

Ngāti Hine Forestry Trust Annual Report



2019



2019 Annual Report to Owners

For the Twelve Months Ended 30 June 2019

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Annual General Meeting Agenda

Chairman's Introduction
Presentation of the 2019 Annual Report
Presentation of the 2018/2019 Financial Statements
Audit Report
Recommendations to Owners
Election of Trustees
Poroporoaki
Lunch



Ngati Hine Forestry Trust

2019 Annual Report

He mihi

Tena koutou e te iwi, no koutou nga whenua me nga hea kei raro i te marara o Te Ngahere o Ngati Hine. Tena ano tatou e huihui mai nei mo tenei hui-a-tau ki te marae o Te Rito.

E maumahara tonu ana ki nga tini mate o te tau kua pahure nei, e kore e taea te pehea. Otira ki a ratou kua haere ki tua whakarere, ara, ko Pita Paraone, ko Jim Palmer me te tini atu.

Na reira, ka mihi tonu ki a ratou kua ngaro atu i te tirohanga kanohi, kua haere ke i te ara kuiti, e kore ra ko te hoki mai. Haere koutou, haere koutou, haere, oti atu.

Ka hoki ano ki a tatou te hunga ora, e oke tonu nei ki te whakatutuki i nga kaupapa i wawatatia ai e ratou ma, tena ano tatou katoa.

a) Our Strategic Direction

It is again a privilege to present this Annual Report to you the beneficial owners at this 2019 Annual General Meeting.

The Trustees continue to implement the Trust's strategic plan of progressively becoming 'active' managers of the beneficial owners' collective assets and to also grow, diversify and extend the asset base.

The Trust's Strategic Intent document presented at last year's AGM features later in this report.

The purchase of a fifth kiwifruit orchard in Kerikeri (Pukerau); the successful completion of the first of two phases of the Trust's manuka planting and forestry training programme (Nga Māhuri o Ngati Hine); the sale of eleven houses and the transformation of Te Ara Kopeka kiwifruit orchard from the Hayward Green cultivar to SunGold G3 were highlights of the year. All of these actions contributed to further advancing our Strategic Intent. Further commentary on these is provided later in this report.

The Forestry Right arrangement with the Crown which was reported on extensively last year to beneficial owners continues to be operationalised and underpins a very significant cornerstone and investment. In years to come this Forestry Right will provide huge financial returns and also deliver a third rotation pine crop 100% owned by the beneficial owners. A marked improvement from the first rotation lease signed in 1981 providing a 9% ownership interest. An update is also provided later in this report.



Here is our Strategic Intent

Te Pae Tawhiti – Our Vision

‘He Whenua Hua—He Tangata Ora’

Productive lands - People Wellbeing

Kaupapa – Our Mission

‘He Ringa Ahuwhenua, He Hanga Mahi’ - To Actively Grow our Assets

Whaingā – Our Overall Goals

To Grow our Capacity and Capability, Maintain Key Partnerships and Influence Directly and Indirectly

b) Financial Report

The following is a summary of the 2018/19 financial result:

Income	\$3,481,263
Expenditure	(\$1,617,191)
Net Surplus	\$1,864,072

While the net surplus is \$1,864,072 the tax loss for the year is \$959,434, this is due to tax losses carrying forward from prior years, these losses prevent the Trust from utilising the imputation credits attached to the Zespri dividends.

Forestry since the signing of the Forestry Right with the Crown in early 2018 is once again providing annual cash flow income. The valuation of NZU's held by the Trust is included as income because of accounting standards requirements but in fact is not cash income and thus distorts the bottom-line income figure for forestry.

The manuka honey business again records a loss situation. The manuka honey business is discussed in detail later in this report.

The housing portfolio income has reduced because of the sale of the Trust's eleven houses in Moerewa and Kawakawa over the two financial years of 2017/2018 and 2018/2019. The proceeds from the sale of the eleven houses was put towards the purchase of a fifth kiwifruit orchard.

The MPI (Ministry for Primary Industries) Manuka Planting and Forestry Training contract income is tagged funding and is not included in the overall income as any surplus has to be returned to MPI.



The income stream from the Trust's five kiwifruit orchards and Zespri shares (as fully imputed dividends) is now the significant cash earner for the Trust due to improved lease arrangements with Seeka Limited, the strong performance of Ahuareka Orchard (SunGold G3) and very strong dividends paid by Zespri.

During the year significant capital investment was made in the kiwifruit industry.

Firstly, with the purchase of a fifth orchard Pukerau (SunGold G3) for \$3,016,266 and secondly the conversion of the cultivar on Te Ara Kopeka from Hayward Green to SunGold G3 in July 2019. The cost of the SunGold G3 Zespri licence of \$1,147,200 is recorded in the 2018/2019 financial year. Further costs of undertaking the actual cut over were expended in the 2019/2020 financial year.

While the Trust contributed available capital towards these two investments a further \$2,305,978 was borrowed from Westpac on two five-year mortgages.

The annual income streams from forestry, housing, kiwifruit and Zespri dividends has resulted in a much better cash situation at the end of the year than in previous years. However, the manuka honey business continues as a negative influence on finances and there is a mortgage liability of \$2.3 million to be repaid in four years-time plus there is a potential further investment of around \$5 million still to be made in kiwifruit; namely the cultivar conversions on both Te Tara Kowhai and Paparata.

In summary while the kiwifruit industry returns remain strong the Trust will receive solid annual income from its orchards and Zespri shares. Cash surpluses over the next few years will however need to be reinvested back into kiwifruit and repayment of debt.

The next two to three years will be a period of solidifying the kiwifruit investment which, if the industry as a whole, stays strong will result in very significant annual returns circa \$2.5 million being received from five SunGold G3 orchards, subject to cultivar conversions having been completed.

c) Forest Harvesting

The lessee of a portion of our lands, TPL 4 (Taumata Plantations Ltd), have, through their agents Hancock Forest Management NZ Ltd (Hancock's) been harvesting their lease area steadily since 2008. This is the lease that was signed in 1981 and was for one rotation of *pinus radiata* only.

As the TPL 4 forest lease area is harvested these harvested areas are progressively surrendered back to the Trust. Around 174 hectares of productive forest land has yet to be surrendered back to the Trust. This area comprises a number of small and difficult compartments with harvesting expected to be completed by mid-2020.

The expiry date of the lease to TPL 4 is 30 September 2021.



d) Second Rotation Pine Crop - Forestry Right with the Crown

As has been reported to beneficial owners previously, the Trust's intergenerational land utilisation strategy, is to return as much of the Trust's lands back into a healthy native forest, in the meantime, it will be necessary to return, at least initially, a significant part of the forest into a second rotation, and third pine crop.

The Trust is therefore implementing a mosaic approach as has been discussed at previous meetings with the long-term goal to transition over time the forest lands from exotic pine to native species based on scientific evidence as to optimal land utilisation.

The arrangement entered into with the Crown in the form of a Forestry Right was communicated in detail last year in the Trust's May 2018 panui, 'Te Tātarakihi' and the 2018 Annual Report and reported on at the 2018 AGM.

The Forestry Right with the Crown is for one rotation only and it includes the requirement for the Crown to plant a third rotation at its cost which will then be owned 100% by you, the beneficial owners. It is envisaged that up to 3,300 hectares of land will be established as a productive *pinus radiata* crop under this Forestry Right. All costs are met by the Crown.

The Trust receives an annual rental through-out the term of the Forestry Right and a very significant percentage of the net stumpage upon harvest.

The Forestry Right with the Crown includes the operation of a Joint Management Committee which will enable the Trustees to actively participate in the oversight of all forestry activities over the period of the rotation.

The Forestry Right agreement with the Crown, is a significant step towards the ultimate goal of self-determination including at the end of this second rotation the Trust finally owning and managing 100% of the third rotation forest crop.

This is an exceptional step forward given that the lease signed in 1981 with Carter's meant that the Trust only had a 9% share in the ownership of the crop that was planted in the 1980s. In only another couple of decades the beneficial owners will commence owning 100%, given that the pine trees planted by the Trust in the winters of 2011, 2012 and 2017 comprising 660.3 hectares are included within this Forestry Right. Harvesting of the second rotation could start as early as within the next 15 to 18 years with a third rotation planting commencing at that point.

Planting under this Crown Forestry Right commenced during the course of the winter of 2018, the Crown having appointed PF Olsen as the forest management company to manage (under the over sight of the Joint Management Committee) the establishment of the second rotation pine crop. 189.8 hectares of pine were planted in 2018 and a further 753.9 planted in 2019 together with the establishment of a production forest from a further 55.6 of self-regenerating pine.



Therefore, to date 1,659.6 hectares have been established as production forest. A further 450 hectares is planned to be planted in 2020 and another 400 hectares in 2021. In addition, there are still significant areas of naturally regenerating pine that are still to be brought into production be either thinning to waste or be roller crushing and being replanted.

I would just like to reiterate, one again, that it is the Trustees' very firm belief that the deal that has been done with the Crown and incorporated in the Forestry Right agreement with the Crown will provide very real and exceptional benefits to you the beneficial owners both during the course of the Forestry Right rotation and particularly at the time of harvest.

e) Nga Mahuri o Ngati Hine - Manuka Plantation Training Program

Ngati Hine Forestry Trust has through Ministry for Primary Industries (MPI) partnered to plant 495ha of Trust lands in Manuka.

This is a joint venture which will be delivered through Forestry Training Program over two years (2019 – 20). The Training Program “Nga Mahuri o Ngati Hine” is an earn while you learn program with a total of 40 trainees (20 each year) completing a Level 2 Forestry Program and planting out the 495ha of Trust lands.

Nga Mahuri o Ngati Hine builds embodies the Trust’s Mission “He Ringa Ahuwhenua, He Hanga Mahi” to actively grow our assets. Through Nga Mahuri o Ngati Hine we seek to our people’s capability and capacity.

We have engaged Johnson Contractors to deliver the training and work with Nga Tangariki o Ngati Hine to deliver our pastoral support. The program has delivered fabulous results for the trainees, whanau and the Trust. We wish to acknowledge Rowena Tana who is our Project Manager for Nga Mahuri o Ngati Hine.

The first year's programme has been completed with significant achievements:

- 208 hectares of manuka planted, that is 192,000 plants
- 20 trainees commenced training in February 2019
- 20 trainees achieved a NZQA Level 2 Forestry qualification
- 18 trainees went into full time employment - mainly forestry
- 2 remaining trainees are still engaged in other training

A graduation ceremony was held to honour the trainees and their whanau on 5 July 2019 at Te Rito Marae with Minister Shane Jones presenting the awards.

Nga Mahuri o Ngati Hine will recommence in April 2020, should you wish to join the program please contact our office for more information.



This particular joint venture with the Crown is a significant step towards the Trust's vision of gradually replacing pine with native. These manuka plantings will also contribute to commercial returns derived from manuka honey and possibly other manuka products.

f) Matawaia Forest

The Matawaia forest has been a distinct forest within the overall lands of the Trust. The harvesting of the 351 hectares of the Matawaia pine forest crop by Taitokerau Forests Ltd (TFL) which commenced in 2013 has now been completed. TFL now has no further involvement with this forest; although the Trust remains a shareholder of TFL.

The Trust entered into a 50/50 Joint Venture Partnership with Kiwi Forestry International Ltd in 2013. This partnership involved the planting and management for 28 years of the second rotation crop of the Matawaia Forest area.

Planting of a second rotation pine crop commenced in 2015 and concluded in the winter of 2018. A total of 283.1 hectares of second rotation pine has been established of which 50% is owned by you the beneficial owners.

The remaining areas are either very steep land and or wetland areas which will not be replanted in pine but rather have either been planted in manuka or left to regenerate back in to native.

g) Ruatangata Forest

This is an area of the forest comprising some 430 hectares of first forest crop, which until February 2015 was included in the lease to Taumata Plantations Limited (TPL 4) with the forest crop owned by the lessee TPL 4.

In May 2016 the Trust transacted a stumpage sale of this forest to Aubade New Zealand Limited. This sale was reported upon in the Trust's 2016 Annual Report and financial statements.

Aubade utilising local contractors has so far harvested 89% of this pine forest. Aubade expect to have completed the remainder of the harvest by the end of the coming summer

Aubade continues to support via a scholarship a young and local Ngati Hine forester with ongoing studies towards forestry industry qualifications.

The harvested areas within this forest are forming part of the Forestry Right with the Crown, however, those areas which are not best suited for pine and are better suited to native are either being planted in manuka or left to regenerate back into native.



h) Emissions Trading Scheme (ETS)

All of the first rotation pine plantation of 4,564 hectares situated on the Trust land is pre 1990 forest in terms of the Climate Change Response Act 2002 (Emissions Trading Scheme). This means that the Trust must ensure that this land is returned to a defined forest species after harvest that meets the criteria which is laid down in the Emission Trading Scheme (ETS).

The ETS criterion states that at four years after harvest the land must either have 500 stems per hectare of exotic forest species (e.g. pine) or be regenerating predominantly in indigenous species (e.g. manuka) which is growing in a manner that is likely to become forest land ten years after the harvest and that at twenty years there is crown cover of at least 30% from trees that have reached 5 metres in height.

Any lands that end up not meeting this ETS criterion will be deemed to be "deforested" and the Trust would then have to return 750 NZU's (New Zealand Units) per hectare to the Crown. The risk of the Trust having to compensate for de-afforested land at some future time is considered to be extremely low, especially now given the pine Forestry Right with the Crown and another separate Crown contract (Nga Māhuri o Ngati Hine) to plant up to 495 hectares of manuka.

The Trust still holds 171,172 NZU's which had a tradable value as at 30 June 2019 of \$3,954,073 (= \$23.10 per NZU). More recently the value of an NZU is sitting at around \$24.80.

In August 2013 the Trust lodged with the Waitangi Tribunal a contemporary claim against the imposition by the Crown of the ETS upon the Trust's forest lands. This claim is registered as Wai 2397. The Trustees are continuing to progress this claim in conjunction with its lawyers (funded via Legal Aid) as quickly as is possible, however, as reported previously any early resolution is not anticipated.

i) Manuka Honey

As at balance date the Trust owned and managed 631 hives in its own right.

While we have entered the honey business the Trust have been impacted by three poor seasons coupled with theft and vandalism.

There have been substantial wider problems within the industry. These were summarised by Sean Goodwin, Apiculture NZ Board member at their 2019 AGM and Conference. He suggested that the current state reflects "self-inflicted wounds" commenting that the ability to predict the final UMF of honey meant that exporters had begun purchasing a year in advance. They also bought as much honey as possible to blend with manuka to produce low quality manuka honey.



This he said had artificially inflated the price of all honey and that we are now in a correction phase where honey has fallen to very low prices – so low that they cannot sustain beekeepers. He predicts prices will correct over the next few years but stressed that there were too many hives which reduced the crop of all hives and lowered profit margins. Current conditions would likely drive some beekeepers from the industry and this would reduce hive numbers he concluded.

During 2018 the Government (Ministry for Primary Industries (MPI) established a regulation determining a scientific definition so as to determine what can be called Manuka Honey and what can't. For honey to be able to be labelled Manuka Honey and marketed as such it must be tested in an official laboratory and meet strict criteria. The final regulatory definition differed from the definition derived from a three-year scientific program.

The consequence of this new regulatory definition of manuka honey and the accompanying testing regime has been that about 38% of the manuka honey crop in Tai Tokerau can now no longer be labelled Manuka.

This therefore has translated into much lower financial returns to beekeepers. The Trustees, and many others in the industry, believe that the testing regime is flawed

The Trust is a founding member of Tai Tokerau Miere a collective established with a core focus on landowners from a hapu – iwi perspective. Members of the collective consists of Te Uri o Hau, Te Roroa, Ngati Wai, Te Rarawa and ourselves.

Tai Tokerau Miere has been active in advocating with the Minister of Primary Industries for a change in the definition. While there is still no change to the definition assurances have been given by the Minister that the issue is being considered. In addition, and independent of MPI, the Primary Production Select Committee has begun an investigation of the definition of manuka honey.

Hence for all of these reasons the Trust has been suffering losses in its honey business.

Despite these various challenges the Trustees believe that the manuka honey business has a good synergy with the whenua and that long term there is a bright future for Manuka honey and oil.

Investigations are therefore underway with the view to sell honey domestically and internationally under a Ngati Hine brand and story as opposed to the current model of selling honey wholesale. It will be a very long game.

As has been mentioned above the Trust is a member of a collective committee of Maori land owners who have interests in the manuka honey space; this collective has the name Taitokerau Miere.



The aim of this collective is capturing the whole Manuka honey value chain from drum to overseas and domestic retail outlets. It is envisaged once fully operationalised that the collective will purchase honey wholesale from beekeepers, undertake extraction, bottling, marketing and distribution. The marketing to be based on the stories and culture of Maori within Taitokerau. The additional profits captured at the retail end being fed back through the value chain, right back to the land owner.

The collective is still undertaking business planning and due diligence activities, including the consideration of establishing joint arrangements with other appropriate industry players, as stepping stones towards becoming one hundred percent self-reliant. Beneficial owners will appreciate that such an endeavour will require significant capital and access to markets and assistance from others, will at least in the medium term be required.

Over the past year the Collective has expended considerable energy in lobbying the Minister of Primary Industries (MPI), the Parliamentary Primary Production Select Committee, and other Ministers, local MPs and Ministry Officials. The Collective also organised a hui at Otiria Marae on 29 March 2019 attended by 80 industry participants to voice their collective concerns about the adverse impact of the new official definition of manuka honey. A further hui was held at Ngunguru Marae on 23 October 2019. These were widely reported in the media at the time and were beneficial in enabling ongoing access to Ministers, MPs and Officials.

j) Nutraceuticals

The Trustees in April 2017 established a Joint Venture Company, Hineora Limited, a vehicle for the Trust to enter into the nutraceutical industry. As at balance date 30 June 2019 this was a 60% / 40% JV with the Trust holding the 60%. The JV partners being Peter Gregory and Jules Smith. Subsequent to balance date the Trust has since purchased the 40% of shares owned by the JV partners and now owns 100% of Hineora Limited.

This business is based on extracting bio active substances from native plants located on Trust whenua and creating health products that can be sold with the Ngati Hine story both domestically and overseas. The Trust has during 2017 and early 2018 had research undertaken with funding having been received from external sources and with University expertise.

The business plan for Hineora Limited is currently under review. This is being incorporated with the plans being developed to market manuka honey domestically and internationally. It is envisaged that future Ngati Hine branding and story would be the same for both manuka honey and any nutraceutical product that is developed.

This business has around it has significant commercial sensitivity as this is an extremely competitive market and thus regrettably the Trustees remain unable to disclose too much of the details at this, still early stage.



k) Kiwifruit Orchards - Paparata, Te Tara Kowhai, Te Ara Kopeka, Ahuareka and Pukerau

Zespri's operating revenue topped \$3 billion for the first time with 167.2 million trays of kiwifruit being sold in 2018/2019 a 21% increase on the previous year. Zespri has a goal of achieving \$4.5 billion in sales by 2025. Hence the Trust has invested, and continues to make a large investment in kiwifruit.

The significant development in the Trust's kiwifruit business during the year was the purchase of a fifth orchard on 14 December 2018. The orchard is named Pukerau and is located at 1500 State Highway 10, Kerikeri. It comprises 7.8201 hectares of land and 3.85 hectares of producing Zespri SunGold G3. The cost was \$3 million funded half by cash and half from borrowing. 53,870 trays of kiwifruit were harvested from this orchard in 2019. Like the Trust's other four kiwifruit orchards Pukerau is also on the Kerikeri irrigation scheme.

A decision was also made during 2018 to convert the cultivar on Te Ara Kopeka from Hayward Green to Zespri SunGold G3, another significant investment. Details about this are explained later in this section of the report.

This further significant investment in land and kiwifruit in Kerikeri was made on the confidence of a continuing strong kiwifruit industry providing solid financial returns to participants. For the Trust's two SunGold G3 orchards (Ahuareka and Pukerau) the return on investment is in the order of 10% pa. As well as financial returns there are also benefits in terms of employment and for more of a Ngati Hine voice to be heard within this industry.

The beneficial owners with five kiwifruit orchards therefore now own 43.5716 hectares (108 acres) of land in Kerikeri. Upon these orchards there are 27.76 hectares of kiwifruit canopy.

Paparata, Te Tara Kowhai and Te Ara Kopeka were purchased in June 2004. Ahuareka was purchased in December 2006. Brief details of these four other orchards follow.

Ahuareka

7.5207 hectares of land

5.64 hectares of canopy Zespri SunGold G3

74,287 trays 2019 crop

Paparata

9.5828 hectares of land

6.28 hectares of canopy Hayward Green (Zespri)

36,157 trays 2019 crop



Te Tara Kowhai

10.5013 hectares of land

6.73 hectares of canopy ENZA A 19 Gold (Seeka marketed only domestically and Australia)

61,402 trays 2019 crop

Te Ara Kopeka

8.1467 hectares of land

5.26 hectares of canopy Hayward Green (Zespri) as at balance date

42,131 trays 2019 crop

The cultivar on Te Ara Kopeka was converted from Hayward Green to Zespri SunGold G3 during the 2019 winter period (after the 2019 crop was harvested). The cost of this conversion is in the order of \$1.5 million. The majority of this cost is the price of the Zespri SunGold G3 licence. Most of the cost of conversion was included in the 2018/2019 financial year with the remainder being expended post balance date.

Funding for this conversion is a three-way combination of Trust cash and borrowing to equal measure plus 1.33 hectares of Zespri licence being purchased from Seeka over time from fruit proceeds.

The current capital value of these five orchards is estimated at around \$13 million.

In June 2018 Turners and Growers sold the bulk of their Kerikeri operation (Kiwifruit and Avocado orchards and Pack House) to Seeka Limited. The then lessees' interest in the Trust's four orchard leases were also sold to Seeka. Subsequently all of these leases were renegotiated and now new 15-year leases and supply agreements are in place with Seeka for all five of the Trust's orchards.

These leases are of a profit share nature and are superior to the previous leases which provide a monthly rental being a share of the profit in advance and that any losses sustained are carried by Seeka until the following season. Seeka cash flow the whole operation.

Within these leases there are five yearly review provisions which allow the Trust and Seeka to take stock of the arrangements in place thus providing an opportunity for the Trust to consider taking over the operational management of the orchards or to agree to some other type of arrangement.

The Trust's two SunGold G3 orchards (Ahuareka and Pukerau) are very profitable. Te Ara Kopeka has just been converted to SunGold G3 and will therefore be out of production for two years. The other two orchards are not profitable because of the less valued cultivar on those orchards; i.e. Paparata with Hayward Green and Te Tara Kowhai with ENZA Gold A19.



The reason for the differential of financial performance is demonstrated by the prices per tray achieved by the different varieties, e.g. average industry returns from the 2019 crop:

Hayward Green	\$ 5.45 per tray or \$ 63,622 per hectare
ENZA Gold A19	\$ 4.00 per tray or \$ 46,692 per hectare
SunGold G3	\$10.89 per tray or \$145,991 per hectare

It is therefore imperative that the Trust continue working towards converting the cultivars on both Paparata and Te Tara Kowhai. Given that the median price paid in 2019 for Zespri licence for the SunGold G3 variety was \$290,000 per hectare these conversions will represent a very heavy capital investment. The Trustees are considering funding options including a mixture of cash, borrowing and selling some or all of the Trust's remaining housing portfolio.

Seeka operate an active cadetship scheme and already this is benefiting our own people.

1) Zespri Shares

The Trust now owns 490,620 shares in Zespri as a result of a 3:2 share split undertaken by Zespri in March 2019 - Previously 327,080 shares.

During 2018/2019 the Trust received \$401,763.26 in net cash dividends plus a further \$197,883.40 of withholding tax and imputation credits. In essence imputation credits are tax credits as the tax has already been paid on this income by Zespri.

During 2019/2020 (in August 2019) the Trust received \$383,501.30 in cash dividends plus withholding tax credits and imputation dividends equating to a gross dividend of \$572,390.00.

The total cost of purchasing these Zespri shares between 2005 and 2011 was \$292,037.00. To date the Trust has received to 31 August 2019 a total of \$1,501,168 in cash dividends plus a further \$739,382.29 of withholding tax and imputation credits bringing the total to \$2,240,550.29. An average annual rate of return of 34% over 14 years.

Zespri have forecasted a dividend range for next year (2020) of between \$0.86 and \$0.90. At say \$0.86 this will reap \$421,933.20 in cash dividends plus withholding and imputation credits.

The value of a Zespri share as at 24 September 2019 was \$8.80. At this value the Trust's shares are worth in the region of \$4.3 million.

The Zespri shares investment therefore continues to be a star performer for the beneficial owners.



m) Housing Portfolio

As was reported in the previous annual report the Trustees sold eleven houses located in Kawakawa and Moerewa spanning both the 2017/2018 and 2018/2019 financial years. The net proceeds for the sale of these eleven houses was \$1.91 million. The purchase price of these houses in 2006 was \$1.27 million

The capital freed up from these house sales is has been being reinvested in kiwifruit; i.e. the cash has been put towards purchase of a new orchard Pukerau and the cultivar conversion of Te Ara Kopeka.

The beneficial owners still own eleven homes, ten of which are located in Kaikohe and leased to Housing New Zealand. The other home is located on the Ahuareka Orchard in Kerikeri.

As reported to beneficial owners last year the Trustees decided that the provision of social housing is no longer a primary objective of the Trust and consideration of selling the ten homes in Kaikohe is currently underway with the view of utilising the proceeds towards further investment in kiwifruit; namely the cultivar conversions of Te Tara Kowhai and Paparata orchards.

n) Ngatihine H2B Share Value

As one measure of how the Trust is tracking over the past two previous financial years the Trust's Accountant has calculated an analysis of valuation based purely on the movement of the equity value of the Trust. Based on the asset and liability values recorded in the Trust's 2018/2019 financial statements, the indicative value of a Ngatihine H2B share is \$5.89.

This compares to a value of \$5.44 in 2016/2017, \$5.43 in 2017/2018 and \$3.46 as determined in September 1999.

o) Study Grants

In terms of clause 7.8 of the Trust Order the Trustees during this year have continued to support Jean Morton who is studying for his Diploma in Forestry Management at Toi-Ohomai Institute in Rotorua via a \$5,000 grant.

The maximum spend able to be made in any one year in terms of the Trust Order is \$10,000.

p) Marae Grants

The Trust Order at clause 7.6 provides the mechanism by which grants of a capital nature can be made to Ngati Hine Marae. Grants can only be made in terms of a policy approved by beneficial owners at a general meeting with a maximum spend of \$100,000 in any one financial year. The Marae Grants Policy was approved by



beneficial owners at an AGM on 18 November 2017. This policy set a limit of \$50,000 for any one Marae. Unless the Marae is registered as a Charitable Trust these grants are deemed distributions to members in terms of the Trust Order and tax credits at the Maori Authority rate of 17.5% have to be attached.

During the financial year to 30 June 2019 the Trustees received applications and subsequently approved commitments to fund two Marae projects. These projects are contingent liability commitments with the actual monies being spent in the 2019/2020 financial year. The two approved projects are:

Otiria Marae

Restoration of the pou haki (flag pole) - A maximum funding approval has been capped at \$40,000 cash plus tax credits at 17.5%.

Ngawha Marae

Development of access road and car park. A maximum funding approval has been capped \$41,250 cash plus tax credits at 17.5%.

q) Nga Whenua Rahui Kawenata

The Crown entered into a Nga Whenua Rahui Kawenata (the Kawenata) with the Trust on 15 July 1998 to protect the:

- Areas of native forest
- Natural character of the area
- Historic values
- Archaeological values
- Cultural and spiritual values

The Kawenata covers an area of approximately 570 hectares of indigenous forest reserves which exist in 42 discrete blocks within the Trust's overall forest estate with some 16 km between those furthest apart.

The term of the Kawenata is for 25 years and expires on 15 July 2023.

At the time of signing the Kawenata the Crown paid as consideration for entering into the Kawenata a grant of \$250,000.00 (Ex GST).

The Crown also at the time of signing paid a further \$78,232.00 (Ex GST or \$88,000.00 Inc.GST) to the Trust as a net present value for fencing, to be erected, as indicated in the Kawenata.

This provision of the Kawenata states that on conclusion of the pine forest harvest the Trust will erect fences around the Kawenata areas. The length of these fences was estimated at 26.5 km and \$88,000.00 (Inc GST) shall be held by the Trust for this purpose. The fences envisaged to be erected were "four wire" fences with posts no further than five metres apart and shall be of a standard to effectively control any cattle grazing/encroachment from neighbouring areas. The agreement also stated



that all interest gained on the original \$88,000.00 and shall be used solely for the construction of the above fences.

The Trust has maintained this fencing liability within its financial statements from 1998 until present day. As at the 30 June 2019 the contingent liability sitting in the Trust's financial statements was \$202,610 (Ex GST). This includes the original \$78,232.00 (Ex GST) paid by the Crown and the interest that has accumulated since, less expenditure on pest control associated activities.

When the pine plantation was being planted in the 1980's it was quite common forest management practice for cattle to be grazed within the forest to control scrub etc.

With the passage of time this general practice has largely ceased. With respect of the Trust's lands there is no value to a forester or the Trust to have land grazed. The land is not going to be used for farming.

Hence the need to fence the internal indigenous forest areas of the forest estate becomes redundant. There being no need to fence off one piece of forest (either indigenous or pine) from another.

The cost of undertaking the fencing that was envisaged back in 1998 on this very rugged and isolated terrain would today cost in the order of \$600,000.00 much more than the \$202,610 that is set currently aside. The ongoing maintenance of such a fence in perpetuity would also be significant.

The cost of the fencing is however not the main issue. The issue is that even with fencing being undertaken it would serve no practical purpose and would in essence be a waste of money.

The Trust wishes to continue to adhere to the kaupapa of the Kawenata; the primary aim being the protection and enhancement of the areas of indigenous forest that are the subject of the Kawenata.

Consequently, the Trust sees that the main threat to these areas of native forest and the bird life within these areas comes from pests, predominately possum. The damage caused by pests such as possum, stoats and other mustelids is extreme and a pest control programme would be targeted at continuing to try and rid the forest of these pests. Up until now the leasee has undertaken this pest control work as part of managing the whole surrounding pine forest, however, these areas are now being exposed and the leasee is withdrawing as the pine forest is harvested.

Therefore, the Trust in mid-2018 finalised negotiating with the Crown a variation to the 1998 Kawenata whereby the fencing monies can instead of being used for fencing can now be used for the protection of flora and fauna, e.g. pest control and associated activities.



A quantum in the order of \$30,000 per annum over 7 years (initially) equates to \$210,000.00 which roughly represents the current accumulated fund of \$202,610 together with projected credit interest that could have been also accumulated on those funds if retained untouched until 2023.

The Trust has had completed an Ecological Survey of the native forest areas in late 2018 / early 2019 and an initial programme of kiwi monitoring was undertaken in June and July 2019 by Nga Tirairaka o Ngati Hine.

The results of the kiwi monitoring concluded that there is evidence of male North Island brown kiwi (*Apteryx mantelli*) being present in the Totara Reserve, an area of around 145 hectares of native bush.

The Trust is working on finalising a pest control programme to protect these kiwi and other flora and fauna.

r) Dividends

In previous communications to beneficial owners it has been indicated that the payment of any meaningful dividends is still some way off. The challenges being the significant quantum of annual cash surpluses required plus the not inconsiderable administrative cost of undertaking such an activity. The context being the number of Ngatihine H2B shares at 1,809,139 divided up between 5,000 plus beneficial owners and the ongoing fragmentation of shareholding.

With the Crown Forestry Right now well established and the investments in the kiwifruit industry providing solid returns the Trustees are undertaking due diligence to ascertain how dividends could be delivered, in what quantum and to how many owners, and within what sort of timeframe. As part of this review, consideration will be given to the other demands on Trust finances, in particular the capital required to convert the cultivars on two of the Trust's kiwifruit orchards and the repayment of debt.

s) Summary

The Trust is now moving into a different phase of its life on the back of completing the Forestry Right agreement with the Crown in 2018. This coupled with manuka planting and training programme essentially means that the forest estate has been "sorted" and no longer is the huge issue which it was previously.

The Trustees have therefore been able to focus attention elsewhere and as reported above the emphasis has been on increasing investment in the kiwifruit industry, with more significant investment still to be made. Once these investments are completed and all five orchards are producing optimum profits this will see significant annual cash flow.



These investments are expensive and together with the difficulties with the manuka honey industry, this year's profit and future cash flow is essentially already committed. This is a short to medium term situation characterised as short-term pain of heavy capital investment for long term sustained gain.

In time the very significant and sustained returns from the Crown Forestry Right commencing in 15 to 18 years and then over a decade, together with, very strong annual income from kiwifruit, once further heavy investment is completed, will combine to provide an economic power house with the ability to drive positive change in the lives of the beneficial owners and their whanau.

This may not end up being in the form of individual monetary reward but rather, much bigger and more ambitious social, economic, educational and environmental investments and interventions.

Having said that, the Trustees are currently reviewing how a dividends regime can be realised for you the owners.

Many people talk about being inter-generational but we are actually doing it. Better to have a big sustainable prize in the longer term rather than short term gratifications that then wither on the vine.

The incredible success of Nga Māhuri o Ngati Hine was a stand-out highlight of the year. This is example of the Trust's ability to influence decision makers to invest in our people. This sort of influencing activity is an area of focus for the Trust alongside the core commercial business of the Trust.

E mihi tonu ana ki a koutou katoa.

Tena ra koutou katoa.

A handwritten signature in black ink, appearing to read 'Pita Tipene'.

Pita Tipene
Chairman
Ngati Hine Forestry Trust

Ngati Hine Forestry Trust

2019 Financial Statements

Ngati Hine Forestry Trust

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For the Year Ended 30 June 2019

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Ngati Hine Forestry Trust

Directory

As at 30 June 2019

Nature of Business	Administration, ownership of land for afforestation, horticulture, manuka honey, nutraceuticals, housing and training programmes.
Address	Vinery Lane Whangarei 0110
Telephone	09 459 6425
Trust Formation Date	23 December 1974
Trustees	Mr J Baker Mr L Bristowe Mr P Cherrington Mr E Morton Mr P Paraone Mr W Shortland Mr P Tipene Mr E Beattie (Retired 27 May 2019)
Beneficiary	Ngathine H2B Beneficiaries as per list held by the Maori Land Court
Business Location	6 Vinery Lane Whangarei
Accountants	Syers Hamilton Pool Ltd Chartered Accountants 113 Bank Street Whangarei 0110
Auditor	BDO Northland Chartered Accountants
Bankers	Westpac NZ Ltd
Solicitors	Thomson Wilson Law
IRD Number	043-590-413

Ngati Hine Forestry Trust

Divisional Statement of Financial Performance

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
FORESTRY			
Operating Revenue			
Harvest Grant		116,007	40,549
Rent - Taitokerau Forests Ltd		-	5,668
Emissions Trading Scheme - Revaluation of NZU's		342,344	667,571
Rent - Crown	18	180,449	37,754
Protection of Flora & Fauna	7	7,390	-
Gross Surplus from Trading		646,190	751,542
Less Direct Costs			
Forestry Consultants		15,807	48,217
Pre Harvest Costs		-	4,764
Total Direct Costs		15,807	52,981
Gross Surplus		630,383	698,561
Less Expenses			
Operating Expenses			
Kiwi Monitoring	7	6,750	-
Pest Control	7	640	-
		7,390	-
Administration Expenses			
Legal		10,197	26,423
Repairs and Maintenance		7,828	1,448
		18,025	27,871
Total Expenses		25,415	27,871
Surplus		604,968	670,690

BDO Northland
ASSURANCE *BD*

Ngati Hine Forestry Trust

Divisional Statement of Financial Performance (continued)

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
HONEY			
Operating Revenue			
Share of Earnings and Distributions from Honey JV	17	(68,803)	(54,889)
Sales		-	6,417
Rent - Honey		8,000	4,000
Total Income		(60,803)	(44,472)
Less Cost of Sales			
Opening Stock transferred from JV	17	32,163	-
Opening Stock		142,358	77,056
		174,521	77,056
Closing Stock		(236,131)	(142,358)
Total Cost of Sales		(61,610)	(65,302)
Gross Surplus from Trading		807	20,830
Less Direct Costs			
Bee Food and Health		5,655	5,309
Beekeeping		107,661	112,570
Management Costs - Honey Project		67,063	89,118
Repairs & Maintenance		301	8,548
Testing		-	688
Yard Lease		260	2,860
Total Direct Costs		180,940	219,093
Deficit		(180,133)	(198,263)



Ngati Hine Forestry Trust

Divisional Statement of Financial Performance (continued)

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
MOERewa, KAWAKAWA AND KAIKOHE HOUSING			
Operating Revenue			
Rental Income		183,362	301,417
Less Expenses			
Operating Expenses			
Agents Fees and Commission		16,038	28,163
Administration Expenses			
Management Fee		27,504	45,212
Repairs and Maintenance		27,597	21,507
		<u>55,101</u>	<u>66,719</u>
Fixed Costs			
Insurance		19,131	30,496
Rates - Land		45,776	55,460
		<u>64,907</u>	<u>85,956</u>
Total Expenses		<u>136,046</u>	<u>180,838</u>
Surplus		<u>47,316</u>	<u>120,579</u>

BDO Northland
ASSURANCE *BR*

Ngati Hine Forestry Trust

Divisional Statement of Financial Performance (continued)

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
MPI TRAINING CONTRACT			
Operating Revenue			
Funding	21	841,774	-
Less Direct Costs			
Project Management		28,055	-
Gross Surplus		813,719	-
Less Expenses			
Administration Expenses			
Office		9,062	-
Salaries & Wages		178,106	-
Wages - Kiwisaver Contributions		4,109	-
Training Programme		249,596	-
Total Expenses		440,873	-
Surplus		372,846	-

BDO Northland
ASSURANCE *BRD*

Ngati Hine Forestry Trust

Combined Statement of Financial Performance

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Divisional Income			
Surplus from Forestry		604,968	670,690
Deficit from Honey		(180,133)	(198,263)
Surplus from Moerewa, Kawakawa and Kaikohe Housing		47,316	120,579
Surplus from MPI Training Contract		372,846	-
Total Divisional Income		844,997	593,006
Other Income			
Dividends		431,746	245,310
Interest		46,754	59,199
Management Fee - Housing Projects		27,504	45,212
Rent - Orchard Ahuareka		652,033	-
Rent - Orchard x 3		-	58,568
Rent - Orchard Paparata		40,820	-
Rent - Orchard Pukerau		122,500	-
Rent - Orchard Te Ara Kopeka		32,656	-
Rent - Orchard Te Tara Kowhai		43,745	-
Rent - Orchard House		14,560	14,560
Rent - Office		3,943	6,043
Rent - Orchard Sheds Pukerau		3,600	-
Share of Earnings and Distributions from KFI JV	17	2,691	1,794
Share of Earnings and Distributions from Hineora JV	17	(5,274)	(34,978)
Reimbursement from Nutraceuticals	17	-	8,375
Sundry Income		3,622	15,653
Capital Gain on Disposal of Fixed Assets		303,676	21,000
Depreciation Recovered		76,983	11,789
Adjustment - Protection of Flora & Fauna	7	7,571	-
Total Other Income		1,809,130	452,525
Net Revenue		2,654,127	1,045,531
Less Expenses			
Operating Expenses			
Accident Compensation Levy		363	468
Consultancy		18,555	1,728
Electricity - Office		666	1,068
Orchard Costs		-	311,558
Orchard Costs - non deductible		-	1,328
Repairs & Maintenance		609	677
Study/Training Grants		5,000	10,000
		25,193	326,827
Finance Expenses			
Bank Fees		1,004	596
Interest - Loans		42,751	-
Transfer Interest NWR Fencing	7	-	7,662
		43,755	8,258

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ASSURANCE 

These financial statements are to be read in conjunction with the accompanying Notes and Compilation Report. These statements have been audited.

Ngati Hine Forestry Trust

Combined Statement of Financial Performance (continued)

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Administration Expenses			
Accountancy		64,476	30,300
AGM/SGM	9	23,865	36,304
Audit		18,930	16,150
Fringe Benefit Tax		5,861	5,349
Legal		15,883	6,759
Legal - Non Deductible		730	3,334
Motor Vehicle		19,132	15,136
Non Deductible Expenditure		1,000	-
Office		48,736	28,440
Printing, Stationery & Typing		29,308	29,094
Salaries & Wages		189,771	233,923
Wages - Kiwisaver Contributions		4,910	6,893
Subscriptions		7,104	4,572
Tree Planting Ceremony		-	1,070
Trustees Fees	15	80,800	115,200
Trustees Travel	15	29,008	38,101
Trustees Meeting		7,101	6,425
		546,615	577,050
Fixed Costs			
Insurance		37,453	27,675
Legal - Orchard Lease		-	6,500
Rates - Land & Water		8,084	22,412
Rent - Office Whangarei		21,869	19,911
Security Office		3,963	2,814
		71,369	79,312
Non Cash Expenses			
Depreciation as per Schedule		88,049	95,188
Loss on Disposal of Assets		15,074	865
		103,123	96,053
Total Expenses		790,055	1,087,499
Net Surplus (Deficit)		1,864,072	(41,968)

BDO Northland
ASSURANCE 

Ngati Hine Forestry Trust

Statement of Changes in Trust Funds

For the Year Ended 30 June 2019

	2019	2018
	\$	\$
Revenues and Expenses		
Net Surplus (Deficit)	1,864,072	(41,968)
Total Recognised Revenues and Expenses	1,864,072	(41,968)
Trust Funds at the Beginning of the Year	21,825,922	21,867,889
Trust Funds at the End of the Year	23,689,994	21,825,922


BDO Northland
ASSURANCE 

Ngati Hine Forestry Trust

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$	2018 \$
Current Assets			
Westpac NZ Ltd		50,250	80,655
Westpac NZ Ltd Harvesting		263,083	0
Westpac NZ Ltd Kaikohe		30,141	34,942
Westpac NZ Ltd Moerewa Kawakawa		100	29,104
Westpac NZ Ltd Online Saver		1,356,760	363,614
Accrued Income		-	7,611
Accrued Interest		11,692	9,306
Accounts Receivable	10	525,300	14,089
Income Tax Receivable	3	30,002	17,033
GST Receivable		50,030	6,646
Stock on Hand		236,131	142,358
Westpac Term Investment		1,558,137	1,514,671
Total Current Assets		4,111,627	2,220,030
Non Current Assets			
Fixed Assets		17,518,115	14,695,535
Shares in Companies - at Cost	4	322,059	321,775
Shares in Maori Land	4	314,731	314,731
Native Forest Restoration		447,235	51,280
Investment in Joint Ventures	17	5,265	40,011
Emissions Trading - NZU's	19	3,954,074	3,611,730
Tenancy Bond		560	560
Capitalised Cost of Forest	18	925,733	925,733
Total Non Current Assets		23,487,772	19,961,355
Total Assets		27,599,399	22,181,386
Current Liabilities			
Income in Advance	12	173,427	56,049
Accounts Payable	11	1,100,102	50,351
PAYE	11	16,206	22,717
MPI Tagged Funding	21	99,866	-
Current Portion of Term Loan	6	35,000	-
Provision for Annual Leave		10,641	8,201
Provision for Protection of Flora and Fauna	7	30,000	-
Total Current Liabilities		1,465,242	137,318
Non Current Liabilities			
Term Loans - Secured	6	2,270,978	-
NHH Ltd		575	575
Provision for Protection of Flora and Fauna	7	172,610	217,571
Total Non Current Liabilities		2,444,163	218,146
Total Liabilities		3,909,405	355,464
Net Assets		23,689,994	21,825,922

BDO Northland
ASSURANCE 

These financial statements are to be read in conjunction with the accompanying Notes and Compilation Report. These statements have been audited.

Ngati Hine Forestry Trust

Statement of Financial Position (continued)

As at 30 June 2019

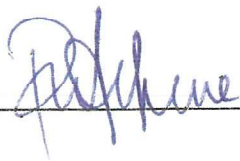
Trust Funds

Trust Capital

Total Trust Funds

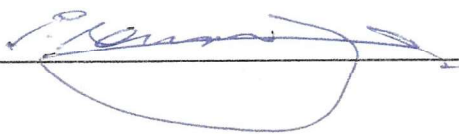
Note	2019	2018
	\$	\$
8	23,689,994	21,825,922
	23,689,994	21,825,922

For and on behalf of the Board of Trustees:



Trustee

Date 23 October 2019



Trustee

Date 23 October 2019

BDO Northland
ASSURANCE 

Ngati Hine Forestry Trust

Depreciation Schedule

For the Year Ended 30 June 2019

	RATE & TYPE	% PVT USE	Cost on HAND	OPENING WDV	ADDITIONS	DATE of ADDITION	SALE PRICE	PARTSALE PRICE	PROFIT (LOSS)	DISPOSAL DATE	Cost	CAPITAL GAIN/LOSS	DEPN	ACC DEPN	PRIVATE DEPN	ACCUM PRIVATE	CLOSING WDV
LAND & BUILDINGS			7,665,891	7,641,605	-	-	-	-	-	-	-	-	-	24,286	-	-	7,641,605
FURNITURE & FITTINGS			41,616	23,780	-	-	-	-	-	-	-	-	486	18,322	-	-	23,294
PLANT & EQUIPMENT			67,011	32,291	6,515	-	-	-	-	-	-	-	7,309	35,514	-	-	31,497
ORCHARDS			9,082,879	3,258,614	4,279,381	-	-	-	-	-	-	-	58,028	1,602,912	-	-	7,479,967
HOUSING KAIKOHE			2,216,573	2,186,245	-	-	-	-	-	-	-	-	-	30,328	-	-	2,186,245
HOUSING MOEREWAI			-	1,372,462	-	-	1,738,047	-	61,909	-	1,498,379	303,676	-	-	-	-	-
HONEY			212,126	161,885	-	-	2,805	-	-	-	3,400	-	21,293	74,339	-	-	137,787
FORESTS (Amortised)			416,623	18,653	-	-	-	-	-	-	-	-	933	2,948	-	-	17,720
Total Assets			19,702,719	14,695,535	4,285,896	-	1,740,852	-	61,909	-	1,501,779	303,676	88,049	1,788,649	-	-	17,518,153

For the Year Ended 30 June 2018

	RATE & TYPE	% PVT USE	Cost on HAND	OPENING WDV	ADDITIONS	DATE of ADDITION	SALE PRICE	PARTSALE PRICE	PROFIT (LOSS)	DISPOSAL DATE	Cost	CAPITAL GAIN/LOSS	DEPN	ACC DEPN	PRIVATE DEPN	ACCUM PRIVATE	CLOSING WDV
LAND & BUILDINGS			7,665,891	7,641,605	-	-	-	-	-	-	-	-	-	24,286	-	-	7,641,605
FURNITURE & FITTINGS			41,616	24,347	-	-	-	-	-	-	-	-	567	17,836	-	-	23,780
PLANT & EQUIPMENT			60,496	25,041	15,683	-	609	-	(865)	-	1,474	-	6,959	28,205	-	-	32,291
ORCHARDS			4,803,498	3,322,155	990	-	-	-	-	-	-	-	64,531	1,544,884	-	-	3,258,614
HOUSING KAIKOHE			2,216,573	2,186,245	-	-	-	-	-	-	-	-	-	30,328	-	-	2,186,245
HOUSING MOEREWAI			1,498,379	1,510,974	-	-	170,900	-	11,789	-	150,332	21,000	401	125,917	-	-	1,372,462
HONEY			215,526	183,633	-	-	-	-	-	-	-	-	21,748	53,641	-	-	161,885
FORESTS (Amortised)			20,668	19,635	-	-	-	-	-	-	-	-	982	2,015	-	-	18,653
Total Assets			16,522,647	14,913,635	16,673	-	171,509	-	10,924	-	151,806	21,000	95,188	1,827,112	-	-	14,695,535



These financial statements are to be read in conjunction with the accompanying Notes and Compilation Report. These statements have been audited.

Ngati Hine Forestry Trust

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2019

1 Statement of Accounting Policies

Reporting Entity

Ngati Hine Forestry Trust is an Ahu Whenua Trust, established by a trust order dated 23 December 1974.

The special purpose financial report was authorised for issue in accordance with a resolution of Trustees dated 16 October 2017.

The Trust is involved in the business of administration, ownership of land for afforestation, horticulture, manuka honey, nutraceuticals, housing and training programmes.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with A Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by the New Zealand Institute of Chartered Accountants.

Ngati Hine Forestry Trust is designated as an Ahu Whenua Trust and accordingly must comply with the Te Ture Whenua Maori Act 1993. There is no statutory requirement under this act or under the Trust Order to prepare financial statements in accordance with Generally Acceptance Accounting Practice. The Trustees identify the Trust as a for-profit entity and have elected to prepare financial statements on a special purpose basis.

The financial statements have been specifically prepared for internal use.

The accounting principles recognised as appropriate for measurement and reporting of the Combined Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by the trust, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$

Forestry Rights

The value of the Trust's interest in pine forestry rights have not been recognised in these financial statements. The varied economic conditions attached to deriving a valuation are subject to significant fluctuation. The benefits of this exercise are outweighed by the ongoing cost of obtaining valuations and the inherent difficulties in obtaining meaningful information.

Cost of Forest

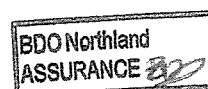
The Stand Unit costing method has been used with forests being recorded at the cost of planting, silviculture and development costs. The Cost of Forest comprises the expenditure on these costs.

NZU's Emission Trading

Units acquired and retained by the Trust are recorded based on the tradable commodity value as at balance date. Any increase or decrease in value will be captured on an annual basis within the Statement of Financial Performance.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Combined Statement of Financial Performance and Statement of Financial Position have been applied:



Ngati Hine Forestry Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 30 June 2019

(a) Revenue Recognition

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

Revenue from orchard operations is recognised when the profit share can be reliably measured. There is provision to carry forward losses incurred and offset with future profits.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Dividends received are recognised on receipt, net of non-refundable tax credits.

Tagged funding received for a specific purpose is recorded as a liability until the conditions are met.

(b) Stock on Hand

Stock on hand (including raw materials, work in progress and finished goods as appropriate) have been valued at the lower of cost or net realisable value on a FIFO basis after making allowance for damaged and obsolete stock.

(c) Accounts Receivable

Accounts Receivable are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

(d) Fixed Assets

Fixed Assets are recognised at cost less accumulated depreciation. Historical cost includes expenditure directly attributable to the acquisition of assets, plus the cost of any replacements that have been capitalised.

Assets are depreciated at diminishing value for Furniture & Fittings, Plant & Equipment, Orchards and Forests (Amortised), and straight line for Land & Buildings, Housing and Honey. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007.

Land and buildings were revalued to Government Valuation at 1 September 1998. For financial reporting purposes this now represents deemed cost. The revaluation reserve created in 1998 has been absorbed with the accumulations balance of the Trust.

Kiwifruit licences are included in fixed assets.

The Trust was gifted one pounamu stone on 17 January 1992 and another seven stones on 25 February 1995 from Ngai Tahu. These are classified as heritage assets for the purposes of financial reporting, however, due to the cultural significance of the pounamu it is not appropriate to place a monetary value on them. Therefore, they do not appear on the register of fixed assets.

(e) Operating Leases

Operating lease payments, where the lessors effectively retain substantially all of the risks and benefits of ownership of the leased items, are recognised in the determination of the operating surplus in equal instalments over the lease term.

(f) Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense recognised in the Combined Statement of Financial Performance is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior years.

(g) Investments

Investments are carried at the lower of cost or net realisable value. Where there has been a permanent reduction in the value of the investments, this has been brought to account in the current period. Ngati Hine H2B Maori land shares were revalued in 2001.

Ngati Hine Forestry Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 30 June 2019

(h) Financial Instruments

Financial instruments - Financial assets

At initial recognition the Trust determines the classification of financial assets as either held at fair value, cost or amortised cost. Financial assets are measured initially at fair value, estimated at the transaction price less any associated transaction costs.

Amortised Cost

Includes assets where the Trust intends to earn contractual cash flows in the nature of principal and interest payments. Such assets are carried at amortised cost. Gains and losses are recognised in statement of financial performance when the assets are derecognised or impaired, as well as through the amortisation process.

Cost

Equity instruments are classified as held at cost. Assets are stated at cost less any accumulated impairment loss. Gains and losses are recognised in statement of financial performance when the assets are derecognised or impaired.

Fair Value

Financial assets not held at amortised cost or cost are held at fair value. Assets are subsequently measured at fair value only when the fair value of the instrument can be reliably measured based on a quoted price for an identical asset in an active market. Gains and losses are recognised in statement of financial performance for movements in the fair value of the assets and when the assets are derecognised.

Financial Instruments - Financial Liabilities

Financial liabilities, including borrowings, are initially measured at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in statement of financial performance.

(i) Goods and Services Taxation (GST)

Revenues and expenses have been recognised in the financial statements exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense to which it relates. All items in the Statement of Financial Position are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

(j) Joint Ventures

The Trust has an interest in joint venture operations, where the Trust is entitled to a share of future economic benefits. The Trust's interest is recorded using the equity method where the Trust recognises its share of earnings and distributions received (in the statement of financial performance) and its share of net assets as an investment in joint ventures (in the statement of financial position).

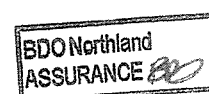
(k) Forestry Assets

All planted forestry assets have been recorded at cost including silviculture and development.

Native forest restoration has been treated as an asset on the basis that it will support future earnings from manuka honey and nutraceuticals.

(l) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.



Ngati Hine Forestry Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 30 June 2019

2 Tax Reconciliation

	2019	2018
	\$	\$
Surplus (Deficit) before Income Tax	1,864,072	(41,968)
Permanent Differences		
Capital Gain on Disposal of Fixed Assets	(303,676)	(21,000)
Adjustment - Protection of Flora and Fauna	(7,571)	-
Transfer Interest NWR Fencing	-	7,662
Legal - Non Deductible	730	3,334
Non Deductible Expenditure	1,000	-
NZU'S - Non Taxable	(342,344)	(667,571)
Study/Training Grant	5,000	10,000
Imputation Credits to Gross up Dividend	167,901	95,398
Cost of Forest	-	(57,856)
Share of Earnings and Distributions from Hineora JV	5,274	34,978
Native Forest Restoration	(7,500)	-
Losses from Conversion of ICA Credits	(959,434)	(545,133)
Tax Losses Utilised This Year	(1,382,886)	-
Total Permanent Differences	(2,823,506)	(1,140,189)
Total Loss	(959,434)	(1,182,156)
Unused income tax losses available to carry forward	1,403,393	1,828,173

The business surplus (deficit) returned for income tax differs from that shown in the financial statements. The difference may have occurred because some figures are not tax deductible for income tax purposes, or other amounts may be required to be separately disclosed in the income tax return. The reconciliation between the two figures is as shown above.

3 Income Tax

	2019	2018
	\$	\$
Opening Balance	(17,033)	(53,823)
Plus:		
Refunds	17,035	53,825
Less:		
Dividend Withholding Credits	29,982	17,035
RWT Paid	22	-
	30,004	17,035
Income Tax (Receivable)	(30,002)	(17,033)

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ASSURANCE *BP*

Ngati Hine Forestry Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 30 June 2019

4 Term Investments

Shares in Companies - at Cost

Taitokerau Forests Ltd - 2,764 shares

NHH Ltd - 100 shares

Taitokerau Miere Ltd - 2,000 shares

Zespri - 490,620 shares (2018; 327,080)

Kerikeri Irrigation - 284 shares

Total

The Trustees intend to retain these shares as a long term investment and therefore consider the cost based accounting treatment to be reasonable. No impairment adjustment is considered necessary.

Shares in Maori Land

Shares in Maori Land

The original cost of 85,644.312 Ngati Hine H2B shares was \$83,699, a revaluation was done in 2001 bringing the value of the shares to \$296,329 (85,644.312 shares at \$3.46/share).

As at 1 July 2007 the historical share revaluation reserve created in 2001 was absorbed within the accumulations balance of the Trust.

The Trust elected to adopt the balance of \$296,329 as forming deemed cost.

The original cost of 85 Motatau 1C9B1 shares was \$18,401.

Total Term Investments

2019	2018
\$	\$
27,639	27,639
100	100
2,000	2,000
292,037	292,037
284	-
322,059	321,775
314,731	314,731
636,790	636,506

5 Financial Instruments

Financial Instruments - Financial Assets 2019

Cash and cash equivalents

Receivables

Shares in Companies

Emissions Trading NZU's

Amortised Cost	Cost	Fair Value
\$	\$	\$
3,258,472	-	-
536,992	-	-
-	322,059	-
-	-	3,954,074
3,795,464	322,059	3,954,074

Financial Instruments - Financial Liabilities 2019

Payables

Loans

(1,100,102)	-	-
(2,305,978)	-	-
(3,406,080)	-	-

BDO Northland
ASSURANCE

Ngati Hine Forestry Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 30 June 2019

	Amortised Cost	Cost	Fair Value
	\$	\$	\$
Financial Instruments - Financial Assets 2018			
Cash and cash equivalents	2,022,987	-	-
Receivables	31,007	-	-
Shares in Companies	-	321,775	-
Emissions Trading NZU's	-	-	3,611,731
	<u>2,053,994</u>	<u>321,775</u>	<u>3,611,731</u>
Financial Instruments - Financial Liabilities 2018			
Payables	(50,351)	-	-
	<u>(50,351)</u>	<u>-</u>	<u>-</u>
6 Term Loans - Secured		2019	2018
		\$	\$
Westpac NZ Ltd - 91			
Total Outstanding		1,502,618	-
Less:			
Current Portion		30,000	-
Term Portion		<u>1,472,618</u>	<u>-</u>
Westpac NZ Ltd - 92			
Total Outstanding		803,360	-
Less:			
Current Portion		5,000	-
Term Portion		<u>798,360</u>	<u>-</u>
		<u>2,270,978</u>	<u>-</u>
Total Term Loans - Secured			
		<u>2,270,978</u>	<u>-</u>
Disclosed as:			
Current		35,000	-
Term		<u>2,270,978</u>	<u>-</u>

The Trust raised the above Westpac loans to purchase the Pukerau Orchard property and Zespri Licences. The loans are interest only to 14 December 2019 and 29 May 2020 respectively, then principal repayments. Maturity date is 14 December 2023 and 29 May 2024 respectively. The bank holds a registered first mortgage over the five orchard properties and had an assignment over orchard rental proceeds.

The Trust has an overdraft arrangement with the bank. As at balance date, the limit was \$400,000 (2018: \$400,000) and the security arrangement mirror those of the loans above.

BDO Northland
ASSURANCE

Ngati Hine Forestry Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 30 June 2019

7 Provisions

Protection of Flora and Fauna

Opening Balance

Movement for period

Closing Balance

During 1998 the Trust received a payment of \$78,232 for fencing after the present tree crop is harvested in 10-12 years. The condition requiring fencing of the kawenata area was amended 14 May 2018 and now requires that this provision is used to establish and maintain an effective pest control programme.

Total Provisions

2019	2018
\$	\$
217,571	209,909
(14,961)	7,662
<u>202,610</u>	<u>217,571</u>
<u>202,610</u>	<u>217,571</u>

8 Trust Capital

Opening Balance

Plus:


Net Surplus

Less:

Net Deficit

Total Trust Capital

2019	2018
\$	\$
21,825,922	21,867,889
1,864,072	-
-	41,968
<u>23,689,994</u>	<u>21,825,922</u>

BDO Northland
ASSURANCE 

Ngati Hine Forestry Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 30 June 2019

As at 1 July 2005 the historical revaluation reserve created in 1998 was adopted as the deemed cost of land and buildings and absorbed within the accumulations balance of the Trust. For future information purposes, the Trust continues to disclose the compilation of the historic reserve.

The Trust balance of accumulations includes the following historical revaluations:

Government Valuations 1 September 1998

a) Leased to Carter Holt (5062.0407ha)	\$
Capital Value	6,361,500
b) Subject to TFL Forestry Right	
(i) Pt Ngati Hine H2B (446.8865ha) Capital Value	1,105,000
(ii) Motatau 1C9B1 (108.193ha) Capital Value \$220,000	
Only 60% owned by the Trust	132,000
c) Land & Buildings Moerewa (Lot 40 DP6732) Capital Value	58,000
d) Kauri Table	20,000
	7,676,500
Less cost of:	
Forestry Block	1,270,748
Land and Building Moerewa	55,764
	1,326,512
Historic Revaluations included within Accumulations	6,349,988
Cost of Forestry Block Land & Improvements (at cost or original valuation)	
Owners Initial Contribution	480,000
Cost of Additional Land	122,879
Cost of Permanent Fencing	384,380
Cost of Survey and Title Costs	283,489
	1,270,748

Owners initial contribution was the value of the Ngati Hine Block at the inception of the Trust.

Accumulations Available for Distribution

Trust Corpus comprising the Owners' initial contribution of \$480,000 and Accumulations comprising Trust retained earnings and the historical land and share revaluations reserves created in 1998.

However, the Ngati Hine Forestry Trust Trust Deed stipulates that Trust Corpus comprises "the land and interests in land specified in the Second Schedule and any other land or interest in land to which Section 243(1)(b) of the Act applies".

In terms of the Trust Deed then, Corpus and Accumulations are:

Trust Corpus

Land originally Leased to Taumata Plantations	\$
(Lease reducing as harvest proceeds)	6,361,500
Subject to Taitokerau Forests Ltd Forestry Right	1,105,000
Motatau 1C9B1 (60% share)	132,000
Trust Deed Corpus Balance	7,598,500

Accumulations

Total Equity	\$	23,689,994
LESS: Trust Corpus		7,598,500
Balance of Accumulations available for distribution		16,091,494
Total Equity		23,689,994

Ngati Hine Forestry Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 30 June 2019

9	AGM/SGM Expenses	2019	2018
		\$	\$
	Catering	6,000	11,660
	Printing & Stationery	14,192	18,654
	Advertising	2,883	4,520
	Sound System	350	700
	Transport	440	770
	Total AGM/SGM Expenses	23,865	36,304
10	Accounts Receivable	2019	2018
		\$	\$
	Prepaid Expenditure	23,161	13,544
	Accounts Receivable	502,139	544
	Total Accounts Receivable	525,300	14,088
11	Accounts Payable	2019	2018
		\$	\$
	Trade Creditors	1,100,102	50,351
	PAYE	16,206	22,717
	Total Accounts Payable	1,116,308	73,068
12	Income Received in Advance	2019	2018
		\$	\$
	Forestry Rental	165,125	48,136
	Other	8,302	7,913
	Total Income Received in Advance	173,427	56,049
13	Commitments under Operating Lease	2019	2018
		\$	\$
	Current	9,528	9,528
	Term	794	10,322
	Total Commitments under Operating Lease	10,322	19,850

BDO Northland
ASSURANCE

Ngati Hine Forestry Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 30 June 2019

14 Orchard Properties - Kerikeri

	2019	2018
	\$	\$
Orchard Properties - Kerikeri		
Te Tara Kowhai - Land	317,383	317,383
Te Tara Kowhai - Vines & Structures	798,807	685,807
Paparata - Land	289,733	289,733
Paparata - Vines & Structures	606,911	606,911
Te Ara Kopeka - Land	246,621	246,621
Te Ara Kopeka - Vines & Structures	660,926	660,926
Ahuareka - Land	904,411	904,411
Ahuareka - Vines & Structures	988,960	985,055
Ahuareka - Gold Licence	105,661	105,661
Pukerau - Land	804,338	-
Pukerau - Vines & Structures	989,939	-
Pukerau - Buildings	122,661	-
Pukerau - GA Licence	1,099,328	-
Te Ara Kopeka - G3 Licence	1,147,200	-
Total Orchard Properties - Kerikeri	9,082,879	4,802,508

On 25 June 2004 the Trust purchased three orchard properties in Kerikeri. In December 2006 a further orchard was purchased. In December 2018 the Pukerau orchard was purchased. The cost price as at balance date is above. These five properties are leased to Seeka - Te Tara Kowhai, Paparata, Ahuareka, Pukerau and Te Ara Kopeka for a term of 15 years. All orchard properties also own water rights which are allocated on a per hectare basis. These water rights are allocated to these four parcels of land and if the orchards are sold the water rights stay with the land.

In July 2014 Te Tara Kowhai was converted to another variety of Kiwifruit.

During the months of August to November 2015 Ahuareka was converted to another variety of Kiwifruit. During July 2019 (after balance date) Te Ara Kopeka was converted to another variety of Kiwifruit.

15 Trustees Payments

	Fees	Travel	Total
	\$	\$	\$
Trustees Payments 2019			
P Paraone	44,285	5,172	49,457
E Beattie	8,400	2,730	11,130
P Tipene	18,800	4,372	23,172
L Bristowe	13,200	3,063	16,263
P Cherrington	8,000	1,188	9,188
W Shortland	4,000	1,144	5,144
E Morton	18,400	9,012	27,412
J Baker	3,600	2,324	5,924
Total Trustees Payments	118,685	29,005	147,690

BDO Northland
ASSURANCE

Ngati Hine Forestry Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 30 June 2019

	Fees	Travel	Total
	\$	\$	\$
Trustees Payments 2018			
P Paraone	22,207	5,969	28,176
E Beattie	15,200	5,763	20,963
P Tipene	19,600	4,579	24,179
L Bristowe	17,200	2,882	20,082
P Cherrington	18,400	2,876	21,276
W Shortland	6,400	1,643	8,043
E Morton	30,400	14,388	44,788
Total Trustees Payments	129,407	38,100	167,507

P Paraone's duties included acting CEO for the Trust from May 2018, his 2019 Fee of \$44,285 included a salary of \$37,885. J Baker replaced E Beattie as Trustee (2018: P Paraone acting CEO fee of \$22,207 included a salary of \$14,207.)

16 Subsidiary companies

Ngati Hine Housing Limited, (NHH Limited), is a wholly owned subsidiary company of the Ngati Hine Forestry Trust. This company is currently dormant and therefore consolidated financial statements are not required.

17 Joint Venture Partnerships

Matawaia Forest

The Trust is a 50 percent partner in a joint venture operation which has the Harvesting and Marketing contract for the Matawaia Forest. The pine crop of the Matawaia Forest was owned wholly by Taitokerau Forests Ltd. Reflected in the Financial Statements with respect to the forestry joint venture:

- Share of earnings/(loss) \$2,691 (2018: \$1,794)
- Investment in joint venture (\$1,858) (2018: (\$4,549))

Honey Operations

The Trust is a 50 percent partner in a joint venture operation which produces manuka honey with Nga Bush Honey Co Ltd. Reflected in the Financial Statements with respect to the manuka honey joint venture:

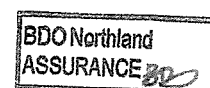
- Share of earnings/(expenses) and distributions (\$68,803) (2018: (\$54,889))
- Investment in joint venture \$nil (2018: \$32,163)

This joint venture has terminated during the year with any proceeds and assets distributed. Accordingly there is no investment balance as at 30 June 2019.

Nutraceuticals

The Trust is a 60 percent partner in a joint venture company Hineora Ltd, which is the vehicle to enter into the nutraceuticals industry. Reflected in the Financial Statements with respect to the nutraceuticals joint venture:

- Share of earnings/(loss) (\$5,274) (2018:(\$34,978))
- Investment in joint venture \$7,123 (2018: \$12,397)



Ngati Hine Forestry Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 30 June 2019

18 Cost of Planted Forest and Forestry Right Agreement

The Stand Unit costing method has been used with forests being recorded at the cost of planting, silviculture and development costs. The Cost of Forest comprises the expenditure on these costs.

The Cost of Forest represents the cost incurred by the Trust to plant the pine trees during the 2011, 2012, 2017 and 2018 financial years. On 11 April 2018 the Trust entered into a Forestry Right with the Crown to establish second and third pine rotation crops. The pine trees planted by the Trust in 2011, 2012, 2017 and 2018 were included within the Forestry Right. The Forestry Right is in two parts (both identical, but covering the forest estate in two parts) will, once fully implemented, have established a second rotation pine crop comprising 2,893 hectares. From this Forestry Right the Trust receives a annual rental (paid quarterly) from the Crown and on harvest commencing in around 2035 the Trust will commence receiving a significant percentage share of the net stumpage (harvest) proceeds. All costs during the term of the Forestry Right are met by the Crown. As the second rotation is harvested the Crown will replant a third rotation pine crop all at the cost of the Crown which will then be handed over to the Trust. The Forestry Right will therefore conclude at the end of the second rotation leaving the Trust owning 100% of the third rotation.

19 Emissions Trading - NZU's

The Trust has an ongoing obligation and commitment to comply with the Emissions Trading Scheme. The Trust is a landowner of pre 1990 forest land and as such is a mandatory participant in the Emissions Trading Scheme (ETS). This effectively means that the Trust must either maintain the use of the land via replanting or some form of natural regeneration or it will incur a carbon emissions liability.

In 2012 the Trust received 1,472 and in 2013 2,368, totalling 3,840 NZU's in relation to pre 1990 forest land on Motatau IC9B1. As the Trust owns 60% of Motatau IC9B1, 60% of the NZU's belong to the Trust. The Trustees have recognised the 60% share of those NZU's on hand as at 30 June 2019 in conjunction with the primary block noted below.

In 2011 the Trust received 104,972 NZU's which were subsequently sold. The sale proceeds were included in the 2011 accounts. In 2014 168,868 NZU's were received and are being held by the Trust. For financial reporting purposes, the NZU's retained are recorded based on the tradable commodity value at balance date; being \$23.10 as at 30 June 2019 (2018: \$21.10).

NZU's transferred under the allocation are considered capital in nature and therefore, they are not subject to income tax when they are received or sold by the Trust. Also, no tax is payable on any increase in market value of the NZU's during the time they are held.

20 Marae Grants Commitment

The Trust has committed to the following Marae Grants:

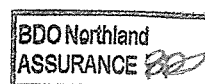
9 April 2019 Ngawha Marae Committee \$50,000 (2018: nil)

29 May 2019 Otiria Marae \$40,000 (2018: nil)

21 MPI Tagged Funding

The Trust has entered into a funding agreement with MPI to provide a training and work experience programme for 40 recruits and to establish a 495ha Manuka Plantation on Trust land.

MPI may recover funding which has been misspent, uncommitted as it has not been spent or contractually committed, activities are abandoned or excess funding received. i.e. they have an ability to recoup funding in certain circumstances. For that reason unspent tagged funding is recorded as a liability in the balance sheet.



Ngati Hine Forestry Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 30 June 2019

22 Related Parties

The Trustees of NHFT are trustees of Ngati Hine Forestry Charitable Trust and shareholders of Ngati Hine Housing Limited (NHH Ltd). The Trust administration manager is the sole director of NHH Limited. The Ngati Hine Forestry Trust made no distribution to the Ngati Hine Forestry Charitable Trust (2018: Nil). No administration fees were received from Ngati Hine Housing Limited (2018: Nil).

A bank balance of \$2,263 is held in the name of collective Trustees Ngati Hine Forestry Charitable Trust and Ngati Hine Forestry Trust (2018: \$2,343)

Effective 11 October 2014 Pita Tipene was elected director of Taitokerau Forests Limited. The Trust transacts with this company on an annual basis and holds shares.

Ernest Morton and Pita Paraone as at balance date were Directors of Hineora Limited and all Ngati Hine Forestry Trust Trustees are shareholders.

Trustee Pita Paraone was appointed as acting CEO of the Trust for the period of 9 May 2018 to 9 September 2018. Pita was remunerated for his services by way of an arms length salary. This cost is reflected in note 15.

23 Capital Commitments

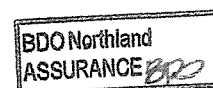
At Balance date the Trust has no commitments. (2018: Nutraceuticals JV Agreement to contribute capital of \$12,625 to Hineora Limited).

24 Contingent Liabilities

The trust has no contingent liabilities and no guarantees as at 30 June 2019. (2018: Contingent Liabilities Nil. Guarantees Nil.)

25 Events Occurring After Balance Date

Subsequent to Balance Date the Trust entered into an agreement to purchase 40 shares in Hineora Limited on 9th September 2019 for \$20,000.





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INDEPENDENT AUDITOR'S REPORT TO THE BENEFICIAL OWNERS OF NGATI HINE FORESTRY TRUST

Opinion

We have audited the financial statements of Ngati Hine Forestry Trust ("the Trust"), which comprise the statement of financial position at 30 June 2019, and the statements of financial performance and statement of changes in trust funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Trust for the year ended 30 June 2019 are prepared, in all material respects, in accordance with Chartered Accountants Australia and New Zealand's Special Purpose Financial Reporting Framework for use by For-Profit Entities ("the CA ANZ Framework").

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

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

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

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

Trustees' Responsibilities for the Financial Statements

The Trustees are responsible for the preparation of the financial statements in accordance with the CA ANZ Framework and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

PARTNERS: Adelle Allbon Angela Edwards Scott Kennedy Robyn Terlesk

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

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

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

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

Who we Report to

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



BDO Northland
Whangarei
New Zealand
23 October 2019



Ngati Hine Forestry Trust

Trustees' Recommendations to be

Considered by the Beneficial Owners at

the 2019 Annual General Meeting:-

- 1. That the beneficial owners receive the 2019 Annual Report**
- 2. That the beneficial owners receive the 2018/2019 Financial Statements**
- 3. That the beneficial owners authorise the Trustees to appoint BDO Northland, or equivalent, as auditors for the 2019/2020 financial year**



Ngati Hine Forestry Trust

Te Pae Tawhiti — Our Vision

“He Whenua Hua—He Tangata Ora”
(Productive Lands, People Wellbeing)

Te Kaupapa — Our Mission

“He Ringa Ahuwhenua, He Hanga Mahi”

Our Overall Purpose - To Actively Influence

Whainga 1: Exotic Forest	Whainga 2: Horticulture	Whainga 3: Native Forest	Whainga 4: Supplementary
A) Strengthen the Evolving Mosaic Approach B) Quality Management through the JV C) Grow Parallel Cash Flow Enterprises D) Foster Value Added Processing	A) Extend our Kiwifruit Business B) Examine Diversification C) Explore options for H2B Block D) Investigate Marketing Options	A) Grow Viable Manuka Hive Numbers B) Build the Relevant Infrastructure C) Expand our Products D) Market Product through	A) Develop Organic Production B) Advance Nutraceuticals Business C) Explore Geothermal Potential D) Develop Forest Services and Activities
Whainga 5: Sound Governance			
A) Well Defined Strategies	B) Clear Policies and Procedures	C) Stronger Connections with Owners and Stakeholders	D) Robust Governance

Nga Tikanga - Our Core Values

1. Mana Motuhake
Self Reliance
2. Kaitiakitanga
Safeguard our Lands
3. Te Tu o Ngati Hine
Ngati Hine Conventions
4. Whakanekeneke
Transformative
5. Manawaroa
We plan long term



Ngati Hine Forestry Trust - Current and Past Trustees

Period	Trustee	Status
1974 - 1985	Tupinia Te Para Burrows Puriri	
1974 - 1991	John Graham Alexander	
1974 - 1983	Victor H. Hensley	Past Chairman
1974 - 1994	Michael Kaye Deverell	
1974 - 1996	Tamati Huirua Paraone	Past Chairman
1997 - 2008	Tamati Huirua Paraone	Past Honorary Trustee
1974 - 1980	Lou Shortland	Past Chairman
1974 - 1980	Rahui Bristowe	
1980 - 1986	Maori Trustee	Sole Trustee; assisted by Advisory Trustees
1980 - 1988	Rewi Pereri (Dave) Wiki	Past Chairman
1980 - 1985	Rongo Morton	
1980 - 1985	Rosie Tipene	
1980 - 1985	Richard (Dick) Kake	
1980 - 1985	Walter Whiu	
1980 - 1985	Steven Brown	
1983 - 2003	Samuel Kevin Prime	
1985 - 1989	Lou Tana	
1985 - 1989	Marie Jean Tautari	
1985 - 1993	William Coffey (Junior)	
1985 - 1996	John Taite Davis	
1989 - 1992	Muriwai Pomare	
1989 - 1996	Rongo Morton	Past Chairman
1991 - 1994	Hanita Tiari Paraone	
1992 - 2007	Mitai Paraone-Kawiti	
1993 - 1996	Ranga Tui Hepi Maihi	
1993 - 1998	Hori Parata	
1994 - 2010	Marie Jean Tautari	Past Chairperson
1994 - 2001	Maryanne Cheryl Baker	
1996 - 1999	Moana Ihaia Kake	
1996 - 2010	Raewyn Tipene	
1996 - 2012	Caroline Beattie Wihongi	
1996 - 2019	Rewiti Pomare Kingi (Pita) Paraone	
1998 - 2002	Hirini Hori Henare	
1999 - 2006	Jimmy Nukutawhiti Palmer	
2001 - 2004	Edward Graham Beattie	
2002 - 2008	Averill Poa	
2003 - 2006	Mere Maryann Mangu	
2004 - 2019	Pita William Tipene	Current Trustee and Chairman
2006 - 2009	Jason Cooper	
2006 - 2018	Edward Graham Beattie	
2007 - 2010	Lu Hau	
2008 - 2015	Alexander Joseph Critchfield	
2010 - 2013	Tui Shortland	
2010 - 2016	Peeni Henare	
2012 - 2019	Len Bristowe	Current Trustee
2013 - 2019	Pita Cherrington	Current Trustee and Deputy Chairman
2016 - 2019	Waihoroi Shortland	Current Trustee
2016 - 2019	Ernest Morton	Current Trustee
2018 - 2019	Jim Baker	Current Trustee



A Brief History of the Ngati Hine Forestry Trust

The following is a brief recital of the more salient events which have occurred and impacted on the Trust and its operations from 1968 till the present day.

- 1968 to 1972 Rates arrears with potential loss of land.
- 1972 Amalgamation meetings (72 blocks).
- 1974 Creation of Trust by Maori Land Court with seven Trustees.
- 1975 Lands amalgamated.
- 1975 to 1980 Investigation of Forestry. A lease with CHH is proposed. Prolonged disputes amongst owners & Trustees. Lease does not proceed.
- 1980 Maori Trustee appointed as Trustee with 5 advisory Trustees.
- 1981 Lease to CHH of approx. 85% of land. (1 rotation, 7% annual rental & 9% of stumpage from a sawlog regime). Initial annual rental of \$80,580. Owners retained 555 ha at Matawaia to develop into forestry. Funded by TEP, PEP, FEG, loan moneys, tax incentives & rental from CHH lease. Trust borrowed \$550,000 at low interest rates from MLB to fund part of the Matawaia Forest Development, fencing, survey, purchase of Crown shares & the purchase of extra land.
- 1984 Labour Govt. elected. Stopped FEG, PEP & tax incentives. Interest rates & costs started to rise.
- 1985 Costs of forest development rising
- 1986 Eight owners selected Trustees replace the Maori Trustee.
- 1986 TFL created to fund & develop forestry on Maori land. Financed initially at \$1.0 million per annum for 10 years. Ngatihine becomes a shareholder in TFL. TFL took over the development of Matawaia and paid an annual rental. Interest rates continued to rise.
- 1988 CHH annual rental increased to \$97,376.
- 1987 to 1990 Dispute with CHH over interpretation of management objectives in the lease. Settled with creation of Trustees forest area (474.5 ha of which the Trust receives 100 % of proceeds at harvest).
- 1990 National Government elected.
- 1991 Govt. stopped funding TFL and charged high interest rates. Govt. called up the Ngati-Hine Trust mortgage on the land. Trustees subsequently refinanced with Westpac.
- 1991 to 95 TFL sought alternative funding sources.
- 1993 CHH annual rental increased to \$189,000.
- 1994 TFL proposed a Company float and a Forest Right Variation. This failed to eventuate and the variation lapsed. Trustees make an application to the Nga Whenua Rahui Fund. MLC increases the number of Trustees to nine.



- 1995 Name of Trust changed from Ngatihine Trust to "Ngati-Hine Forestry Trust".
MLC closes three roads and vests these in the Trust.
Nga Whenua Rahui application successful.
Negotiations with CHH over closed roads etc.
TFL paid for further silviculture at Matawaia.
- 1996 Nga Whenua Rahui Application injunctioned. TFL successfully re-negotiates with Crown & produce a new package for owners. This is accepted by the Trustees.
TFL completes silviculture at Matawaia.
- 1997 Tamati Paraone appointed as an honorary Trustee.
Debt with Westpac repaid and Trust is essentially debt free.
Trust resolves outstanding closed roads and other land issues with CHH for \$60,400. TFL pays \$134,600 to the Trust for the TFL forest right variation but held in trust pending completion of legal matters. Injunction against completing the Nga Whenua Rahui grant is lifted, but NWR payment still delayed.
- 1998 CHH annual rent increases to \$343,000. NWR pays out \$250,000 plus \$78,000 (held in trust) for fencing. Charitable trust and native timber policy proposed. History project initiated and current ownership schedules, addresses etc. completed.
- 1999 Trust has substantial tax paid cash surplus and investigates alternate investment options.
- 1999 The Trust founds and funds the Ngati-Hine Charitable Trust to address social and cultural obligations. Trust finally receives proceeds from the TFL restructuring grant. Cash reserves rise to \$753,849. Early forest development costs from Motatau 1C9B1 are recovered. Native timber policy (i.e., no more commercial extractions) adopted.
- 2000 Cash reserves rise to \$860,200. Sale of 5,563 Trust owned shares in Ngatihine H2B to Murray Ward. Trustees actively involved with various CHH Hui. Charitable Trust makes first tertiary education, Marae & special needs grants (total \$72,500).
- 2001 Trust Cash reserves rise to \$1,010,000. Trustees focus on investment and strategic planning matters. History project implemented. Charitable Trust makes education, elderly, Marae & special grants of \$113,354.
- 2002 Cash reserves rise to \$1,114,000. Trustees investigate alternative investments including additional land purchase & a housing project. Trust runs two forest training courses in Moerewa with WINZ & Northland Polytech. Charitable Trust makes grants totalling \$93,000.
- 2003 Cash reserves increase to \$1.3 million. Trust moves to diversify its assets. A substantial housing application to HNZN is made. Trustees also propose to purchase non-forest investment properties. Trust runs a further two forestry training courses in Moerewa. Changes to the Trust order made to separate the corpus lands from investments.



- 2004 Iwi Housing Manager appointed to deliver HNZN Rural Housing Programme from Trust's Moerewa Office. Trust established an administrative office in Whangarei & appoints an administrative manager. Three kiwifruit orchards in Kerikeri purchased. Ongoing negotiations with HNZN with regard establishment of a social housing portfolio.
- 2005 Review of Forest Rent increases rent to \$400,400 pa. Purchased Zespri shares. HNZN loan agreement entered into to establish social housing portfolio.
- 2006 Purchased a fourth kiwifruit orchard (Ahuareka) in Kerikeri. Trust now owns a total freehold area of 35.75 ha with a canopy area in kiwifruit of 23.91 ha plus one house. Purchased and renovated eleven homes in Kawakawa & Moerewa for social housing utilising HNZN funding. Social Housing Coordinator appointed to deliver social housing services funded jointly by HNZN and MSD. Capital improvements made to Kiwifruit orchards. TPL4 purchases the CHH lessees interest in Ngatihine H2B and HFM becomes the forest managers.
- 2007 Purchased further Zespri shares bring total share holding in Zespri to 58,332 shares. Negotiation with HNZN for further funding to extend social housing portfolio. Purchased 3.2 hectares of gold kiwifruit licence to convert green to gold on Ahuareka Orchard. Negotiations with TPL4 and other parties with respect of a second forest rotation.
- 2008 Ongoing capital improvements to Kiwifruit orchards. Conversion of 3.2 hectares of green to gold kiwifruit on Ahuareka Orchard. Action underway to extend social housing portfolio utilising a second HNZN loan facility. MLC and High Court proceedings instigated against Hirini Manihera, Patrick Brown and Waiomio Downs Logging Limited to stop their illegal logging on Trust lands. Ongoing negotiations with various forest parties for a second rotation.
- 2009 Harvesting commenced with the first tree felled at a special ceremony on the 10th March 2009 on Te Ara Road, Ngapipito Road, an area planted in 1983. On going investigations with respect of a second rotation and lobbying of Government with respect of the impact on the Trust of the Emissions Trading Scheme. Negotiations to extend housing portfolio with new homes in Kaikohe advanced. Further capital work on kiwifruit orchards undertaken. Information Sharing Hui with owners held in May 2009.
- 2010 Harvesting continuing at an increased pace with 180.5 hectares of harvested forest land having been surrendered by the lessee to the Trust to date. Planning and deliberations with respect of a second rotation continued. The Emissions Trading Scheme was finalised by the Government in late 2009. The restructuring of the TFL debt to the Crown was completed in late 2009. The building of ten new homes in Kaikohe commenced in the later part of the year. These will be leased to HNZN for 15 years. A Zespri Gold 9 licence was acquired for 0.5 hectare being an initial start to converting the green kiwifruit on Rangitane orchard. A review of the Strategic Plan was commenced which included a two day Trustees hui at Motatau Marae with invited owner presentation. An Information Hui for owners was held in May 2010.



2011 The Trustees completed their review of the Trust's Strategic Plan 2010 – 2025 and a revised plan was approved on the 9th October 2010.

The Trust completed the building of the ten homes (eight two bedroom and two four bedroom) in Kaikohe in December 2010 and all of these have been leased to HNZC for fifteen years. The HNZC Rural Housing Programme which the Trust had been involved with for some eight years was terminated by the Government on the 31st December 2010.

The Trust's four kiwifruit orchards continued to perform well. Psa (*Pseudomonas syringae* pv *actinidiae*) was discovered in November 2010 in the Bay of Plenty. To date Psa has not been identified above Auckland.

In December 2010 the Trust received its initial allocation of 104,972 New Zealand Units (NZUs) for the 4,564 hectares of the Trust's pre 1990 exotic forest. The Trust sold all of these NZUs for \$2,062,349.00. A further allocation of 168,868 NZUs is to be made to the Trust in 2013.

The kiwifruit orchards Westpac mortgage was further reduced by \$1 million.

The lessee TPL 4 via their New Zealand agent HFM has continued to harvest the forest on both sides of the forest on Ngapipito Road with some 472 hectares of plantation forest land formally surrendered back to the Trust as at the 1st April 2011, and as at the 30th June 2011 the lessee had returned 581.7 hectares on land which includes reserves and non plantation areas.

As a consequence of the Emissions Trading Scheme and the inability to find at this time a second rotation joint venture partner or a new lessee the Trust was faced with the requirement to fund itself the re establishment of a commercial forest.

During the early part of the 2011 winter some 353.3 hectares was re planted in *pinus radiata* and a further 109.5 hectares (harvested in 2009) was released sprayed. The cost of this was \$445,808.00 and was funded from the proceeds from the sale of the NZUs. A "first tree" planting ceremony was held on the 4th May 2011.

The Trust continued its involvement with a Joint Venture partner (Harvest Pro) operating one harvesting crew (Kaiwae Harvesting Ltd) within the Trust's forest.

The Trustees commenced a process to review the Trust Order. As a consequence of a Maori Land Court hearing with respect of a challenge to the outcomes of the 2010 Annual General Meeting election process by Marie Tautari the Court on 19th May 2011 instructed the Trust to apply to the Court for a review of the Trust under Section 231 of the Te Ture Whenua Maori Act 1993.

2012 The Trustees undertook a review of the Trust Order with a new proposed Trust Order being presented to the beneficial owners at both the 2011 Special General Meeting and at the 2011 AGM. The review of the Trust and the approval of a new Trust Order are still processes which are still progressing through the Maori Land Court.



The Trustees reviewed the Trust's Strategic Plan and reaffirmed their objective to move from the "passive" investment of the Trust's assets and in to an "active" management regime.

The Trustees appointed a new Chief Executive Officer Jonathan Rishworth to lead the implementation of the Trust's strategic objectives. The new CEO replaces the Trust Manager role which had been filled for many years by Michael Corrigan.

Second rotation planting was carried out during the 2012 winter with a further 287.1 hectares established in radiata pine.

2013 The Maori Land Court approved a new Trust Order for the Trust on the 22nd March 2013.

The Maori Land Court undertook a review of the Trust in terms of Section 231 of Te Ture Whenua Maori Act 1993 and a hearing with respect of this matter was held on the 22nd March 2013. Decision still pending at time of writing.

The lessee TPL 4 harvested 140,435 tonnes from the forest and to date the lessee has surrendered 1,107.6 hectares back to the Trust.

A joint venture partnership was formed with Kiwi Forestry International Ltd with respect of the harvesting and marketing of the TFL Matawaia Forest and to undertake a second rotation pinus radiata of this forest.

Considerable work and due diligence was commenced with the aim for the Trust to become involved directly within the manuka honey industry.

2014 Change in strategic direction from a passive management regime to a more active hands on approach and to move away from the current mono-culture pine forestry model to an alternative land use model (the Paparata Kaupapa) that is based on native plants and trees.

In November 2013 the Trust entered into a JV partnership with Kiwi Forestry International Ltd (KFIL) with respect harvesting of the first rotation and planting of a second rotation of the Matawaia forest area.

Harvesting of the Matawaia Forest commenced on the 18th December 2013.

Negotiations with TPL 4 and HNZN with respect of gaining 100% control and ownership of the pine forest crop on the Ruatangata Forest were undertaken.

A trial manuka honey JV was successfully undertaken which resulted in two manuka honey joint ventures being established.

Te Tara Kowhai kiwifruit orchard was converted to a Turners and Growers A19 cultivar.

The MLC Section 231 review of the Trust was concluded.



- 2015 The Paparata Kaupapa was advanced with research and analysis of the forest land being undertaken.
- Harvesting of Matawaia continued and the planting of a second rotation pine crop within this forest was commenced.
- Negotiations with TPL 4 to remove the Ruatangata Forest from the lease to TPL 4 was successfully concluded.
- Negotiations with Housing New Zealand to restructure the housing portfolio loans with a more acceptable repayment regime were successfully concluded.
- A Harvesting and Marketing Agreement was entered into with Northland Forest Managers (1995) Limited to manage the harvesting of the Ruatangata Forest.
- Kaiwae Harvesting Ltd the KFIL JV partnership harvesting company was terminated on 31 October 2014.
- Ahuareka Orchard was converted from Hort16 A to Gold 3.
- 2016 Stumpage Sale of the Ruatangata Forest crop to Aubade NZ was transacted.
- All of the Trust's debts to Housing NZ were repaid.
- A pilot trial of planting manuka was undertaken.
- The Trust's manuka honey business was reviewed.
- Harvesting and replanting of the Matawaia Forest continued.
- Work undertaken on future land use options for Trust's forest estate.
- Discussions held with TPL 4 regarding roading compensation liability.
- 2017 Negotiations with TPL 4 regarding roading compensation concluded and variation of lease signed
- Expansion of Manuka honey business
- 105 hectares of 2R pine planted
- 10 hectares of Manuka planted
- Nutraceutical business JV established
- Kiwifruit Debt to Westpac fully repaid
- Detailed land utilisation mapping of the forest estate completed
- Special General Meeting held for beneficial owners in August 2017
- 2018 Forest Right signed with Crown for a second and third pine rotations
- Contract entered into with Crown to plant up to 495 ha of manuka and to provide forestry industry training over a two year period
- Tree planting ceremony "Te Herenga Rua i Pukeatua" on 31 May 2018
- Appointment of new Tumu Whakarae - CEO Huhana Lyndon
- 189.8 hectares of pine planted within Forest Right with Crown



2019 Purchase of a fifth Kiwifruit orchard (Pukerau) in Kerikeri

Cultivar conversion of Te Ara Kopeka kiwifruit orchard from Hayward Green to SunGold G3

Eleven houses in Moerewa and Kawakawa were sold

2018 hectares of manuka planted

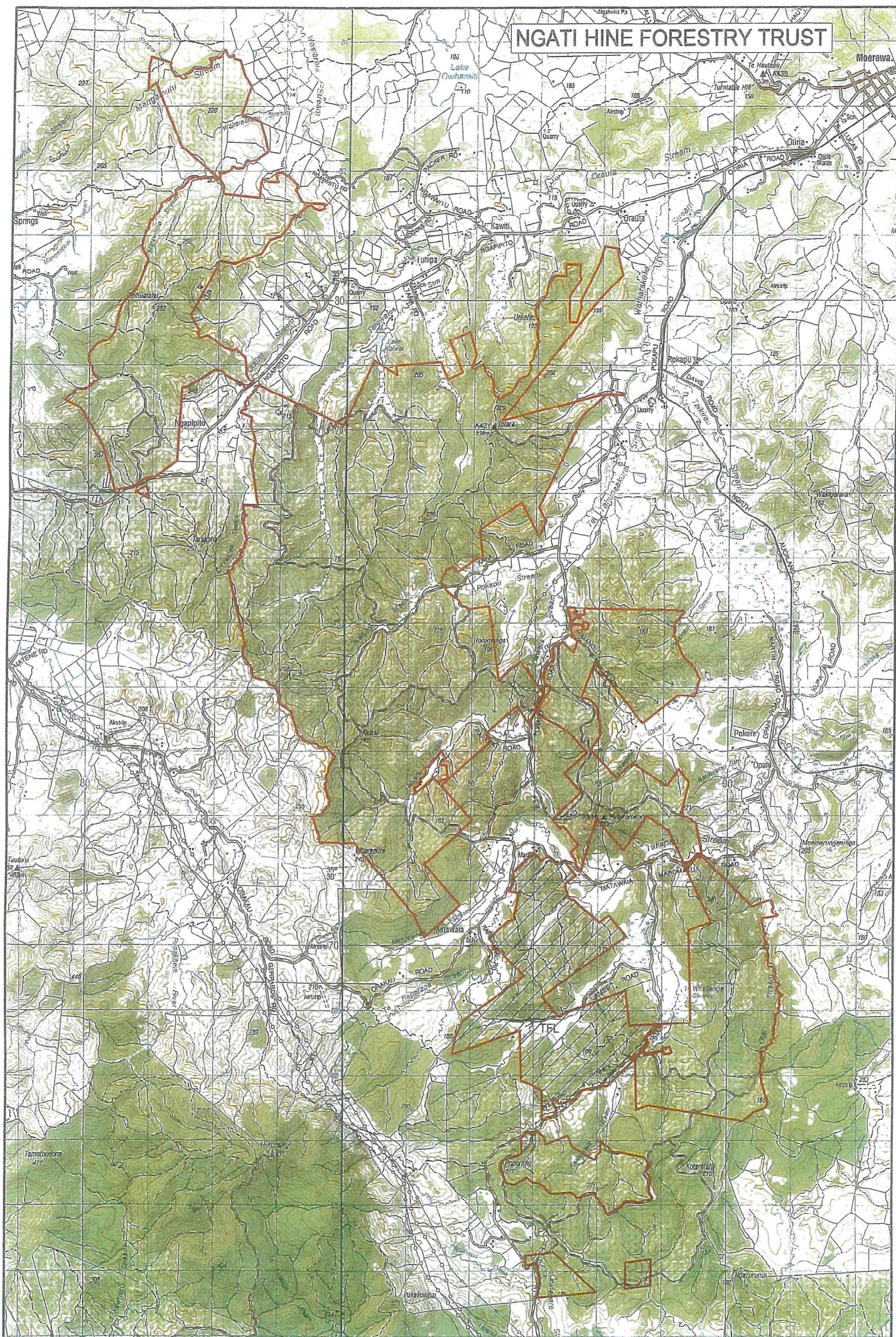
20 forestry trainees achieved a NZQA Level 2 Forestry Qualification with 18 going into full time employment and the two remaining engaged in further training.

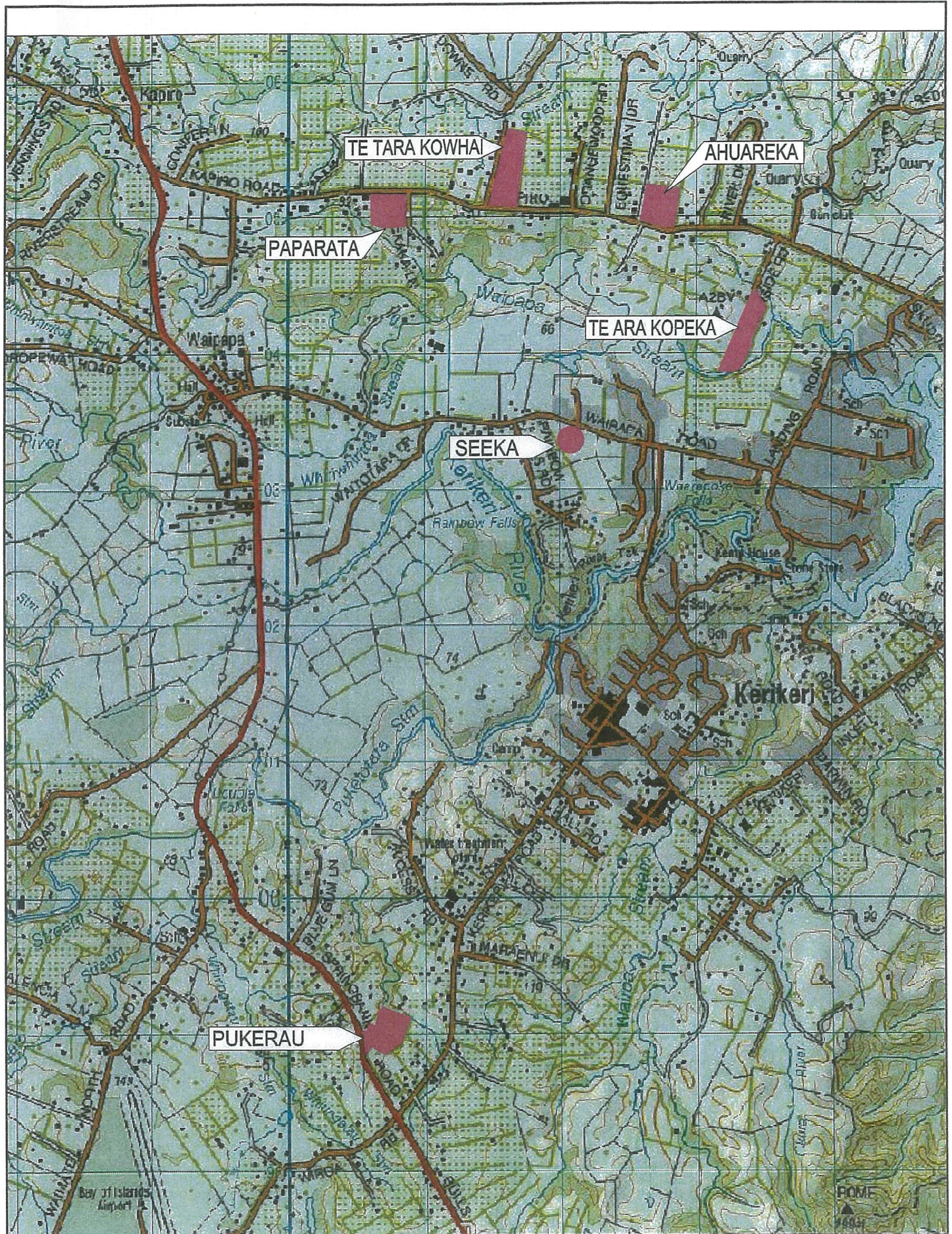
Variation to Nga Whenua Rahui Kawenata enabling "fencing" monies to be utilised for the protection of flora and fauna.

753.9 hectares of pines planted within Forest Right with the Crown

Glossary of Abbreviations:

CHH	Carter Holt Harvey
TFL	Taitokerau Forests Ltd
MLC	Maori Land Court
NWR	Nga Whenua Rahui
TEP	Temporary Employment Scheme
PEP	Project Employment Scheme
FEG	Forest Encouragement Grant
HNZC	Housing New Zealand Corporation
TPL 4	Taumata Plantations Ltd
HFM	Hancock Forest Management NZ Ltd (Hancock's)
MSD	Ministry of Social Development
KFIL	Kiwi Forestry International Ltd
NFM	Northland Forest Managers (1995) Limited
2R	Second pine rotation planting







Ngati Hine Forestry Trust

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