.

Hogan and Aurecon to complete the \$26.6 million-dollar re-alignment. This re-alignment extends the distance of 3.4km of straight road with two new bridges and three new intersections. The re-alignment will remove traffic from travelling along the existing part of State Highway 12, replacing the one-lane Hardies and Anderson bridges.

Resource Consenting 2017 - 2018



- Cultural Impact Assessments
- Cultural Monitoring
- Site Visits and Meetings

New Zealand Transport Agency has been a key highlight with the re-alignment of the Matakohe Bridges Project. New Zealand Transport Agency have engaged Fulton



Credit: NZTA (drone operator, Arden Hermans) 2018. Matakohe Bridges East end works adjacent to Raepare River.



Credit: NZTA (drone operator, Arden Hermans) 2018. Matakohe Bridges East end works adjacent to Parirau River.

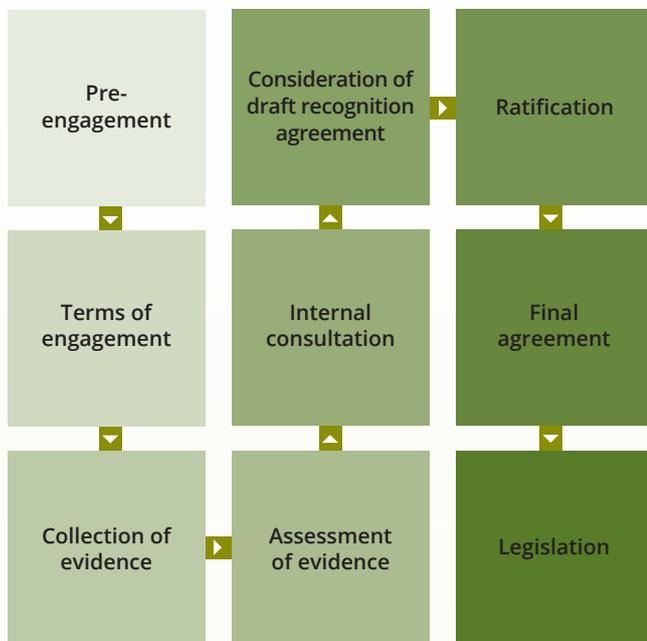
Takutai Moana Act 2011

Te Uri o Hau Settlement Trust on behalf of the hapu of Te Uri o Hau signed a Terms of Engagement regarding the recognition of Customary Marine Title and Protected Customary Rights under the Marine and Coastal Area (Takutai Moana) Act 2011. The application made under section 95 of the Act enabled Te Uri o Hau Settlement Trust to enter into engagement with the Crown. The area of this application covers and relates to two parts of the common marine and coastal area in northern Kaipara district:

- The east coast from Te Arai Point to Langs Beach and extending out to 12 nautical miles; and
- The northern part of the Kaipara Harbour from Karaka Point to mid-way between the harbour mouth then seaward for 12 nautical miles, north and then back to the coast at the site of Haumoewaarangi pa (to the north of Mahuta Gap).

If the parties agree that the claims are justified, then a recognition order is entered into which provides for rights. Environs is undertaking the collection of mana whenua evidence to be completed within this financial year.

The Direct Engagement process with the Crown is outlined as follows:



Tāhuhu Korero o Te Uri o Hau

Unitec is the lead organisation and Te Uri o Hau are the iwi partners for an MBIE-funded Vision Mātauranga project 'Tāhuhu Korero o Te Uri o Hau'. Unitec and Te Uri o Hau Settlement Trust are parties to a Memorandum of Understanding dated 13 February 2018 which states the parties' intention to continue working together on further marae-based education and kaitiakitanga initiatives. The Memorandum of Understanding also sets out agreed terms relating to intellectual property and details the joint commitment to agree to a separate contract between Environs Holdings Limited and Unitec to manage the operational and funding aspects of the project. The project aims to:

- Complete the development of a series of Te Uri O Hau cultural and scientific education programmes: Tāhuhu Korero o Te Uri O Hau;
- Deliver Tāhuhu Korero o Te Uri O Hau to Te Uri o Hau young people in a wānanga style learning process; and
- Complete the business and marketing plan for the marae-based programs.

Kauri Dieback

Earlier this year Environs tendered for a contract for the monitoring of cultural health indicators for kauri dieback. The aim of the programme is to assess if the 'Cultural Health Index' can be used to: determine the state of kauri forests; anticipate or predict the presence of kauri dieback; and indicate the resilient kauri trees or forests towards kauri dieback. The project extends over a three year period with a possible two-year extension. Oruawharo, Otamatea and Waihaua marae kaitiaki will participate in this project, having identified forest's within their specific marae areas to undertake Cultural Health Index monitoring. Kaitiaki will undertake the necessary training and be provided with the tools to undertake monitoring supported by Ministry of Primary Industries, Northland Regional Council and the Department of Conservation.

Collaboration with Department of Conservation

Environs continue to collaborate with the Department of Conservation in regards to the protection of biodiversity and marine mammal strandings. Consultation and participation have occurred around the ferry tern, myrtle rust, seed collection, kauri dieback and marine mammal strandings in which marae kaitiaki lead. Further Department of Conservation projects include the construction of tracks to deter the spread of kauri dieback within reserves.



The Integrated Kaipara Harbour Management Group (IKHMG) has had a very industrious and dynamic 2017 – 18 year. Our vision of “A Healthy and Productive Kaipara Harbour” scoped new horizons for partnerships, collaboration with new entities and organizations including research institutes to better utilize our minimum human resource capacity and seek ways to improve our effectiveness to help restore the health of the Kaipara Harbour and it’s catchment. Science has assisted us focus on problem areas within our catchment where massive damage from land and stream bank erosion is causing and having the most detrimental effects to our Kaipara Harbour and seabed.



A sedimentation report commissioned by Northland Regional Council and Auckland Council for the Kaipara Harbour has highlighted a very disturbing fact: 700,000 tons of sediment enters the Kaipara Harbour per year

(2,000 tons per day). Whilst this fact is not heart-warming we do know now where the major ‘hotspots’ are, and the type of terrain and land use practices are located. IKHMG deals with 647,000 hectares of catchment and we are now more able to draw our attention to the highly problematic regions that are causing the most damage to our harbour. The Wairoa, Hoteo and the Kaipara River are where most of the sediment comes from and settles on the floor of the harbour because her harbour mouth between Pouto North Head and South Head peninsula is too small to flush out the sediment to the Tasman Sea.

Taking into account the above scenario, IKHMG with multiple partners have started two major projects, which is supported by the ‘Ministry for the Environment’; the Wairoa and Hoteo Freshwater Improvement Fund projects which span over a five-year period. Both projects are firmly targeted to reduce sedimentation to the Kaipara Harbour. Of course, there are many other projects that we have initiated whilst at the same time supporting local Land Care and action groups, schools, communities, industry and hapu/lwi projects by encouraging the most cost-effective way to mitigate sediment – plant more trees along our water ways, fence off water margins to exclude stock and create more wetlands to filter the sediment.

I recognize and wish to say thank you to Nga Uri o Hau Native Nursery who contribute 300,000 plants to IKHMG per year for conservation purposes and to be distributed for planting only within the Kaipara Harbour catchment. For the last two years IKHMG has offered up to 20,000 free conservation plants to our marae and communities however uptake from Te Uri o Hau marae and beneficiaries has not been that great. Should you wish to know more about our free conservation plants please be in contact with us.

Te Uri o Hau Settlement Trust Charitable Trust

The objective of Te Uri o Hau Charitable Trust Limited (TUoHCT) is to apply for funding and resources to improve cultural, social, economic and environmental opportunities for the betterment of Te Uri o Hau.

The thinking over the past few months is about reviewing how we undertake our business and working toward continuous improvement.

If we look at the report for 2017, under the **Cultural** heading we had Te Uri o Hau communities will have access to nga taonga tuku iho. There are several ways this can be achieved, one discussion with Matakohē Museum is to dedicate an area to Te Uri o Hau with the purpose to display nga taonga that is in the possession or within the rohe of Te Uri o Hau, showcasing history of Te Uri o Hau/ Ngati Whatua. Discussions will continue over time with the other museums within our rohe.

Social – over the next 12 months there will be discussions held to explore the possibility of social housing needs within the rohe of Te Uri o Hau. This will be a large project and will be explored fully.

Economic / Environment – strategically positioning our governance groups and management to align our people in local employment, such as the work being undertaken at Matakohē bridges, Puhoi to Warkworth and Te Hana to Whangarei motorways, as well as Nga Uri o Hau Native Nursery.

With the recent distribution of the educational grants, and the increase of applicants each year, the allocation of funds is considered carefully to ensure we have a fair and robust process of allocation and distribution so that all completed applications are considered. The distribution of funds was approximately \$30k.

Te Uri o Hau Tangata Development was invited to nominate Te Uri o Hau / Ngati Whatua individuals to receive part of a fund provided by it's Whanau Ora Partners. The purpose of the fund is to assist individuals who are undertaking study towards Te Reo with the view of completing a degree in teaching.

Once again Te Uri o Hau Settlement Trust in conjunction with Tangata Development staff and management hosted a Te Uri o Hau Matariki Kapa Haka day, this time with the event being held at Rodney College. Eight groups took the stage. The Trust would like to acknowledge the financial support of Te Puni Kokiri.

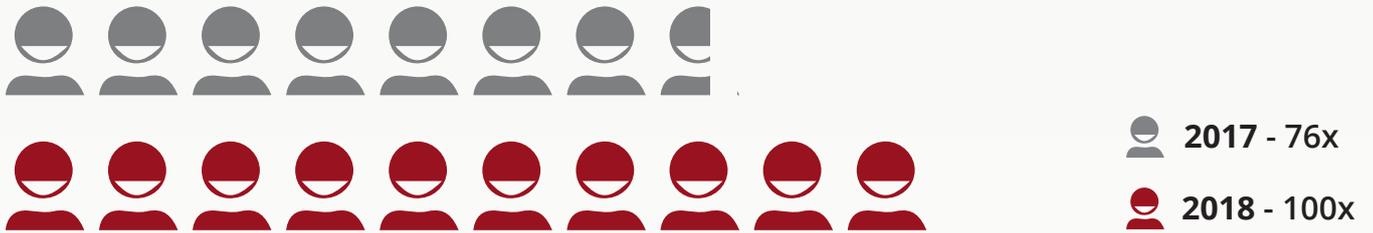
Going forward TUoHCT is in a very good position to utilise this portfolio to grow the capacity of the Trust. With increased consideration, we will look at funding opportunities and explore new ideas to increase the capacity of Te Uri o Hau.



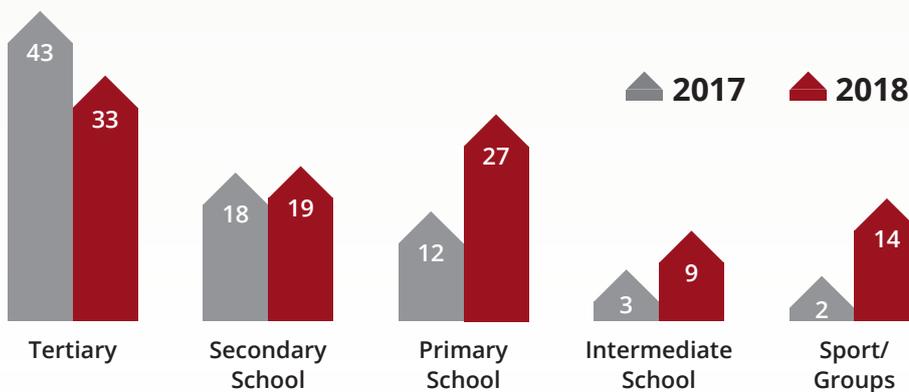
Marae development hui at Naumai marae October 2017.

Te Uri O Hau Scholarship Funding for 2017 and 2018

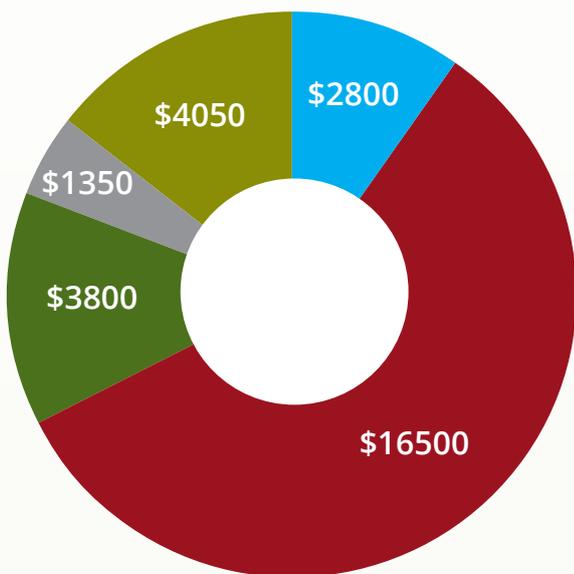
Recipients



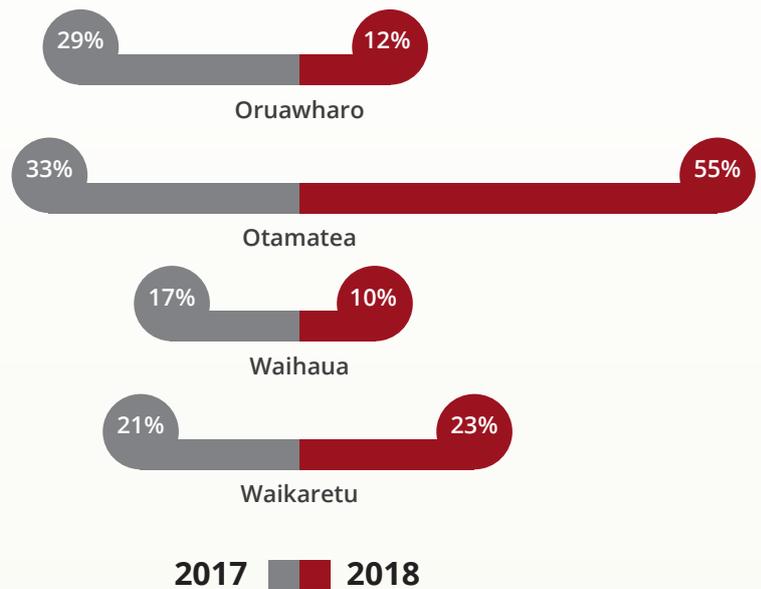
Scholarship Funding by Education Level



Year comparison by marae



% Marae comparison by year



- 2018 Sports/Groups
- 2018 Tertiary
- 2018 Secondary School
- 2018 Intermediate
- 2018 Primary



The year ending 31 March 2018 was a year of further expansion for the Nga Uri o Hau Native Nursery. Total plant numbers increased to 580,000 plants up from 407,000 plants in the previous year.

A total of 17 species were grown last year compared to 12 species in the 2017 year. Over the 2 years 700,000 plants have been distributed free of charge for conservation and riparian planting in the sub-catchment areas of the Kaipara Harbour. This is a significant achievement but in reality is just a small start into what is a huge task in cleaning up the waterways of the Kaipara Harbour.

Once again NZ Lotteries provided financial support with a further \$100,000 on top of the previous grant of \$361,000 and the \$200,000 grant from Reconnecting Northland.

The nursery has supplied and planted 30,000 plants at the Atiu Creek Regional Park and it is expected that Auckland Council will be seeking 60,000 plants for the 2019 season.



Te Uri o Hau Settlement Trust Renaissance Group Limited (RGL) Report

The Challenge

Business is always challenging and in today's world where there is a prevalent culture of contest it has never been so volatile.

As I mentioned in my CEO Report I have had over 30 years' experience in business and looking back several companies I once worked for no longer exist because of mistakes made over time. Some of these businesses were among the largest in New Zealand in their sector.

RGL is the predominant commercial arm of Te Uri o Hau and currently it does not generate enough profits to match the outgoings of the organisation. This is not sustainable.

We must find ways to utilise the whenua that will generate considerably greater profits. This is easy to say but challenging to achieve.

Partnerships

We do not have the funds to develop a business, or businesses on a scale required to generate the profits required. As such, we will need to form partnerships with people who have a track record of success, who have similar values, a high level of integrity and access to finance.

Time Constraint

Nor do we have the luxury of taking many years to develop and / or improve our businesses. The goal needs to be that within the next 2 to 5 years we will have developed and improved businesses that are showing worthwhile profitability.

Examples of Potential Businesses

Property Development

Currently we are developing a four-lot subdivision in Te Arai that will shortly go to market. These four lots have the potential to provide a profit.

The land we own in Te Hana has the potential to be developed in a manner that will generate ongoing returns. However developing that land will be dependent on motorway development, the constraints of the District Plan, with the timing of any development to coincide with "urban sprawl" to thereby capitalise on increased demand.



Property development carries specific risks that generally require the entity undertaking the development to have excellent cash resources that can withstand a softening market. Therefore, the size of a development must be considered very carefully by RGL to ensure as much as possible that any funding obligations can be met without impacting on the rest of the organisation.

Land Based Opportunities

Business opportunities that utilise Te Uri o Hau whenua need to be identified, due diligence undertaken, and a decision made on whether to proceed or not based on financial returns, the risk profile, and the ability for annual profits to be realised within a short to medium timeframe on a sustainable basis.

Such possible opportunities could be:

- Tuna fishing / packaging / distribution
- Honey harvesting / packaging / distribution
- Nutraceuticals harvesting / packaging / distribution
- Horticulture, such as kiwifruit, blueberries, et cetera
- Tourism opportunity
- Forestry

Please note that these are examples and that whatever decisions reached it will necessarily take a considerable amount of time to properly explore.

Capacity Building

Even though in this report I have been emphasising the commercial goal for the improvement and development of any business activity, it is important to appreciate that alongside the development and improvement of a successful business there is enormous opportunity to build capacity which can and should significantly improve the well-being of people.

Conclusion

It is difficult to exaggerate the challenges that must be faced as we look at developing a far stronger and robust commercial base. But nothing of great value is achieved without great effort, ongoing determination, never giving up, and most importantly believing in ourselves.



TE URI O HAU

SETTLEMENT TRUST

**Statements of Intent for the Group
2017 - 2018**

Te Uri o Hau Settlement Trust
Te Uri o Hau Settlement Trust Group

Objective	Measurement	2017/18 Action	Priorities 2018/19
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Financial Statement Goals

Achieve financial performance that represents an acceptable return	Achieve a return on business activities that is equal to or better than industry standards	Achieve budget results	Steadily improve financial performance
Provide a financial commitment towards each of the 14 marae pa. Provide a financial commitment towards Te Uri o Hau education grants	Provide a financial commitment towards each of the 14 per annum; Provide a financial commitment towards Te Uri o Hau education grants per annum	Minimum of \$2,000 distributed p.a. A minimum of \$30,000 is provided towards education scholarships	Distribution to each marae and scholarships to be based on the overall financial performance of the group

Marketing and Business Statement Goals

To build strong and innovative partnerships that grows certainty and recognition with major agencies, developers, government, NGO and other hapu	MOU's, partnership agreements and cooperatives are created to enhance financial performance	MoUs partnership agreements and cooperatives are created to enhance financial performance	Focus on business partnerships to increase profitability
To grow our stakeholder loyalty through providing accessible up-to-date information on relevant activities	New website initiated that hosts a range of events, opportunities and news	Website upgrade completed	Keep website current

Human Resources Statement Goals

Ensuring employees are able to develop their capabilities	Staff are offered the opportunity to professional development	Relevant training is offered to staff	Build further capacity
Grow high performance teams based on attracting and retaining key staff that are committed to the vision and mission of the Trust	CEO makes recommendations based on budgets available	Maintain HR practices. Recognising and reward the people who make a difference	Staff feel they are being recognised for their contribution

Shareholder Statement Goal

To engage with our Te Uri o Hau shareholders annually	At each AGM at a nominated Te Uri o Hau marae, provide relevant information to the meeting attendees	Reports on annual operation plans and financial performance	Hold AGMs at Tupuna Marae
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Tikanga Statement Goal

Taumata Kaunihera, Addition to 10 year plan	Meet bi-monthly with administration support and value based agenda items	Tikanga and cultural guidance is provided to staff and governance	Focus on Taumata Council involvement
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Objective	Measurement	2017/18 Action	Priorities 2018/19
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Social Wellbeing Statement Goals

Establish an all ages Kura Maori in the rohe that increases the level of Te Reo	All ages Kura is built in 3.5 years Local Te Reo programs are supported	Build on relationship partnerships to coordinate an agreed mandate strategy that fits MOE plan	Submit application to MoE
Te Uri o Hau shareholders have access to receive pastoral care as appropriate	Build on relationships that can positively create capacity to engage pastoral care workers to work with the individual and liaise with potential employers	30 people per annum receive 1:1 pastoral care (300 over 10 year period)	30 people per annum receive 1:1 pastoral care

Economic Statement Goals

Land Retention and land transfer plan	Strong decisions made on which land should be retained and that which is available to RGL for commercial use	A decision making framework is provided for Trustees	Develop a commercially focused strategic operations plan that allows for sustainable growth
Sell the 4 lots owned by Mangawhai Farm Holdings Ltd	Completion of the 4 Lot subdivision Sale of the 4 lots	To reduce the Mangawhai Farm Holdings Limited debt to RGL To provide cash to RGL to invest in financially sustainable projects	Review land development opportunities
Taipuha Dairy Farm	The farm provides an annual dividend to RGL and does not need any financial support from RGL going forward	The Taipuha Dairy Farm is an efficient and self sufficient operation that does not require support from RGL	Monitor farm operations to ensure return on investment is at market rate

Environmental Statement Goal

Set up marae resource management units at the four Tupuna marae	One marae RMU is set up in three years	Build capacity and capability of marae Kaitiaki to lead their own marae	Establish at least 1 RMU on a Tupuna Marae
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Registered Office:

Level 2
Tai Tokerau Building
3-5 Hunt St
Whangarei

Trustees:

Russell Kemp (Deceased, Chairperson to January 2018)
Gabriel Thompson (Deceased May 2017)
Georgina Connelly (Re-Elected 24 November 2016,
Chairperson from Jan 2018)
Henry Holyoake (Elected 3 December 2013)
George Ashby (Elected 24 November 2016)
Malcolm Welsh (Elected 24 November 2016)
Matiu Wati (Elected 24 November 2016)
Reno Hemi Skipper (Elected 24 November 2016)
Anthony Thompson (Elected 24 August 2017)
Stanley Walker (Elected 31 July 2018)

Auditor:

William Buck Christmas Gouwland Audit Ltd
Auckland

Lawyers:

McMahon Butterworth Thompson Lawyers
Auckland

Bankers:

Westpac Bank
Whangarei



TE URI O HAU

SETTLEMENT TRUST

Consolidated Financial Statements 2018



Te Uri o Hau Settlement Trust

Independent auditor's report to the Trustees

Report on the Financial Report

Opinion

We have audited the financial statements of Te Uri o Hau Settlement Trust & Group (the Group), which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2018 and of its consolidated financial performance, and consolidated cash flows for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (IPSAS RDR).

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 entity 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.

**CHARTERED ACCOUNTANTS
& ADVISORS**

Level 4, 21 Queen Street
Auckland 1010, New Zealand
PO Box 106 090
Auckland 1143, New Zealand
Telephone: +64 9 366 5000
williambuck.co.nz

William Buck Audit (NZ) Limited

The Trustees are responsible for the other information. The other information comprises the Settlement Trust Directory and the Consolidated Trustees Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees

The Trustees are responsible on behalf of the Group for the preparation of the consolidated financial statements that give a true and fair view in accordance with Public Benefit Entity International Public Sector Accounting Standards, and for such internal control as the Trustees determine is necessary to enable the preparation of the 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 on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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 are as a whole 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 economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/>

This description forms part of our independent auditor's report.

Restriction on Distribution and Use

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



William Buck Audit (NZ) Limited

Auckland
13 September 2018

Te Uri o Hau Settlement Trust
Consolidated Trustees Report
 As to the state of Trust Affairs as at 31st March 2018

During the year ended 31 March 2018, the Settlement Trust continued to operate in the Investment, Rental Property and Farming Sectors.

EQUITY OF TRUST	GROUP	PARENT
Opening Equity	22,678,442	13,812,833
Movements during year	(130,674)	121,140
Closing Equity	22,547,768	13,933,973

DISTRIBUTIONS

The Trustees have made the following Grants this year:

Education Grants	-	-
Marae Grants	28,000	28,000
	28,000	28,000

Education Grants for 2018 were distributed after balance date in July amounting to \$29,100 (Parent \$29,100)

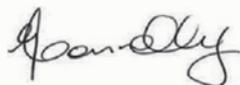
STATE OF AFFAIRS

The state of the Trust's affairs at 31 March 2018 was:

Assets now total:	24,905,897	14,976,322
These were financed by:		
Trust Equity	22,547,768	13,933,973
Liabilities	2,358,129	1,042,349

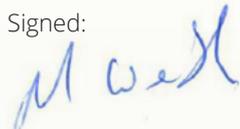
Signed for and on behalf of the Board of Trustees

Signed:



Georgina Connelly

Signed:



Malcolm Welsh

Date: 13-Sept-2018

Te Uri o Hau Settlement Trust

Consolidated Statutory Declaration

As at 31st March 2018

To the beneficiaries, on the affairs of Te Uri o Hau Settlement Trust for the year ended 31 March 2018.

Principal Activities

The Trust is primarily engaged in the management of the assets received from the Crown following settlements of Te Uri o Hau Historical Claim in November 2002.

Review of Activities

A review of the year's activities is contained in the Trustees' report.

Review of Operations

The Net Deficit for the Te Uri o Hau Settlement Trust including the subsidiary entities for the year was \$409,031.

The Revaluation Reserves Increased by \$318,023

Overall Equity for the Group has decreased by \$130,674

Distributions

The Trustees made Grants totalling \$37,566 during the year.

Trustees

Malcolm Welsh - Waikaretu
Stanley Walker - Otamatea
Anthony Thompson - Waihaua
Georgina Connelly - Oruawharo

Henry Holyoake - Waikaretu
Reno Hemi Skipper - Otamatea
Matiu Wati - Waihaua
George Ashby - Oruawharo

Remuneration of Trustees

Total remuneration paid to Trustees and Directors during the year totalled \$111,223.

Trustees Loans

There are no loans from the Trust to any Trustee.

Use of Trust Information

The Board received no notices from Trustees requesting to use trust information received in their capacity as Trustees which would not otherwise have been available to them.

Share Dealing

No Trustee acquired or disposed of any interests in the Trust during the year.

Taxation

The Trust is a Maori Authority for tax purposes.

Changes in accounting policies

There have been no changes in the accounting policies of the Trust.

Te Uri o Hau Settlement Trust

Consolidated Statement of Financial Position

As at 31st March 2018

	Notes	GROUP		PARENT	
		2018	2017	2018	2017
Net Assets					
Retained Earnings		16,763,893	17,212,590	10,970,747	10,802,632
Fixed Asset Revaluation Reserve	22	4,621,572	4,209,320	1,976,508	1,915,508
Investment Revaluation Reserve	22	1,162,303	1,256,532	986,718	1,094,693
Total Net Assets		22,547,768	22,678,442	13,933,973	13,812,833
Represented by:					
Current Assets					
Cash, Bank and Short Term Deposits	11	2,162,824	5,835,895	30,633	144,510
Accounts Receivable	11	203,696	267,665	128,733	14,140
GST Receivable	5	15,518	9,324	22,295	16,188
Inventory	11	310,417	217,757	-	-
Tax Refund Due	5	4,863	8,768	32	-
Prepayments		20,719	16,414	19,658	16,414
Accrued Income		72,500	22,598	-	4,906
Advances to Subsidiaries	6	-	-	633,831	233,831
Properties Held for Sale	8	-	362,882	-	-
		2,790,537	6,741,303	835,182	429,989
Intangible Assets					
Emission Units	9	1,117,641	1,275,892	1,117,641	1,275,892
		1,117,641	1,275,892	1,117,641	1,275,892
Non-Current Assets					
Property, Plant and Equipment	10	15,021,534	12,752,114	4,899,261	4,829,020
Web-Site	10 c)	10,266	1,954	9,250	-
Investments and Mortgages	12	5,965,919	5,918,706	8,114,988	8,241,216
		20,997,719	18,672,774	13,023,499	13,070,236
Total Assets		24,905,897	26,689,969	14,976,322	14,776,117
Current Liabilities					
Accounts Payable and Accruals	13	444,147	334,539	188,165	90,901
Bank overdraft	11	34,491	-	-	-
Income in Advance		608,529	1,349,114	13,333	225
Advances from Subsidiaries	7	-	-	52,823	69,973
		1,087,167	1,683,653	254,321	161,099
Term Liabilities					
Rabobank Term Loan	14	448,385	370,385	-	-
Housing NZ Term Loan	14	788,028	802,185	788,028	802,185
Westpac Loan	14	-	1,100,000	-	-
Fonterra Support Loan	14	34,549	55,304	-	-
		1,270,962	2,327,874	788,028	802,185
Total Liabilities		2,358,129	4,011,527	1,042,349	963,284
Total Net Assets		22,547,768	22,678,442	13,933,973	13,812,833

This Statement should be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements as set out on pages 12 to 19.

Te Uri o Hau Settlement Trust

Consolidated Statement of Comprehensive Revenue and Expenses

For the Year Ended 31st March 2018

	Notes	GROUP		PARENT	
		2018	2017	2018	2017
Income					
Admin Charges		-	-	44,616	45,184
Dividends Received		65,600	65,600	-	-
Farm Income		544,487	463,792	-	-
Gain on Sale of Investment		-	592,795	-	307,795
Grants, Fees and Charges Received		2,668,579	600,299	111,391	-
Gain on Sale of Emissions Units		301,586	-	301,586	-
Interest Received		86,088	134,814	610,386	613,280
Rent Received		316,505	249,487	145,803	161,170
Koha Received		1,075	-	500	-
Sale of Product		446,143	54,316	-	-
Gain on Sale of Fixed Assets		32,560	434,461	-	-
Other Income		28,787	432,829	-	20,369
	4	4,491,410	3,028,393	1,214,282	1,147,798
less Expenditure					
ACC Levies		5,220	1,367	651	589
Accountancy		131,757	69,914	83,823	34,230
AGM and Special Meetings		13,472	17,674	13,472	17,674
Amortisation	10(c)	-	700	-	-
Audit Fees	15	40,541	42,642	22,181	24,834
Bad Debts	16	1,437	13,315	-	-
Bank Charges		11,105	1,639	640	731
Consultancy	17	355,142	202,875	79,185	32,771
Contracting		143,023	42,762	59,984	-
Cost of Sales - Product		121,648	43,389	-	-
Depreciation	10	77,292	76,233	10,377	11,686
Direct Expenses - Dairy Farm		252,768	205,115	-	-
Direct Expenses - Beef Farm		-	155,805	-	-
Directors Fees	18	4,750	2,000	-	-
Directors Travel, Accommodation, Expenses		6,729	5,915	-	-
Easement Lease		19,419	-	19,419	-
Fringe Benefit Tax		2,493	516	2,493	516
General Expenses		18,735	18,047	6,316	8,491
Grants - Maraes	19	28,000	28,000	28,000	28,000
Grants - Education Scholarships	19	-	30,000	-	30,000
Kaitiaki Monitoring		148,215	80,916	-	-
Honey/Hive Expenditure		84,682	-	-	-
Hui, Workshops & Conferences		10,827	1,443	1,036	-
I T Maintenance		27,707	28,237	27,707	28,237
Impairment of Assets - Hives		107,691	-	-	-
Insurances		41,050	37,934	28,629	29,269

Te Uri o Hau Settlement Trust

Consolidated Statement of Comprehensive Revenue and Expenses Contd.

For the Year Ended 31st March 2018

	Notes	GROUP		PARENT	
		2018	2017	2018	2017
Interest	20	71,263	121,215	1,183	-
Kiwisaver		16,430	4,286	2,949	2,832
Koha		59,545	76,350	58,300	76,350
Lease Equipment		6,754	-	3,454	-
Legal Fees	21	122,273	171,575	52,823	97,508
Loss on Disposal of Fixed Assets		23,889	-	-	-
Printing, Stationery & Postage		28,663	15,166	14,960	12,252
Project Expenses		1,401,604	25,474	14,701	25,474
Rent, Rates and Power		92,474	89,949	56,136	74,076
Repairs and Maintenance		90,110	25,935	-	7,710
Forestry Thinning Expenses		10,101	120,952	-	120,952
Staff Recruitment and Development		16,309	21,576	9,083	12,323
Subscriptions and Licence Fees		10,303	4,969	10,242	4,247
Taumata Kaunihera		33,052	36,664	33,052	36,664
Telecommunications		15,827	10,142	7,232	6,580
Travel and Accommodation		46,775	24,771	11,082	6,910
Trustees Fees	18	111,223	115,175	111,223	115,175
Trustees Travel, Accommodation, Expenses		45,129	45,179	35,967	45,179
Valuation Costs		4,061	1,825	473	-
Vehicle Lease		21,719	-	5,770	-
Vehicle Running		34,267	28,584	7,502	10,469
Wages		983,944	534,901	225,300	234,467
		4,899,418	2,581,126	1,045,345	1,136,626
Net Surplus / (Deficit) Before Tax		(408,008)	447,267	168,937	11,172
Less Taxation	5	1,023	-	-	-
Net Surplus / (Deficit) After Tax		(409,031)	447,267	168,937	11,172
Other Comprehensive Profit/(Loss)	22	278,357	18,201	(47,797)	672,171
Total Comprehensive Profit/(Loss) for the period		(130,674)	465,468	121,140	683,343

This Statement should be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements as set out on pages 12 to 23.

Consolidated Statement of Changes in Net Assets

For the Year Ended 31st March 2018

GROUP	Notes	Asset Revaluation Reserve	Retained Surplus	Total Equity
Opening Balance 1 April 2016		5,471,218	16,741,756	22,212,974
Surplus for the year		-	447,267	447,267
Other comprehensive income	22	(5,366)	23,567	18,201
Closing Equity 31 March 2017		5,465,852	17,212,590	22,678,442
Surplus / (Deficit) for the year		-	(409,031)	(409,031)
Other comprehensive income	22	318,023	(39,666)	278,357
Closing Equity 31 March 2018		5,783,875	16,763,893	22,547,768
Parent				
Opening Balance 1 April 2016		2,338,031	10,791,459	13,129,490
Surplus / (Deficit) for the year		-	11,172	11,172
Other comprehensive income	22	672,171	-	672,171
Closing Equity 31 March 2017		3,010,202	10,802,631	13,812,833
Surplus for the year		-	168,937	168,937
Other comprehensive income	22	(46,976)	(821)	(47,797)
Closing Equity 31 March 2018		2,963,226	10,970,747	13,933,973

Te Uri o Hau Settlement Trust

Consolidated Statement of Cash Flows

For the Year Ended 31st March 2018

Cash Flows from Operating Activities	Notes	GROUP		PARENT	
		2018	2017	2018	2017
Cash was provided from:					
Interest Received		86,088	134,814	527,890	613,280
Fees, Charges and Grants Received		1,958,247	1,161,518	96,085	65,195
Rentals Received		316,505	249,487	145,803	187,753
Tax Refund		-	30,622	-	-
Dividend Received		65,600	65,600	-	-
Other Income		407,555	487,145	42,273	-
Farm Income		541,952	463,792	-	-
		3,375,947	2,592,978	812,051	866,228
Cash was applied to:					
Payments to Suppliers, Trustees & Employees		4,595,054	2,353,068	916,039	1,197,758
Grants Paid		28,000	58,000	28,000	58,000
Taxation Paid		3,312	-	32	-
Interest Paid		71,263	121,215	-	-
		4,697,629	2,532,283	944,071	1,255,758
Net Cash Inflow / (Outflow) from operating activities		(1,321,682)	60,695	(132,020)	(389,530)
Cash Flows from Investing Activities					
Cash was provided from:					
Sale of Fixed Assets		10,334,332	2,286,350	-	-
Sale of Investments		714,972	-	352,090	354,178
		11,049,304	2,286,350	352,090	354,178
Cash was applied to:					
Purchase of Property, Plant & Equipment		12,347,336	387,152	28,868	19,940
Purchase of Shares		30,933	-	-	-
		12,378,269	387,152	28,868	19,940
		(1,328,965)	1,899,198	323,222	334,238
Cash Flows from Financing Activities					
Cash was provided from:					
Proceeds from Term Funding		-	-	126,228	65,000
		-	-	126,228	65,000
Cash was applied to:					
Advance of Term Loan		-	-	400,000	233,831
Repayment of Term Funding		1,056,911	1,799,119	31,307	-
		1,056,911	1,799,119	431,307	233,831
Net Cash Inflow / (Outflow) from financing activities		(1,056,911)	(1,799,119)	(305,079)	(168,831)
Net Increase / (Decrease) in Cash Held		(3,707,558)	160,774	(113,877)	(224,123)
Opening Bank Balance		11,671,786	5,675,119	289,020	368,633
Balance at End of Year	11	7,964,228	5,835,893	175,143	144,510
Cash comprised of					
Term Deposit		1,485,000	4,232,000	-	-
Current Accounts		677,826	1,603,893	30,633	144,510
		2,162,826	5,835,893	30,633	144,510
Bank Overdrafts		(34,491)	-	-	-
Closing Cash		2,128,335	11,671,786	30,633	289,020

Subsidiary entity Hanerau Farms Ltd has remaining undrawn overdraft facility of \$165,509 (2017: \$200,000).

This Statement should be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements as set out on pages 12 to 19.

1 Statement of Accounting Policies

Reporting Entity

The reporting entity is Te Uri o Hau Settlement Trust (the "Trust"). The Trust was formed under the Te Uri o Hau Claims Settlement Act 2002. The Trust is domiciled in New Zealand and is registered under the Charities Act 2005.

The financial statements comprising the Trust and its controlled entities are presented for the year ended 31 March 2018.

These Group financial statements and the accompanying notes summarise the financial results of activities carried out by the Trust. The Trust is responsible for the provision of Social Services, Management of the Environment and Assets acquired pursuant to the Te Uri O Hau Settlement Act 2002. This is achieved through the following Subsidiaries: Renaissance Group Ltd (Commercial Investments, Dairy and Beef Farming); Te Uri O Hau Tangata Development Ltd (Social Services); Environs Holding Ltd (Environmental Management) and Te Uri o Hau Charitable Trust (Charitable activities).

These consolidated financial statements have been approved and were authorized for issue by the Board of Trustees on 6 September 2018.

Statement of compliance

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

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

Measurement Base

These consolidated financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of investment properties, non-derivative financial instruments and land and buildings which are measured at fair value.

The financial statements are presented in New Zealand dollars.

2 Changes in accounting policy

There have been no changes in accounting policy during the period (2017 - none)

3 Specific Accounting Policies

Financial instruments

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

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

Financial Asset

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

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Group's financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables or as available for sale financial assets. The Group's financial assets include: cash and cash equivalents, short-term deposits, receivables from exchange transactions, and investments.

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

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments or a derivative that is a financial guarantee contract.

3 Specific Accounting Policies (continued)

Available for sale financial assets

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

Impairment of financial assets

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

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

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

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

Financial liabilities

The Group's financial liabilities include trade and other creditors, and employee entitlements.

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

Cash and cash equivalents

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

Short term investments

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

Inventories

Inventories comprise:

- biological stock of plants based on the cost price of developing the plants to their finished state ready for sale.
- honey stocks on hand based on a value provided by a valuer.

Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. Investment properties acquired through non-exchange transactions is measured at its fair value at the date of acquisition.

Subsequent to initial recognition, investment properties are measured at fair value. Fair value is determined without any deductions for transaction costs it may incur on sale or other disposal. Any gain or losses arising from a change in the fair value of the investment property are recognised as a surplus or deficit in the period that it is incurred. When the investment property becomes an owner-occupied property, the cost for subsequent accounting is its fair value at the date of the change in use.

When an owner-occupied property changes its use to an investment property, the property is remeasured to fair value and any gains arising on remeasurement is recognised in surplus or deficit to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in Other Comprehensive Revenue and Expense and presented in the asset revaluation reserve in equity.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset, except for land. Land is not depreciated. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- | | |
|----------------------------|------------|
| - Office Equipment | 11% - 100% |
| - Plant and equipment | 6% - 80% |
| - Buildings & Improvements | 4% - 36% |
| - Motor vehicles | 13% - 36% |

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

Leases

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

Notes to and forming part of the Consolidated Financial Statements contd.

For the Year Ended 31st March 2017

Significant judgments and estimates

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

The Group bases its assumptions and estimates on parameters available when the financial statements are prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The preparation of these financial statements has not involved the use of any significant judgments or estimates.

Income Tax

Due to its charitable status, the Group is exempt from Income Tax.

4. Revenue**Grant revenue**

Grant revenue includes grants given by government departments, local bodies and other charitable organisations. Grant revenue is recognised when the conditions attached to the grant has been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Government contracts revenue

Revenue from government contracts relates to income received from government departments for specific projects and ongoing services. Revenue is recognised in the period the services are provided.

Interest revenue

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

Other revenue

Other revenue includes rents from lands and businesses owned by the Group and income from the running of the Dairy Farm.

5 Taxation

	Notes	GROUP		PARENT	
		2018	2017	2018	2017
Taxation charge for the year		1,023	-	-	-
Tax Losses Brought Forward		10,145,331	9,338,633	4,018,210	3,725,950
Net GST Refundable/(Payable)		9,324	10,021		16,188
Income Tax Refundable/(Payable)		4,863	8,768	32	-
		20,381	18,092	22,327	16,188

Te Uri o Hau Settlement Trust
Consolidated Notes contd.

For the Year Ended 31st March 2017

6 Advances to Subsidiary Entities

	PARENT	
	2018	2017
<i>Current account balances were:</i>	633,831	233,831
Renaissance Group Trust	633,831	233,831

The Settlement Trust, being the beneficial owner of the Corporate Trustees of the above entities has agreed to fund them for the foreseeable future, which is not less than 12 months from the date of these financial statements. The advances are unsecured and interest free.

7 Advances from Subsidiary Entities

	PARENT	
	2018	2017
<i>Current account balances were:</i>		
Environs Holdings Trust	-	-
Renaissance Group Trust	52,823	69,973
	52,823	69,973

8 Property Held for Sale

The property held for resale in the 2017 year comprised land and residential dwellings in 826 Bickerstaffe Road which was sold on 1 May 2017.

	GROUP		PARENT	
	2018	2017	2018	2017
Land and Building	-	362,882	-	-
	-	362,882	-	-

9 Emission Units

The government allocated 92,722 emission units to the Settlement Trust on the 8th January 2013 in relation to pre-1990 forestry at Pouto, in accordance with the Climate Change Response (Emission Trading) Act 2008. The initial allocation was taken to income in the Statement

of Comprehensive Revenue and Expenses in the 2013 financial year. The units are revalued each year-end with revaluation movements taken through Other Comprehensive Income. In 2018, the carbon credit were valued at the Westpac closing price for 31 March 2018 of \$21.00.

During the year 20,530 units were sold.

	GROUP		PARENT	
	2018	2017	2018	2017
Opening Balance	1,275,892	1,040,341	1,275,892	1,040,341
Revaluation	196,918	448,406	196,918	448,406
Units Sold	(355,169)	(212,855)	(355,169)	(212,855)
	1,117,641	1,275,892	1,117,641	1,275,892

Te Uri o Hau Settlement Trust
Consolidated Notes contd.

For the Year Ended 31st March 2018

10 Property, Plant and Equipment

GROUP

2018	Cost Price or Opening Val	Revaluation Mvmt/Transfers	Gain / (Loss) on Sale Disposal	Accumulated Depreciation	Closing Book Value	Depreciation for year
Office Equipment and Furniture	209,653	-	-	121,155	88,498	15,815
Plant and Equipment	565,235	(107,691)	-	208,697	248,847	14,494
Buildings and Improvements (at cost or valuation)	2,136,684	-	-	432,730	1,703,954	23,668
Motor Vehicles	62,980	-	-	38,374	24,606	7,223
Land (at cost or valuation)	12,214,587	286,600	(23,889)	510	12,476,788	510
Work In Progress	11,658	-	-	-	11,658	-
Development Expenditure	597,055	-	-	119,606	477,449	15,583
	15,797,852	178,909	(23,889)	921,072	15,031,800	77,293

2017	Cost Price or Opening Val	Revaluation Mvmt/Transfers	Gain / (Loss) on Sale Disposal	Accumulated Depreciation	Closing Book Value	Depreciation for year
Office Equipment and Furniture	154,378	-	-	135,776	18,603	9,924
Plant and Equipment	268,164	-	-	205,963	62,201	18,438
Buildings and Improvements (at cost or valuation)	2,284,077	-	(510,316)	477,877	1,295,885	42,169
Motor Vehicles	48,473	-	31,150	31,150	17,323	5,702
Land (at cost or valuation)	12,517,956	224,357	(1,937,438)	-	10,804,875	-
Work In Progress	553,228	-	-	-	553,228	-
	15,826,277	224,357	(2,447,754)	850,767	12,752,115	76,233

PARENT

2018	Cost Price or Opening Val	Revaluation Mvmt/Transfers	Gain / (Loss) on Sale Disposal	Accumulated Depreciation	Closing Book Value	Depreciation for year
Office Equipment & Furniture	88,801	-	-	69,027	19,774	5,956
Motor Vehicle	30,197	-	-	21,275	8,922	3,824
Leasehold Improvements	1,316	-	-	526	790	88
Buildings and Improvements (at cost or valuation)	843,651	-	-	843,651	-	-
Land (at cost or valuation)	3,974,882	61,000	-	510	4,035,372	510
	4,938,847	61,000	-	91,338	4,908,509	10,378

2017	Cost Price or Opening Val	Revaluation Mvmt/Transfers	Gain / (Loss) on Sale Disposal	Accumulated Depreciation	Closing Book Value	Depreciation for year
Office Equipment & Furniture	89,745	-	-	75,003	14,752	8,423
Motor Vehicle	30,197	-	-	17,450	12,747	3,174
Leasehold Improvements	1,317	-	-	438	879	89
Buildings and Improvements (at cost or valuation)	843,652	-	-	-	843,652	-
Land (at cost or valuation)	3,567,000	390,000	-	-	3,957,000	-
	4,531,911	390,000	-	92,891	4,829,030	11,686

b) Revaluation of Property, Plant & Equipment

Land and Buildings at Te Arai Point Rd, Te Arai were valued on 23 February 2018 by a Registered Valuer - Telfer Young and were valued at \$2,700,000. The increase in value of \$300,000 (2017: \$138,285) has been split with part being attributed to the Earthworks carried out on the farm (\$49,400) and the balance of \$250,600 forming part of the property revaluation reserve in Note 22.

The land at Schick Road, Te Kopuru was valued on 2 February 2018 by a Registered Valuer - Northland Valuers and was valued at \$1,542,000. The increase in value of \$162,000 was taken to Revaluation Reserves as detailed in Note 22.

The Pouto Forestry Tree Crop was valued in January 2018 by Woodland Pacific, and was valued at \$286,000. The increase in value of \$610,000 was taken to Revaluation Reserves as detailed in note 22.

A valuation of the the Taipuha Farm properties at Taipuha was carried out on 31 May 2017 by a Registered Valuer - M J Rowsell. The Directors resolved not to revalue the land, buildings, development expenditure and chattels.

c) Koha/Profit/(Loss) on Sale of Fixed Assets

A web-site was developed for the Trust and the associated expenditure was capitalised 31 March 2011 and amortised at the rate of 40% per annum. New Website expenditure is being depreciated in the Fixed Asset Schedule.

11 Other Assets

Cash and cash equivalents include the following components	GROUP		PARENT	
	2018	2017	2018	2017
Cash at Bank	677,826	4,232,000	30,633	144,510
Bank Overdraft	(34,491)	-	-	-
Short-term deposits with maturities of less than 3 months	1,485,000	1,603,895	-	144,510
Total Cash and Cash equivalents	2,128,335	5,835,895	144,510	-
Total Cash and Cash equivalents		5,835,895		144,510

Receivables	GROUP		PARENT	
	2018	2017	2018	2017
Accounts receivable	203,696	267,665	128,733	14,140
	203,696	267,665	128,733	14,140

Inventory	GROUP		PARENT	
	2018	2017	2018	2017
Biological Stock	274,247	217,757	-	-
Honey Stock	36,170	-	-	-
	310,417	217,757	-	-

Te Uri o Hau Settlement Trust
Consolidated Notes contd.

For the Year Ended 31st March 2018

Categories of financial assets and liabilities

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

Financial assets

	GROUP		PARENT	
	2018	2017	2018	2017
Accounts Receivable	203,696	267,665	128,733	14,140
Cash and cash equivalents	643,335	4,232,000	30,633	144,510
Short term investments	1,485,000	1,603,895	633,831	233,831
Inventory	36,170	-	-	-
Prepayments	20,719	16,414	19,658	16,414
Accrued Income	72,500	22,598	-	4,906
	2,461,420	6,142,572	812,855	413,801

Financial assets at fair value through surplus or deficit

Investment and mortgages	5,965,919	5,918,706	8,114,988	8,241,218
Property held for resale	-	362,882	-	-
	5,965,919	6,281,588	8,114,988	8,241,218

Financial liabilities

At amortised cost

Trade and other creditors and Employee entitlements	444,147	334,539	188,165	90,901
	444,147	334,539	188,165	90,901

12 Investments and Mortgages

	GROUP		PARENT	
	2018	2017	2018	2017
Advance - Renaissance Group Trust	-	-	5,306,216	5,306,216
Mortgage - Hanerau Farms Trust	-	-	2,808,772	2,935,000
New Zealand Land Fund 2	4,925,174	4,883,660	-	-
Investments - shares	1,040,745	1,035,046	-	-
	5,965,919	5,918,706	8,114,988	8,241,216

a) **Renaissance Group Trust**

On 1 May 2006 the Settlement Trust advanced Renaissance Group Trust (RGL) \$20,000,000 to facilitate the purchase of Mangawhai Land at an interest rate of 8% p.a. The advance was to be repaid by Renaissance Group Trust immediately following receipt of the sale proceeds from Te Arai Coastal Lands Limited (refer (c) below). A Resolution was passed on the 29th November 2007 by Te Uri o Hau Settlement Trust (Te Uri o HauST) to suspend the debt of

\$20,000,000 owed by Renaissance Group Ltd (RGL) for five years from 29 November 2007, to be reviewed by 29 November 2010. Interest will remain payable from RGL to Te Uri o HauST at 7% p.a., payable monthly. Due to the loss in value of the underlying assets of RGL, impairments of \$14,040,000 were provided against the advance. No provisions have been deemed necessary since 2013.

b) **Mortgage Hanerau Farms Trust**

This mortgage is secured by a second registered charge over the Land and Buildings of the farm. There are no fixed terms of repayment.

c) **NZ Land Fund 2**

The Fund has been revalued based upon the Trust's share of its equity based upon its unaudited financial statements for the year ended 31 December 2018. This resulted in an increase in value of \$41,514, which is processed through Other Comprehensive Income (refer Note 22). Should the completion of the audit of NZ Land Fund 2 result in amendments to this value, then adjustments may be required to recorded value of Renaissance Group Trusts' investment in NZ Land Fund 2.

d) **Share Investments**

The shares in Fonterra Co-operative Group Limited and Ballance Agri-nutrients Co-operative Limited are held as a condition of supplying milk and the purchase of fertiliser respectively. The value of the shares would be recovered by redemption from the co-operatives, should the Trust cease to supply milk to Fonterra or purchase fertiliser from Ballance. The share value at a future redemption date may vary from the value in the financial statements. The value is also recoverable through sale to another farmer, subject to approval of the relevant co-operative, should the Trust sell its farming businesses. The Fonterra shares were revalued to market value as at 31 March 2018. This resulted in a decrease in value of \$27,768 which processed through Other Comprehensive Income. (2017: Increase of \$19,680). Refer Note 22.

e) **Subsidiaries**

	Balance Date	Activity
Renaissance Group Trust	31 March	Commercial and Investment Arm
Te Uri O Hau Tangata Development Trust	31 March	Social Services Arm
Environs Holdings Trust	31 March	Resource Management Arm
Hanerau Farms Trust	31 March	Beef and Dairy Farm operations
Te Uri o Hau Charitable Trust	31 March	Cultural, Social, Economic and Conservation funds distribution
Mangawhai Farm Holding Limited	31 March	Farming

The Settlement Trust holds a 100% interest in all entities above.

Mangawhai Farm Holdings Ltd was acquired during the year as detailed in Note 12e. This acquisition resulted in the retained surplus of the Group increasing by \$23,567 representing the equity of Mangawhai Farm Holdings Ltd at 1 October 2016.

Te Uri o Hau Settlement Trust
Consolidated Notes contd.

For the Year Ended 31st March 2018

13 Accounts Payable

Accounts payable as at balance date comprises:

	GROUP		PARENT	
	2018	2017	2018	2017
Trade Creditors	320,352	263,912	132,150	48,277
Accruals	123,795	70,627	56,015	42,624
	444,147	334,539	188,165	90,901

14 Borrowings

	GROUP		PARENT	
	2018	2017	2018	2017
Rabobank Mortgage	448,385	370,385	-	-
Fonterra Support Loan	34,549	55,304	-	-
Westpac Loan	-	1,100,000	-	-
HNZC Mortgage (term portion)	788,028	802,185	788,028	802,185
	1,270,962	2,327,874	788,028	802,185

a) **Rabobank Loan**

Rabobank holds a 1st mortgage secured over the land and buildings of Hanerau Farm. The loan is repayable on 28 May 2021. The weighted average interest rate at balance date is 6.4% (2016: 5.996%). Funds received from sale of the Beef unit in the 2017 year were used to partially repay the loan balance.

b) **Housing Corporation of New Zealand**

HNZC provided a \$2,000,000 loan facility for the development of Housing Units at Kaiwaka. The loan is interest free for 15 years.

Interest will be payable at market rates thereafter. HNZC converted \$120,000 of the loan to a grant during the 2012 financial year. HNZC has 1st mortgage over the land at Marshall Road, Kaiwaka. The balance of the loan represents the amount drawn down against the

\$2,000,000 facility, less the proceeds from the sale of properties and monthly repayments made to October 2015. There was a moratorium on the repayment for two years until November 2017, repayments have now recommenced.

c) **Fonterra Support Loan**

The Fonterra Co-operative Group Limited lent \$0.50 cents per Kg of Milk Solids for production from June to December 2015 for all suppliers who applied. Under the terms of the Support Loan, the loan is to be repaid from all future Milk Price income when it is above \$6.00 per Kg of Milk Solids. The Support Loan is interest free for the first two years and may be extended at Fonterra's discretion.

d) **Westpac Term Loan**

this loan is interest only and is fixed for two years at an interest rate of 5.73%. It is secured over the Term Deposit of \$132,000; in addition Westpac has a mortgage over property located at 520 Te Arai Point Road being lots 1,2,3 and 4 on DP 351213 and 209893.

15 Fees paid to the Auditor

	GROUP		PARENT	
	2018	2017	2018	2017
Audit Fees	40,541	42,642	22,181	24,834
Non-Audit Fees paid to the Auditor	18,822	18,596	2,000	11,428
	59,363	61,238	24,181	36,262

16 Bad Debts

Amounts due to the Settlement Trust which the trustees consider unlikely to be received have been written off as follows:

	GROUP		PARENT	
	2018	2017	2018	2017
Other	1,437	13,315	-	-
	1,437	13,315	-	-

17 Consultancy Expenses

Consultancy expenses for the year consisted of the following:

	GROUP		PARENT	
	2018	2017	2018	2017
Hanerau Farms	7,801	3,940	-	-
Business Ventures	31,500	31,500	-	-
General Consultancy	240,973	167,435	79,185	32,771
Projects - funded externally	74,868	-	-	-
	355,142	202,875	79,185	32,771

Te Uri o Hau Settlement Trust
Consolidated Notes contd.

For the Year Ended 31st March 2018

18 Amounts Paid to Trustees, Directors and key management personnel (also refer to note 23)

The key management personnel, are the members of the governing body which is comprised of the Board of Trustees. The remuneration of key management personnel receiving remuneration is as follows:

The following amounts are included in the Statement of Comprehensive Revenue and Expenses under the respective headings.

GROUP

2018	Trustees & Directors Fees	Consultancy	Nga Ripo Collective	Employee Salary
Earle Wright	-	-	-	-
Gabriel Thompson	5,646	-	-	-
Anthony Thompson	7,904	-	-	-
George Ashby	13,550	-	-	-
Georgina Connelly	14,304	2,285	-	-
Henry Holyoake	15,050	-	-	-
Malcolm Welsh	15,050	1,860	-	-
Mikaera Miru	-	-	-	-
Paul Paikea	-	-	-	-
Rawson Wright	-	-	-	-
Russell Kemp	15,619	-	-	-
Mathew Wati	15,050	-	-	-
Reno Hemi Skipper	13,800	-	-	-
	115,973	4,145	-	-

2017	Trustees & Directors Fees	Nga Ripo Collective	Employee Salary
Earle Wright	1,500	-	-
Gabriel Thompson	13,550	-	320
Anthony Thompson	-	-	-
George Ashby	13,550	-	-
Georgina Connelly	13,550	-	1,800
Henry Holyoake	13,550	-	-
Malcolm Welsh	6,146	-	3,476
Mikaera Miru	7,904	-	-
Paul Paikea	7,904	-	-
Rawson Wright	7,904	-	-
Russell Kemp	20,325	-	-
Mathew Wati	5,646	-	-
Reno Hemi Skipper	5,646	-	-
	117,175	-	5,596

PARENT

2018	Trustees & Directors Fees	Consultancy	Nga Ripo Collective	Employee Salary
Gabriel Thompson	-	-	-	-
George Ashby	-	-	-	-
Georgina Connelly	-	-	-	-
Henry Holyoake	-	-	-	-
Mikaera Miru	-	-	-	-
Paul Paikea	-	-	-	-
Rawson Wright	-	-	-	-
Russell Kemp	-	-	-	-
Malcolm Welsh	-	-	-	-
Mathew Wati	-	-	-	-
Reno Hemi Skipper	-	-	-	-
	-	-	-	-

2017	Trustees & Directors Fees	Nga Ripo Collective	Employee Salary
Gabriel Thompson	13,550	-	320
George Ashby	13,550	-	-
Georgina Connelly	13,550	-	1,800
Henry Holyoake	13,550	-	-
Mikaera Miru	7,904	-	-
Paul Paikea	7,904	-	-
Rawson Wright	7,904	-	-
Russell Kemp	20,325	-	-
Malcolm Welsh	5,646	-	-
Mathew Wati	5,646	-	-
Reno Hemi Skipper	5,646	-	-
	115,175	-	2,120

- The Board of Trustees approved remuneration guidelines recommended by the Group Auditor for the 2018 financial year.
- Trustees fees for the year were based upon one fee for all responsibilities pertaining to the Settlement Trust. Trustees who were also Trustees or Directors of subsidiary entities were not generally paid additional fees by those entities, except for Renaissance Group Limited and Te Uri o Hau Charitable Trust.
- The Settlement Trust paid an indemnity insurance premium of \$17,211 excl GST (2017: \$17,454 excl GST) to cover Trustees and Directors.

19 Grants

	GROUP		PARENT	
	2018	2017	2018	2017
Educational Scholarships	-	30,000	-	30,000
Marae Grants	28,000	28,000	28,000	28,000
	28,000	58,000	28,000	58,000

Educational Scholarships of \$29,100 were paid out in July 2018.

Te Uri o Hau Settlement Trust
Consolidated Notes contd.

For the Year Ended 31st March 2018

20 Interest Costs

	GROUP		PARENT	
	2018	2017	2018	2017
Marae Grants	71,263	121,215	1,183	-

21 Legal Expenses

Legal expenses for the year consisted of the following:

	GROUP		PARENT	
	2018	2017	2018	2017
Customary Title Project	18,670	-	5,433	-
Election/ Trust Deed	10,602	31,077	10,602	31,077
Audit	1,139	-	1,139	-
Sale & Purchase Agreement - Te Arai	4,124	-	-	-
Honey Project	23,204	-	17,225	-
Cooper Farm-Tax	283	71,835	-	-
Sale Property/Housing Development	6,887	20,877	-	20,877
Water Rights	4,753	-	-	-
Meridian Agreement	57,945	-	-	-
Human Resource Advice	-	7,733	-	7,733
MOU Business Opportunities	-	7,460	-	7,460
Transfer of Assets - Otamatea	3,823	-	3,827	-
Other	(9,157)	32,593	14,597	30,361
	122,273	171,575	52,823	97,508

22 Asset Revaluation Reserve

	GROUP		PARENT	
	2018	2017	2018	2017
Opening Balance	5,465,852	5,471,218	3,010,202	2,338,040
<i>Revaluations/Disposals:</i>				
Pouto Forest	-	390,000	-	390,000
Pouto Forest - Trees	61,000	-	61,000	-
Rototuna Forest	162,000	-	-	-
Hanerau Farm Property	(61,348)	(651,131)	-	-
Mangawhai Farm Property	250,600	-	-	-
Carbon Credits	(107,747)	282,161	(107,747)	282,161
Fonterra Shares	(27,768)	19,680	-	-
NZ Land Fund 2	41,515	(46,076)	-	-
Closing Balance	5,784,104	5,465,852	2,963,455	3,010,201

Comprised of:

Property Valuation	4,621,572	4,209,320	1,976,508	1,915,508
Investment Valuation	1,162,303	1,256,532	986,718	1,094,693
	5,783,875	5,465,852	2,963,226	3,010,201

Other Comprehensive Income

Movement in Asset Revaluation Reserve	318,252	(5,366)	(46,746)	672,161
Other Comprehensive Income	(39,895)	23,567	(1,051)	-
	278,357	18,201	(47,797)	672,161

23 Employee Remuneration

The Trust had no employees who received remuneration over \$100,000 (2015: none)

24 Related Party Transactions

- a) During the year wages, salaries and or contract payments of \$674,596 (2017: \$327,426) were made to beneficiaries of the Trust who provided services or who were employed by the Trust. This figure does not include trustees and directors fees which are disclosed separately in Note 18. These payments have been made as normal commercial transactions at fair market rates conducted at arms length.
- b) During the year wages, salaries or contract payments were made to family members of some Trustees and/or Directors. These payments have been made as normal commercial transactions at fair market rates conducted at arms length.
- c) Trustees and Directors are paid travelling expenses and are reimbursed other costs incurred by them for attending meetings and other business of the Trust Group. This is included under the heading Trustees (and Directors) Accommodation, Travel and Expenses. This heading also includes air fares and hotel accommodation and other costs paid directly by the Trust group.
- d) All payments paid to Trustees of the Settlement Trust and Directors of subsidiaries for attending meetings are detailed in Note 18.
- e) Henry Holyoake and Malcolm Welsh are trustees of the Settlement Trust and are also trustees of Pouto Topu A Trust, to which the Settlement Trust pays easement fees for access rights to Forestry land at Pouto owned by the Settlement Trust. Malcolm Welsh was also paid \$1,860 for consultancy work. (2017 \$3,478)
- h) Russell Kemp (Dec'd) was a Director of Burghley Holdings, to whom the Trust pays Lease for occupying office premises in Whangarei.
- i) Georgina Connelly a Trustee of the Settlement Trust and Charitable Trust was granted an education scholarship of \$1,000 in the 2017 year 2018:\$NIL. Georgina was not part of the independent Committee that awarded the scholarship. Georgina was also paid \$2,285 (2016:\$1,800) for consutancy work.
- j) Holyoake Construction Ltd (a company owned by Te Uri O Hau Settlement Trust, Trustee Henry Holyoake) has been engaged to construct building and facilities for a nursery located at Te Arai, Auckland; valued at \$208,696. During the year the Company was paid \$12,008 (2017 \$96,007).

The firm was also paid \$230 under the Te Matarau contract (2017: \$1,400) and \$87 under the Kaimahi contract (2017 : \$NIL). The firm also sold a tractor to the Te Uri O Hau Charitable Trust for \$2,000 (2017 : \$NIL). Holyoake Construction Ltd also removed foreign hives on behalf of the Settlement Trust \$763 (2017: \$NIL). The firm was also paid \$112,875 during the year by Te Uri O Hau Charitable Trust under the housing contract (2017: \$NIL).

25 Leases

As at the reporting date, the Board of Trustees has entered into the following operating lease commitments:

	GROUP		PARENT	
	2018	2017	2018	2017
No later than one year	21,065	12,456	13,398	12,456
Later than one year and no later than five years	62,872	20,494	6,948	20,494
Later than five years	-	-	-	-
	83,937	32,950	20,346	32,950

The Trust also has a commitment to ensure that Meridian Energy has access to Pouto Forest for the possible development of a Wind Farm.

Te Uri o Hau Settlement Trust
Consolidated Notes contd.

For the Year Ended 31st March 2018

26 Capital Commitments & Contingent Liabilities

There is a commitment to pay the full amount of any sale of the remaining Kaiwaka properties to reduce the HNZC loan.

The Trust has committed \$50,000 to fund the cost of a water bore for the Otamatea Marae. This is part of its policy to assist ancestral Maraes. Refer note 10(c).

27 Cash Flow Statement Reconciliation

	GROUP		PARENT	
	2018	2017	2018	2017
Reported Net Surplus / (Deficit)	(409,031)	447,267	168,937	11,172
Non cash items:				
Impairment of Fixed Assets	107,691	-	-	-
Farm Income	(2,535)	-	-	-
Other Expenses	-	-	(1,050)	-
Depreciation	77,292	76,233	10,377	11,686
Bad Debts	-	13,315	-	-
(Gain)/Loss on Disposal of Property & Investments	(378,936)	(1,027,256)	(301,586)	(307,795)
	(196,488)	(937,708)	(292,259)	(296,109)
Movements in working capital				
Accounts Receivable	102,981	(202,239)	(114,593)	26,583
GST Receivable	(6,194)	-	(6,107)	-
Inventory	(92,660)	29,369	-	-
Tax Refund Due	3,905	-	(32)	-
Prepayments	(20,719)	-	(3,244)	-
Accounts Payable	109,608	18,548	97,264	(130,818)
Income in Advance	(740,584)	705,458	13,108	(358)
Accrued Income	(72,500)	-	4,906	-
	(716,163)	551,136	(8,698)	(104,593)
Net cash from operating activities	(1,321,682)	60,695	(132,020)	(389,530)

28 Events after the reporting date

The Board of Trustees and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have or may significantly affect the operations of the Trust or any of its subsidiaries.

(2017: Taipuha Farms sold the house located at 826 Bickerstaffe Road for \$362,882 (nett) on 1 May 2017; refer note 8. The property was held in Assets Held for Resale at 31 March 2017.

The Trust entered into an agreement on 31 July 2017 with Meridian Energy Limited to purchase 599 hectares comprising land and pine forest, for \$11,500,000 plus GST. The Forestry Rights have contemporaneously been granted to China Forestry Group New Zealand Company Limited for \$10,300,000 plus GST, with an annual rental of \$96,600 plus GST adjusted every three years at 6%).

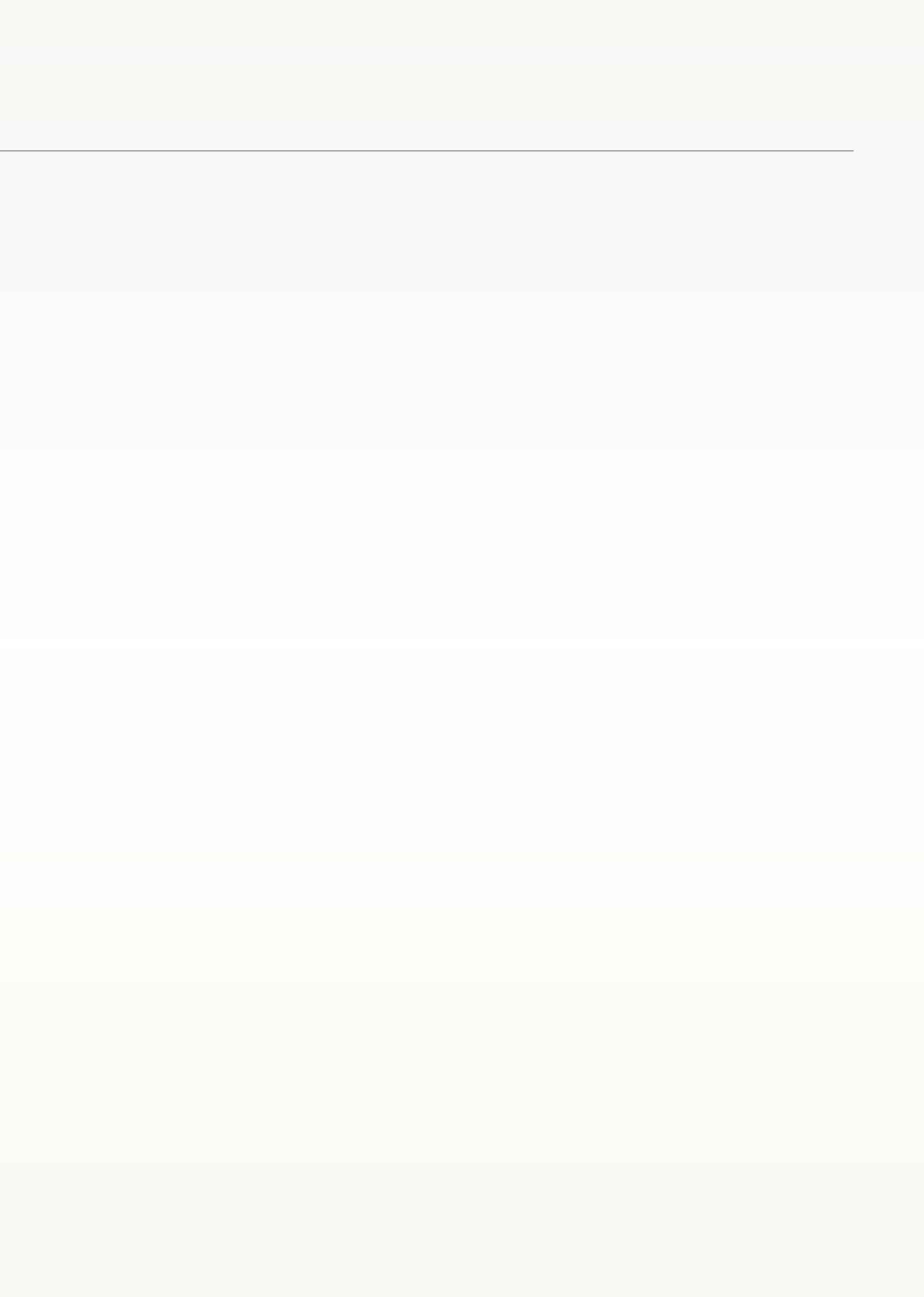




Photo: Rachel Trail.