

GROWING OUR FUTURE

2019 Annual Report

 **TE AWANUI**
Ki Te Whai Ao



There is a lot of growth and challenges in our industry at the moment and after a recent strategy refresh with our Directors, it is encouraging to know that our vision and strategy 'Growing Our Future' remains relevant and supported.

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Chairman's Report

Once again, I am pleased to introduce Te Awanui Huka Pak Limited's (Te Awanui/ the Company) annual report for the year ending 31 March 2019. As the Chairman, I'm proud of the progress we've continued to make towards achieving our vision to become 'A prosperous, commercially innovative Maori Collective'.

STRATEGY

At the heart of what we do lies three strategic principles that guide our operations: culture, commercial and collective. That is, everything we do, and every decision that is made must align with our values, advance the collective interests of Te Awanui and achieve social and economic returns our shareholders.

Each year, our highly skilled team are committed to providing our shareholders with the support required to enhance and protect their assets for now and generations to come. The examples provided in this annual report are a glimpse of how we're achieving our annual multi-level challenge of providing shareholders with a dividend, growing the business and minimising debt.

There is a lot of growth and challenges in our industry at the moment and after a recent strategy refresh with our Directors, it is encouraging to know that our vision and strategy 'Growing Our Future' remains relevant and supported.

The Board is confident that the company has a clear direction and operationalising of that whilst ensuring the appropriate policies settings are in place.

Despite our challenges, we're proud to report another good return for the year. A 13.8% return on equity is a fantastic result and over five times higher than any return on government stock. We've also achieved a 28% compound return per annum over the past 6 years.

On the growth aspect of our business the Board signed off a mandate for Te Awanui Capital Limited (TACL) to raise more capital. Shareholders will be aware that TACL was established as a pure investment company, and is now tasked with deploying the commercial aspects of the broader horticulture strategy included in the Growing our Future blueprint.

PEOPLE

Clear vision and strong leadership has enabled the development of our workforce programme Kiwi Leaders. So far, with limited resource we have made a significant contribution to industry by enhancing the perception of the kiwifruit industry among local rangatahi, creating better links between employers and students and advocating for better pastoral support for trainees.

Our unique development model allows individuals to experience the industry, engage with industry leaders and map out a well-supported pathway to a meaningful career.

I am particularly pleased to see our shareholders utilise the service and open their own cadetship programmes. It is exciting to see the seeds of our future being sown and look forward to seeing our whanau take up leadership positions and bring those skills back to our land.

HOLDING TO ACCOUNT

As part of our role of holding Management to account, we set and monitor regularly our annual targets and the deployment of these are reflected in operational Objectives and KPI's. Regular reports are received and reviewed rigourously.

Our objectives for the upcoming 2019/20 year are:

- a) Implement our workplan which seeks to improve the effectiveness of governance
- b) Continue to consider investment opportunities that are aligned to our Growing our future strategy and SIPO (via Te Awanui Capital Ltd);

- c) Strive to meet our financial projections (\$550,000 NPBT);
- d) Drive revenue in Client Services;
- e) Monetize Kiwi Leaders; and
- f) Deploy our innovation strategy.

We will also ask Management to measure the impact of operations through an appropriate dashboard and KPI suite.

INDUSTRY VOICE

We continue to support the Māori Kiwifruit forum as a vehicle to exert influence in the industry.

Notwithstanding that, and of reflection of my last year's report the some of the key industry issues are mentioned then are still prevalent:

- Future deregulation of the NZ Kiwifruit industry and Māori positioning within that.
- Māori land seems to be an essential component of the land required for additional production based on Zespri's projects for market demand, yet neither Zespri nor government through appropriate policy and programme levers support this.

- The efficiency of Zespri, another variety when the world has Red and the profit is equivalent to the revenue gained from the sale of G3 license.
- Availability of the opportunity to grow offshore in countries and through relationships that Māori have relationships with such as with other First Nation peoples, or deep historical bond such as Italy.
- Diversity within Zespri at governance and operational levels.
- The use of sprays in particular copper on the long term sustainable use and wellbeing of our whenua.
- Increased global importance of plant-based foods and the emergence of lab grown foods as part of the future of food.
- Competing Māori land use options which ideally should be leveraging off a solid base of a well know horticulture crop such as kiwifruit.

THE FUTURE

Te Awanui remains one of the largest and successful Maori kiwifruit collectives in the country. With a strong legacy, an innovative strategy and a motivated team we are ready for another year of gains.

As a Board we also need to think inwardly and ensure our governance is 'fit for purpose' and to think about matters such as the size and skills of the Board.

NGA MIHI

I would like to thank my fellow Directors for their commitment and leadership, our staff for their hard work, our clients for their continued business and finally our shareholders for their support and guidance.

Nga mihi nui kia koutou

Ratahi Cross
Chairman



CEO Report



OVERVIEW

I am pleased to present that annual operations report for Te Awanui for the year ended March 2019.

Our strategy 'Ki Te Whai Ao' which involves Growing our Food Basket, People and Innovation shows great potential in this dynamic and growing industry. In the year reported, we have made significant progress against this strategy which includes strengthening our relationship with key stakeholders, achieving the financial targets set by the Board, fantastic returns on our assets, and significant efficiencies created through the improvement of our internal processes and systems.

Each year, the Board review the strategy to ensure its relevant and reflective of shareholder interests. As management, our job is to deploy and report against this strategy which we do through detailed operational plans and KPI's. As mentioned in the Chairman's report our overarching objectives for the 2019/20 year are:

- a) Continue to consider investment opportunities that are aligned to our Growing our future strategy and SIPO (via Te Awanui Capital Ltd);
- b) Strive to meet our financial projections (\$550,000 NPBT);
- c) Drive revenue in Client Services;
- d) Monetize Kiwi Leaders; and
- e) Review our Orchard services in particular development.

I'm proud to present positive results and am motivated by the potential and opportunity this industry and company have to offer.

PERFORMANCE

We achieved phenomenal returns over the years and this year is no exception. Below I have set out our overarching commercial metrics as well as updates on our investments.

	2013	2014	2015	2016	2017	2018	2019
Total Assets \$(m)	\$20.39	\$21.30	\$23.91	\$21.13	\$24.31	\$29.68	\$35.20
Net Assets \$(m)	\$10.00	\$11.20	\$14.10	\$15.50	\$18.60	\$23.10	\$26.20
Value Per Share	\$5.58	\$6.23	\$7.90	\$8.64	\$10.37	\$12.93	\$14.73
Debt/Total Assets Ratio	50.80%	47.30%	40.60%	26.60%	23.00%	21.50%	25.00%
Capital Return Per Annum		11.60%	26.80%	9.30%	20.10%	24.70%	13.30%
Compound Annual Growth Rate since 2013		11.60%	19.00%	15.70%	16.70%	18.30%	17.60%
10 Year Government Stock Return		4.60%	3.20%	2.90%	3.10%	2.80%	2.00%
Return Premium		7.00%	15.80%	12.80%	13.60%	15.50%	15.60%

Our SIPO is deployed through Te Awanui Capital Limited (TACL) and like our strategy is reviewed annually. A summary is set out below.

Summary of SIPO Metrics, Preferred Parties to work with and investment areas of interest

Investment Metrics

- TACL Commercial Metrics:
- Target rate of return: CPI plus 5%
 - Debt: up to 40% of total assets
 - Initial committed capital: \$5 million
 - Target distributions as a percentage of Shareholders Funds 2% after five years

Preferred Parties

- Who we want to work with:
- Investment syndication will be sought on the following priority basis:
 - Te Awanui Capital Ltd Shareholders
 - Tauranga Moana Māori Collectives
 - Māori collectives with historical relationships
 - Other Māori Collectives
 - Seeka Limited
 - Seeka Japanese and Singaporean Shareholders
 - Other Indigenous Investor Networks
 - Broader Investor Network

Investment areas of interest

- We are interested in following sectors:
- Commercial land use options for Māori Freehold Land;
 - Horticulture;
 - Food growing/ harvesting with value-added opportunities;
 - Food technology;
 - Infrastructures, logistics and supply chain;
 - People development/ training; and
 - Growth businesses.

PROPERTY

Our property portfolio comprising 221 Totara Street, 1 Taiaho Place, 2, 10 and 18 Te Awanui Way provides a stable base for our balance sheet and represents 70.6% of our total assets. Our properties are a legacy asset meaning they won't be sold therefore are somewhat restricted in the way we can optimise the returns. The rent reviews are currently underway.

SEEKA LIMITED

Together with our shareholders we are the largest shareholding block in Seeka. The Seeka interest provides proportional participation in the next step in the value chain together with diversification across other fruit categories, value-add and geographical spread. Our Chairperson Ratahi Cross is a Director on Seeka.

In the year reported, shareholders will be aware that Seeka undertook a capital rise via a rights issue of \$47.9m. TACL took circa \$2m of the rights issue at \$4.25 per share.

In addition to being an investment, Seeka provides Te Awanui with additional support to identify and deploy other business opportunities. We have an existing operational Kawenata in place which commits us to working together where there is mutual interest.

RISING SUN ORCHARDS LTD

Shareholders will be aware that TACL has an interest in a 42.1-hectare property (32ha in avocados) in Hauhora, Northland. In the year reported we increased our share in the Rising Sun to 25% with our partners Strathboss Avocados Ltd and Waterview Downs Orchards Ltd making up the further 50% and 25% respectively. Part of the policy is that we receive a 10% cash distribution on our funds invested.

The Rising Sun investment has been a successful investment generating great returns and offering regional diversification. Our investment partners have a high level of capability and experience which provides great confidence around the table. We expect to undertake a valuation of the orchard in the current year. The crop estimate is 1,236 bins and a total of 65,000 trays, being around 15,000 more trays than last season.

MIRO LP

Miro is LP was initially a value chain blueberry business but has now recalibrated to high-value horticulture. They have created a growing syndication and there a developments that have started around the wider Bay of Plenty. TACL holds the minimum parcel of 250,000 units in the company and at this stage and don't expect to increase our position.

TUHONO WHENUA HORTICULTURE LIMITED

Te Awanui has a 10% shareholding in Tuhono Whenua Horticulture Ltd (TWHL), which was established to increase OGR with Maori orchards and to incubate horticulture opportunities. TWHL was instrumental in incubating the Miro initiative above. In the current year TWHL ceased the provision of technical advice and is focusing on capability building. Funded primarily by government funds, the Board of TWHL are reviewing what the future is for the company moving forward.

TEAM PERFORMANCE

TALENTED TEAM

Te Awanui has a talented team, and each of our staff members are already emerging leaders in their own right. We take pride in the fact that Te Awanui is able to contribute to the household incomes of our local whanau, most of whom whakapapa to our shareholders.

This also meets the requirement of our Board to ensure resilience, succession planning and sustainability in the Company. Our cultural mantra is 'whanau first' and this underpins of operational approach and practice.

KIWI LEADERS

In line with succession planning, Kiwi Leaders continues to demonstrate forward thinking when it comes to growing the next generation of leaders for our whanau and industry.

We continue to gain significant awareness of this locally and nationally (for example it has been adopted as the key step change initiative in the wider Bay of Plenty Maori Youth Strategy He Rangatahi He Anamataa). The main costs of this initiative is 1 FTE with a circa 60k spread across two persons, and for what we have achieved on this minimal investment is nothing short of spectacular.

The Kiwi Leader service suite includes:

- A Mentoring Programme
- Scholarship facilitation
- Networking Events
- Recruitment support

Highlights for the 2018/19 year are:

Strategy Review

Our team have refined our service offering to ensure that we get faster conversion of opportunity into action. The team have made the decision to focus more on tertiary students rather than secondary school as these people are more invested in the industry and work ready. The team have also completed a number of workshops to develop a focused operational plan and relative KPI's.

Discovery Tour

A successful Discovery Tour was held in August which hosted 28 students on an interactive tour of the kiwifruit value chain. The tour included presentations by Plant and Food Research, Seeka Ltd and Zespri. The team host a total of four tours each year.

Mentoring Workshops

Emma Walker has run a number of successful mentoring workshops with students and employees in the kiwifruit sector. We have a target of 60 mentors for the year and are well on the way to achieving that. It has been positive to see a number of our shareholder whanau take up the challenge to become a mentor for some of our younger whanau coming through the pipeline.

In the current year we expect to

- Achieve line item funding to scale up the Kiwi Leaders programme
- Run four Discovery Tours
- Run bi-monthly mentoring workshops
- Create 10 cadetships
- Create 10 internships

CLIENT SERVICES

Led by Hiria Te Amo, the Client Service offering includes:

- Secretarial
- Financial Administration
- Shareholder Database Management
- Shareholder Distributions
- AGM Management
- Special Projects

Highlights 2018/19

Barcode AGM registration

The Business Support Services team have implemented a new barcode system for AGM registrations. This means, each shareholder is sent their

AGM booklet with a covering letter that contains the barcode and any relevant resolutions for voting/election. Shareholders will bring their AGM booklets and letters with them to the AGM and simply scan the barcode on entry then take a seat. This innovation will help to achieve better accuracy and speed for our whanau at AGM season.

A Paperless System

This year we have had a focus on decreasing the use of hard copy documentation and increasing the use of the electronic filing system for client records. With the focus on electronic filing, all important documentation is available easily and effectively, and there is less storage space required in the office. We have worked with accountants and auditors to ensure our standards are in line with legal requirements and have been able to improve financial systems for our clients to make monthly management and annual audits more efficient for all parties involved.

Legal Workshops- Successions, Wills and Other Important Māori Land Matters

Over the years, working with Māori Land Trusts, we have come across many shareholders who have been unaware that they were shareholders in land blocks, or were unaware of the succession process and in many cases, quite intimidated by the whole Māori Land Court processes. During the past year we have been in touch with community law centres, local law firms, and even accessed online software, that can support access to drafting wills, successions and other challenging matters relating to Māori Land Trusts.

Reliable Team

The Te Awanui Business Support team is made up of four extremely motivated, experienced and reliable team members, who set high standards

and work tirelessly to complete targets as agreed with clients. This team is made of up Hiria Te Amo, Pani Robinson, Veronica Waiari and Helena Thompson. The key to the success of this team are the documented and agreed systems for all aspects of the service offering, the high levels of communication within the team and the constant planning and reviewing that takes place each month.

2019/2020

For the next year we will continue to seek ways to continually improve systems and processes for our clients and those people whom they serve. We are passionate about Māori determining our own destinies and we support this through the provision of high quality Business Support Services, maintaining strong foundations for Māori governance and operations, for greater things to spring forth for the betterment of our people.

The Federation of Maori Authorities (FOMA) is a new client and TeHoripo Karaitiana (via Te Awanui) chairs FOMA Innovation board as the Chief Adviser Innovation and Research.

One way that Shareholders can support the collective kaupapa of Te Awanui is to consider the utilisation of our Client Services to their respective organisations and networks of influence. In addition to those services above we can assist shareholder to secure funding from external sources. For those already using our services we will strive to exceed your expectations and provide and exemplary service.

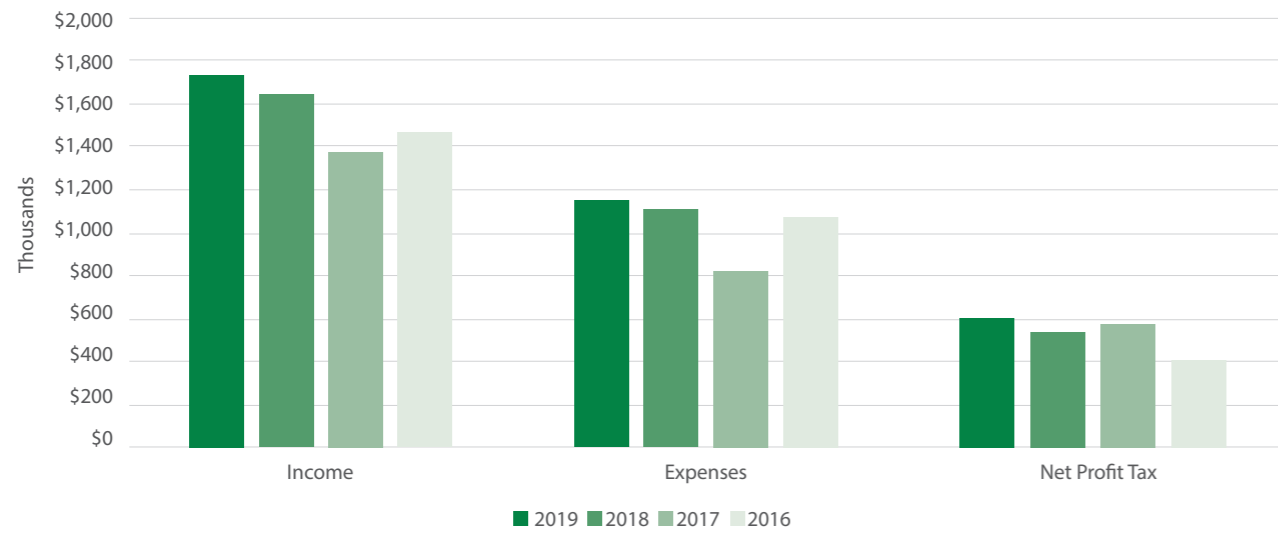
ORCHARD SERVICES

We have recalibrated our advisory services via Bryan Grafas to be done on an as required basis determined by shareholder demand.

FINANCIAL PERFORMANCE

A summary of our financials is set out below.

STATEMENT OF FINANCIAL PERFORMANCE



2019 has been another strong year financially for Te Awanui Huka Pak. Income has increased and has in turn, increased our Net Profit before tax for the year (2019 - \$597k, 2018 - \$535k). This increase was a number of factors, most notably – rent increase in December 2018 for 1 & 10 Awanui Way and the increase in Business Services income.

BALANCE SHEET

Year	2019	2018	2017	2016
Current Assets	\$459,326	\$485,326	\$645,604	\$331,536
Current Liabilities	\$209,463	\$181,818	\$199,762	\$47,156
Non - Current Assets	\$34,738,806	\$29,191,564	\$23,659,479	\$20,771,583
Non - Current Liabilities	\$8,753,000	\$6,350,000	\$5,550,000	\$5,600,000
Total Net Assets	\$26,235,669	\$23,144,810	\$18,555,321	\$15,455,963
Increase %	13.35%	24.73%	20.05%	9.27%

2019 saw an increase of 13.35% of Total Net Assets. An excellent property valuation and the purchase of Seeka Ltd shares were the main contributing factors to the increase. 2019 saw Te Awanui Huka Pak surpass \$35m in Total assets for the first time.

The Board's requirement that we provide a pathway for financial sustainability remains consistent in that we build up the Business Support and Kiwi Leaders net contributions to cover our core operating costs. This would enable us to use the property rental income for debt reduction and/or to increase dividend payments.

The Seeka dividend is passed straight through to our shareholders and investment income will sit in Te Awanui Capital Ltd. The above approach aligns with our directions from the board requiring a blended approach, i.e. growth, dividends and debt optimization. It has been recommended by Management to the Board that any future rental increases be applied to debt reduction.

Upcoming Year 2019/20

Managements jobs is to deliver to the results expected by the Board, we develop our operational plans and KPI's

to do that and are required to provide capability through an appropriate structure and resilient within that.

Finally, I want to our talented team for their hard work and dedication over the last year.

Heoi ano

Te Horipo Karaitiana
Chief Executive Officer

TE AWANUI
HUKA PAK
WILL BE A
PROSPEROUS,
COMMERCIALY
INNOVATIVE
MĀORI
COLLECTIVE

FINANCIAL STATEMENTS

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Directory

Te Awanui Huka Pak Limited
For the year ended 31 March 2019

Nature of Business

Property Ownership and Investments

Directors

Gerard Te Hoe Gardiner
Taaringaroa Albert William Nicholas
Turi Ngatai
Peter Ratahi Cross
Marc Andrew Tauwhitu Rolleston

Chartered Accountant

Finlay Dykzeul Limited
Chartered Accountants
314 Maunganui Road
Mount Maunganui 3116

Solicitors

Cooney Lees & Morgan
87 First Avenue
PO BOX 143
Tauranga 3140

Auditor

William Buck Audit (NZ) Limited
60 Durham Street
Tauranga 3110

Shareholders

Gardiner Trust
Mangatawa Papamoa Inc
Meretaka Trust
K & M Ngatai
M J & M E & R M Ellis
T K J Thatcher
T K Briggs
Murray Orchards
Ngai Tukairangi No.2 Trust
Ngati Haua Development Scheme
Ongare Trust
Patetu Trust
Pirihima Whanau Trust
Pori Pori Development Scheme
Ranginui No 12
Tangitu Whanau Trust
Tauranga Moana Trust Board
Tauwhao Te Ngare Trust
TOTAL SHARES

Registered Office

221 Totara Street
MOUNT MAUNGANUI 3116

Bankers

BNZ
Cameron Road
Tauranga 3112

IRD Number

46-673-573

2,916 Ordinary Shares
174,960 Ordinary Shares
38,880 Ordinary Shares
44,072 Ordinary Shares
45,680 Ordinary Shares
500 Ordinary Shares
986 Ordinary Shares
88,579 Ordinary Shares
302,821 Ordinary Shares
57,101 Ordinary Shares
72,900 Ordinary Shares
39,971 Ordinary Shares
51,516 Ordinary Shares
135,372 Ordinary Shares
217,729 Ordinary Shares
85,000 Ordinary Shares
178,205 Ordinary Shares
243,000 Ordinary Shares
1,780,188 Ordinary Shares

Approval of Financial Report

Te Awanui Huka Pak Limited
For the year ended 31 March 2019

The Directors are pleased to present the approved financial report including the historical financial statements of Te Awanui Huka Pak Limited for year ended 31 March 2019.

APPROVED

For and on behalf of the Board of Directors.

Director



Date 16.8.19.....

Director



Date 16.8.19.....

Consolidated Statement of Profit or Loss

Te Awanui Huka Pak Limited
For the year ended 31 March 2019

	Notes	Group 2019	Group 2018
Income			
Business Services Income - Related Party		111,673	109,708
Business Services Income - Other		69,583	67,177
Seeka Orchard Support		38,853	108,650
Office Rent - Ngai Tukairangi		0	2,560
Lease Income Received - Seeka Ltd		857,486	857,486
Lease Income Received - CRS Tauranga Ltd		230,199	215,812
Dividends Received		357,818	278,830
Gain on Disposal of Fixed Asset		5,001	0
Investment Income		50,000	0
Interest Received		23	213
Sundry Income		14,880	7,500
Total Income		1,735,516	1,647,936

Expenses

Administration Expenses			
Accountancy Fees		567	2,443
Advertising		1,897	2,296
AGM Expenses		3,807	6,738
Audit Fees		8,400	7,135
Bank Fees & Charges		2,984	427
Chairperson Honorarium		10,420	10,400
Computer Expenses & Support		11,049	7,646
Consultancy		25,871	15,924
Contractors Fees		290	15,274
Director Expenses		12,683	
Director Fees		18,000	32,400
Directors Meeting Expenses		5,486	6,062
Director Travel - International		0	4,500
Director Travel		13,337	6,517
Entertainment - 50% Non Deductible		5,236	3,430
Fringe Benefit Tax		6,887	229
General Expenses		1,405	11,524
Kiwi Leaders Expenses		8,678	6,634
Koha & Community Grants		6,951	7,400
Legal Expenses		12,108	20,375
Licences and Subscriptions		14,559	11,726
Innovation Project		30,655	9,506
Meeting Expenses		19,369	14,230
Office Consumables		8,520	7,483
Orchard Support Contractor		27,353	115,623
Postage & Courier		1,780	11,265
Printing & Photocopier Expenses		456	3,684
Stationery		4,775	7,304
Shareholder Events		1,227	0
Staff Training		9,414	5,740
Superannuation		0	58
Telephone and Internet		8,669	9,320
Travel Expenses		33,101	32,826
Travel Expenses - International		9,663	19,189
Valuation Fees		6,915	2,965
Vehicle Expenses		6,816	4,804
Salaries and Wages		407,952	355,881
Total Administration Expenses		747,280	778,958

Standing Charges			
ACC Levy		1,488	908
Insurance		7,527	17,637
Interest - Loans		346,816	277,045
Interest - Overdraft		0	0
Rates		7,353	21,392
Total Standing Charges		363,184	316,983
Non Cash Expenses			
Depreciation	6	28,125	16,602
Total Non Cash Expenses		28,125	16,602
Total Expenses		1,138,589	1,112,543

Net Profit (Loss) Before Taxation		596,927	535,392
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Taxation and Adjustments

Tax Expense	2	47,763	77,672
Total Taxation and Adjustments		47,763	77,672

Net Profit (Loss) After Tax		549,164	457,721
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These financial statements are to be read in conjunction with the accompanying Notes and Auditor's Report.



Consolidated Statement of Changes in Equity

Te Awanui Huka Pak Limited
For the year ended 31 March 2019

Account	2019	2018
Equity		
Opening Balance	23,144,810	18,555,321
Increases/(Decreases)		
Net Surplus	549,164	457,721
Asset Revaluation Reserve	4,805,000	3,190,000
Share Revaluation Reserve	(1,833,438)	1,330,780
Purchase of Te Awanui Huka Pak Shares from Shareholder	(125,687)	0
Dividend Paid	(304,179)	(389,012)
Total Equity	26,235,670	23,144,810

These financial statements are to be read in conjunction with the accompanying Notes and Auditor's Report.

Consolidated Balance Sheet

Te Awanui Huka Pak Limited
As at 31 March 2019

	Notes	31 Mar 2019	31 Mar 2018
Assets			
Current Assets			
Cash and Cash Equivalents	4	213,478	279,927
Accounts Receivable - Related Parties		13,955	13,436
Accounts Receivable - Other		55,591	108,777
Income Tax Receivable	3	16,302	22,925
Total Current Assets		299,326	425,064
Non-Current Assets			
Investment Property	8	24,850,000	20,045,000
Miro Berry Investment	13	160,000	60,000
Property, Plant and Equipment	6	61,071	35,140
Shares in Listed Company	9	8,177,735	8,111,424
Rising Sun Orchard	12	1,650,000	1,000,000
Total Non-Current Assets		34,898,806	29,251,564
Total Assets		35,198,132	29,676,628
Liabilities			
Current Liabilities			
Accounts Payable		172,535	57,349
Interest Payable Accrual		10,484	7,564
BNZ Credit Cards		9,094	8,442
GST Payable		17,350	26,287
Revenue Received in Advance		-	82,176
Total Current Liabilities		209,463	181,818
Non-Current Liabilities			
BNZ Term Loans		8,753,000	6,350,000
Total Non-Current Liabilities		8,753,000	6,350,000
Total Liabilities		8,962,463	6,531,818
Net Assets		26,235,670	23,144,810
Equity			
Retained Earnings	7	7,519,457	7,400,159
Asset Revaluation Reserve	7	12,659,408	7,854,408
Share Revaluation Reserve	7	6,056,805	7,890,243
Total Equity		26,235,670	23,144,810

These financial statements are to be read in conjunction with the accompanying Notes and Auditor's Report.



Notes to the Financial Statements

Te Awanui Huka Pak Limited
For the year ended 31 March 2019

1. Statement of Accounting Policies

Te Awanui Huka Pak Limited (TAHP) is a company incorporated under the Companies Act 1993 and is engaged in the business of Property Ownership and Investments. In 2018 Te Awanui Capital Limited (TACL) was formed as a 100% subsidiary of TAHP.

These financial statements have been consolidated with the above entities and have not been prepared for external use. They are prepared for tax purposes only and should not be relied on for any other purpose. They are therefore defined as special purpose reports and comply with IRD minimum requirements.

Statement of Compliance and Basis of Preparation

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

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

(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 company and revenue can be reliably measured.

(b) Expenses

Expenses have been classified on their business function and recorded at the value the company expects to pay for the goods or services purchased.

(c) Accounts Receivable

Accounts Receivable are recognised at estimated realisable value.

(d) Property, Plant & Equipment

Property, Plant & Equipment is recognised at cost less aggregate depreciation. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

Depreciation Rates have been charged at the following:

Account	Method	Rate
Motor Vehicles	Diminishing Value	30%
Plant & Equipment	Diminishing Value	25% - 80.4%
Furniture & Fittings	Diminishing Value	15.6% - 21.6%

(e) Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense recognised in the 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.

(f) Shares in Listed Companies

Investments in listed companies are stated at market value as traded on the NZ Stock Exchange at balance date.

(g) 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.

(h) Investment Properties

Investment property is revalued on an annual basis by a registered valuer.

(i) Basis of Consolidation - Purchase Method

Te Awanui Huka Pak and its subsidiary, Te Awanui Capital Ltd, comprise the consolidated group. The consolidated financial statements include the parent entity and its subsidiary is accounted for using the purchase method. All significant inter-company balances are eliminated on consolidation.

(j) Changes in Accounting Policies

There have been no changes in Accounting Policies this year. All Accounting Policies were applied consistently during the year.

(k) Shares in Other Entities

Shares in Other Entities are valued at cost at the time of investment.

	Group 2019	Group 2018
2. Tax Reconciliation		
Net Profit (Loss) Before Tax	596,927	535,392
Additions to Taxable Profit		
Entertainment - 50% Non Deductible	5,236	3,430
Koha & Community Grants	6,951	7,400
Imputation Credits Received	160,047	108,434
Share of Partnership Losses	(36,645)	
Non-deductible Expenses	9,663	10,008
Total Additions to Taxable Profit	145,252	129,272
Taxable Profit (Loss)	742,179	664,664
Tax Payable at 28%	207,810	186,106
Imputation Credits	160,047	108,434
Tax Expense for the Year	47,763	77,672



	2019	2018
3. Income Tax		
Income Tax Payable (Receivable)		
Opening Balance	(22,925)	30,069
Previous Year's Tax Payment/Refund	19,904	(31,107)
Provision for Tax	207,810	186,106
RWT Paid	(24,918)	(19,422)
RWT to return on Rising Sun Distribution	3,731	
DWT tax returned to IRD	2,196	
Provisional Tax Paid	(42,054)	(80,136)
Imputation Credits Received	(160,047)	(108,434)
Total Income Tax Payable (Receivable)	(16,302)	(22,925)

	2019	2018
4. Cash and Cash Equivalents		
BNZ Cheque Account	130	172
BNZ Call Account	93	65,077
BNZ Business Account	213,254	214,678
Total Cash and Cash Equivalents	213,477	279,927

	2019	2018
5. Imputation Credit Account		
Imputation Credit Account		
Opening Balance	1,818,450	1,799,087
Increases		
Resident Withholding Tax Paid	24,918	19,363
Imputation credits on dividends received	160,047	108,434
Total Increases	184,965	127,797
Decreases		
Imputation Credits Attached to Dividends	160,047	108,434
Total Decreases	160,047	108,434
Total Imputation Credit Account	1,843,368	1,818,450

6. Property, Plant and Equipment

2019 Fixed Asset Schedule

Asset Type	Cost	Opening Value	Purchases	Disposals	Depreciation	Closing Value
Furniture & Fittings	7,359	1,310	14,417	-	637	15,090
Motor Vehicle	47,226	3,889	34,070	3,695	9,564	24,700
Plant & Equipment	51,512	11,434	764	-	5,838	6,360
Website - TAHP	14,334	6,868	8,500	-	6,268	9,100
Website - Kiwi Leaders	13,967	11,639	-	-	5,819	5,820
Total	134,398	35,140	57,751	3,695	28,126	61,070

2018 Fixed Asset Schedule

Asset Type	Cost	Opening Value	Purchases	Disposals	Depreciation	Closing Value
Furniture & Fittings	7,359	1,571	-	-	261	1,310
Motor Vehicle	47,226	5,556	-	-	1,667	3,889
Plant & Equipment	51,512	2,972	13,940	-	5,478	11,434
Website - TAHP	14,334	13,737	-	-	6,869	6,868
Website - Kiwi Leaders	13,967	-	13,967	-	2,328	11,639
Total	134,398	23,836	27,907	-	16,603	35,140

Group
2019

Group
2018

7. Equity

Retained Earnings		
Opening Balance	7,400,159	7,331,450
Current Year Earnings	549,164	457,721
Purchase of shares	(125,687)	
Dividend Paid	304,179	(389,012)
Total Retained Earnings	8,127,815	7,400,159
Reserves		
Opening Balance	15,744,651	11,223,871
Asset Revaluation Reserve	4,805,000	3,190,000
Share Revaluation Reserve	(1,833,438)	1,330,780
Total Reserves	18,716,213	15,744,651
Total Equity	26,844,028	23,144,810

2019

2018

8. Investment Property

Opening Value	20,045,000	16,855,000
Revaluation	4,805,000	3,190,000
Total Investment Property	24,850,000	20,045,000

The investment properties have been revalued by Telfer Young (Tauranga) Limited to current market value dated 31 March 2019 totalling \$24,850,000 (2018: \$20,045,000).

The original cost of the investment properties was \$13,073,592, made up of land at \$11,623,674 and development of \$1,449,918.

2019

2018

9. Shares in Listed Company

Shares - Seeka Ltd	8,177,735	8,111,424
Total Shares in Listed Company	8,177,735	8,111,424

The company holds 1,714,410 shares (2018: 1,267,410) in Seeka Ltd which represents 5.85% (2018: 8.00%) of the shares on issue. The shares have been revalued to \$4.77 (2018: \$6.40) per share at balance date. This value is the price the shares were traded for on the NZ Stock Exchange at 31 March 2019. During the year, the company purchased 447,000 shares through a rights issue offered by Seeka.

During the year, no shares were sold (2018: Nil).

10. Shares in Tuhono Whenua Limited

The company holds 100,000 shares (2018: 100,000 shares) in Tuhono Whenua Ltd which represents 10% (2018: 10%) of the shares issued. The shares are valued at \$0 (2018: \$0) as at the time of investment there was no value placed on them.

At the February 2018 meeting the Board resolved to exit Tuhono Whenua Limited. At balance date the Board were still awaiting information from Tuhono Whenua Limited in order to determine the details of the exit.

During the year, no shares were sold (2018: Nil).



	Group 2019	Group 2018
11. Term Loan - Secured		
BNZ Term Loan		
Opening Balance	(6,350,000)	(5,550,000)
BNZ Term Loan	(2,403,000)	(800,000)
Total BNZ Term Loan	(8,753,000)	(6,350,000)
Total Term Loan - Secured	(8,753,000)	(6,350,000)

The term loan with BNZ is secured over the land and buildings at the corner of Totara Street, Te Awanui Way & Taiaho Place, Mount Maunganui.

The BNZ loan is interest only as follows:

\$5,550,000 at 4.65% pa - Maturing 29/11/2019

\$800,000 at 5.53% pa - Maturing 29/11/2019

\$1,903,000 at 5.54% pa - Maturing 30/11/2021

\$500,000 at 5.54% pa - Maturing 20/12/2021

The Directors do not intend to repay the loan on maturity but will renegotiate a further term with BNZ.

	2019	2018
12. Te Awanui Capital Limited		
Opening Balance	1,000,000	0
Share of purchase of Avocado Orchard	650,000	1,000,000
Total Te Awanui Capital Ltd	1,650,000	1,000,000

In 2018 Te Awanui Capital Limited (TACL) was formed as a 100% subsidiary. TACL has a balance date of 31 March.

During the year TACL invested \$650,000 (2018: \$1,000,000) in an avocado orchard in Northland owned by Rising Sun Orchard Limited.

TAHP advanced \$650,000 to TACL for the purchase and also incurred \$301 of expenses related to TACL that were on charged (2018: \$6,707).

13. Investment in Miro

Opening Balance	60,000	210,000
Capital Repaid		(200,000)
Capital Called	100,000	50,000
Total Te Awanui Capital Ltd	160,000	60,000

Over the past several years the Company has considered several investment options in Miro Limited Partnership, a partnership formed to investigate the development of a Māori end to end Berry farming operation. In December 2018, 250,000 units were purchased with a total committed capital of \$250,000. As at balance date, \$160,000 capital had been called.

14. Related Parties

Transactions with Poripori Development Scheme, Ngai Tukairangi Development Scheme, Tauwhao Te Ngare Trust, Ranginui 12 Trust and Pirihima Whanau Trust have been disclosed in the financial statements. These entities are related to Te Awanui Huka Pak Ltd as they are shareholders in this Company, which provides them with Secretarial and Administration Services.

Gerry Gardiner is the Chairman of Ngamanawa Incorporation who were provided with Secretarial and Administration Services from TAHP.

Ratahi Cross is a Director of Seeka Limited and a Director of Te Awanui Huka Pak Limited. Seeka Limited leases land from Te Awanui Huka Pak Limited. Te Awanui Huka Pak Limited also has an 5.85% shareholding in Seeka Limited and receives dividends.

Taari Nicholas is the sole owner and director of Matariki Capital Partners Limited which also has an investment in the Miro Partnership.

No related party debts have been written off or forgiven during the year.

There were no significant transactions or transactions with related parties that were on terms and conditions that are likely to be different from the terms and conditions of transactions in similar circumstances, involving non-related parties during the financial year (2018: Nil).

15. Capital Commitments

The company has no capital commitments as at 31 March 2019 (2018: Nil).

16. Contingent Liabilities

The company has no contingent liabilities and no guarantees as at 31 March 2019 (2018: Nil).

17. Events Subsequent to Balance Date

There are no events subsequent to balance date.



Te Awanui Huka Pak Limited

Independent auditor's report to the Shareholders

Report on the Audit of the Financial Statements

Opinion

We have audited the special purpose financial statements of Te Awanui Huka Pak Limited (the Company) and its subsidiary (together "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit or loss and consolidated statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements of the Company and Group are prepared, in all material respects, in accordance with the accounting policies outlined in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Company or any of its subsidiaries.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared to enable the Company to report to its shareholders and for taxation purposes.

CHARTERED ACCOUNTANTS & ADVISORS

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William Buck Audit (NZ) Limited



Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the information included in the Directory, but does not include the financial statements and our auditor's report thereon.

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

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

Directors' Responsibilities

The directors are responsible on behalf of the Company and Group for the preparation of financial statements prepared in accordance with the accounting policies disclosed in Note 1 to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for the selection of accounting policies that are appropriate for the Company and Group.

In preparing the financial statements, the directors are responsible for assessing the Company and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company and Group 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/auditreport7>

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



The engagement director on the audit resulting in this independent auditor's report is Richard Dey.

Restriction on Distribution and Use

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

William Buck Audit (NZ) Limited

Tauranga
23 August 2019

DECLARATION OF INTEREST REGISTER SEPTEMBER 2019

As a requirement of the Companies Act an Interest Register of all Directors is required. The following table lists Te Awanui's Director's interests in companies outside of Te Awanui Huka Pak Ltd. This information will be updated as and when required.

MEMBERS	ROLES AND RESPONSIBILITIES OUTSIDE TAHP LTD:
Ratahi Cross	Director, Seeka Limited
	Chairman, Ngāi Tukairangi No 2 Trust
	Chairman, Tawhiti Trust
	Independent Chair, Manaia Safe Forestry School
	Director, Seeka employee's shares scheme
Andy Rolleston	Chairman, Poripori Farm A Trust
Turi Ngatai	Deputy Chairman, Ngai Te Rangi Settlement Trust and Te Runanga Ngai Te Rangi
	Executive Director Maori, Open Polytechnic NZ
Gerry Gardiner	Chairman, Ngamanawa Incorporation
	Chairman, Ngāti Hangarau Marae Committee
	Trustees, Hangarau Charitable Trust
	Director, Tūhono Whenua Horticulture Limited
Taari Nicholas	Owner, Te Huakiwi Orchards
	Committee Member/Shareholder, Parininihi ki Waitotara Inc
	Director/Shareholder, Southern Pastures Management Limited
	Director, Ngāti Ruanui Holdings Corporation Limited
	Director, P.K.W. Farms Limited
	Director, Te Waharoa Investments Limited
	Director, Taranaki Capital Partners Limited
	Director, Te Kiwai Maui Ltd
	Director, Oriens Capital GP Ltd
	Director, Tai Hekenga General Partner Ltd
Committee Member, Waikato Tainui Group Investments	
Director, Rangitane Tu Mai Ra Limited	
Partner, Miro LP	

DIRECTOR PROFILES

Ratahi Cross (Chairman)

Ratahi has a background in Natural Science specializing in Native flora and fauna. He also lectures in Māori History for several tribes he belongs to.

Ratahi is the Chairman of several Trust Boards throughout the eastern areas of the North Island. He chairs Ngāi Tūkairangi Trust, the largest Māori kiwifruit grower in New Zealand.

The orchard is the jewel in the crown of Māori kiwifruit orchards and is situated on the Matapihi Peninsula at Mount Maunganui. Ngāi Tūkairangi is the largest Māori shareholder in Zespri and Te Awanui Huka Pack Ltd. Ngāi Tūkairangi also has a wholly owned subsidiary called Tūkairangi Investments Limited who are developing multiple strands of business interests both in and outside the industry.

Andy Rolleston (Deputy Chairman)

Ngāi Te Rangī, Ngāti Ranginui, Ngāti Whakaue and Ngāti Rangitihī

Andy is the Managing Director of Pelco NZ Ltd, a privately owned and operated company established in 1995 based in Mount Maunganui, and has extensive experience in the fishing and agriculture industries. He has developed strong networks and governance experience that are testament to the various board and advisory board appointments throughout his career.

Elected by shareholders to the Board of Poripori Farm A Trust in 2010, Andy has held the chairman's position since appointment and also chairs the Trust's Operations Committee.

Gerry Gardiner

Gerry is currently the Chairman for Ngamanawa Incorporation and of the Ngāti Hangarau Marae Committee. He is currently employed as a private contractor.

Taari Nicholas

Chartered Accountant Taari Nicholas has held numerous directorships and was the first Māori member of the New Zealand Stock Exchange. With extensive experience at senior levels in funds management and investment banking Taari has been an Earthquake Commissioner and is currently a director of Te Awanui Hukapak Ltd, Ngāti Ruanui Holdings Limited, Southern Pastures Ltd, and Te Waharoa Investments Ltd (Ngāti Haua).

He is also a Committee of Management Member of the Parininihi-ki-Waitotara Incorporation, trustee of the Pirakau Trust and member of the Waikato Tainui Group Investments Committee.

Turi Ngatai

Ngāi Te Rangī, Ngāti Ranginui

Turi has over four decades of experience in the kiwifruit industry at grower, management and governance levels.

His professional background lies in education spending over 17 years in teaching and principal roles at various primary, intermediate and secondary schools, and a further 17 years in senior management roles at Te Wananga o Aotearoa. These roles led Turi to be awarded an Order of Merit for services to education in 1998.

Turi now resides in Matapihi to support his father on their kiwifruit orchard. Turi is currently the Deputy Chairman at Te Runanga o Ngāi Te Rangī and Executive Director Maori for the Open Polytechnic NZ.



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