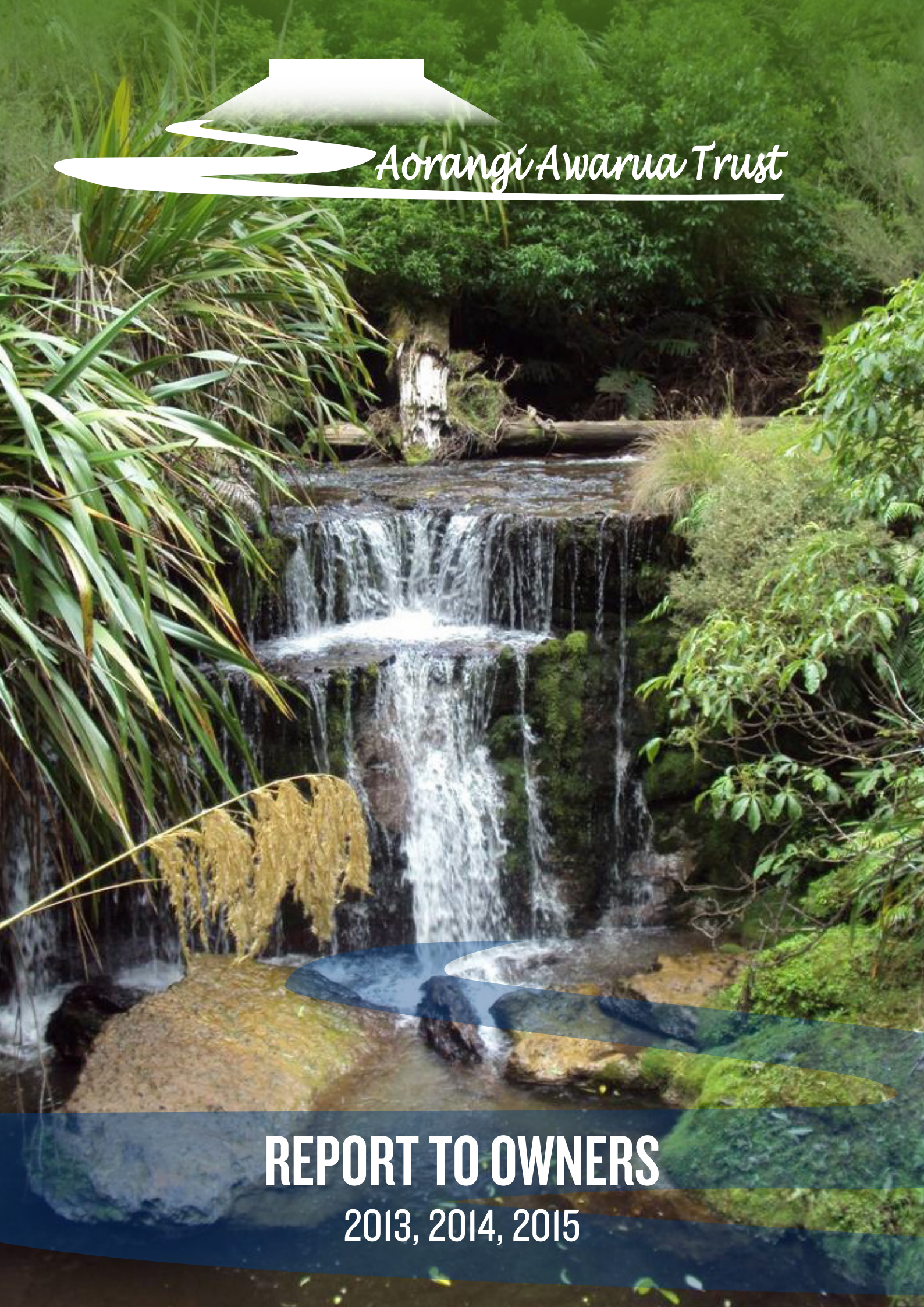


The logo consists of a white stylized shape on a dark background, resembling a mountain peak or a stylized letter 'A' with a horizontal bar.

Aorangi Awarua Trust

A photograph of a multi-tiered waterfall cascading over mossy rocks in a dense, green forest. The water is white and frothy as it falls. The surrounding vegetation includes various ferns, trees, and large rocks.

REPORT TO OWNERS

2013, 2014, 2015

***I whanau mai te Tangata me tona ake mana
Na ko lo i homai, ko mataarangi
Ko mataanuku, na ka puta ki tooku whakapapa
I here au ki te whenua,
Tihei Mauriora***

*Man is born with dignity and honour
Given by our Creator Io Matua kore
From the heavens above to hereupon this earth
This gives rise to our whakapapa and binds us to the land
Behold I breathe the breath of life*



REPORT TO OWNERS

Sometimes it is timely to remind ourselves that as Trustees and owners what the nature of our business and its management of the Aorangi Awarua Lands. The first reminder is that in 1999 the Trust and its owners signed a Conservation Kawenata or covenant agreement with the Government for a term of 25 years via (Department of Conservation). The Kawenata becomes our bible and guide as to how we manage this resource.

As part of the Kawenata agreement the Government provides the Trust with the financial capacity as well as the expertise of staff of the Department of Conservation. Aorangi Awarua 1DB2 Trust was to become one of the early pioneer groups to operate under an Nga Whenua Rahui Covenant.

Conservation is the key principle by which Aorangi Awarua Trust operates. Another timely reminder is that Tamatea left his mokai (pets) behind to oversee our kaitiaki role. This is reinforced in the well-known proverb "E kore te kaitiaki e moe" meaning the guardian never rests.

In 9 years' time the Kawenata will be due for a review, there is no guarantee a further agreement or funding with the government will be forthcoming.

For new Trustees and owners unfamiliar with the land I suppose the best management practice would have to be on-the-job training, walking the land and learning what papatuanuku has to offer. Aorangi its land and its mountain has a huge history predating pakeha colonisation. It is a taonga mai ite Ao Kohatu.

Today the trust wishes to embark on another challenge. We have learned of the difficulties faced by the former trustees of Awarua o Hinemanu Trust and a decision taken by the Maori Land Court.

We wish the owners to consider Aorangi Awarua Trust accepting the future management of the Awarua o Hinemanu lands.

Today the Trust formally says farewell to three of its long serving trustees, Maria Taiuru, Winipere Mauger and Mary Mako. We thank them for their service and contribution to the Trust over the years. Similarly the Trust welcomes the new replacement trustees who are about to be elected at this meeting today.

PEST CONTROL MANAGEMENT BY TAMA WIPAKI

Aorangi Awarua Trust (AAT) has an obligation to its Owners and the Kawenata with Nga Whenua Rahui (NWR) to keep its land free from animal pests and troublesome plants. An animal pest can best be described as been a nuisance and is likely to cause damage. Plant pests are non native, invasive and severely restrict the growth of native plants.

Possums still remain a priority for the Trust yet not a lot has been done in the past three years. Contractors working for Horizon continue to service bait stations along the northern boundary with Mangaohane Station. The latest RTC (Residual Trap Catch) done recently by NWR has put it at 12 - 15% of possum numbers. Ten to twelve years ago it was extremely high up in around 34 -36%.

The Trust is concerned for the welfare of the deer population due to an increase in the numbers and the shortage of good quality feed. We will continue to monitor this situation carefully before engaging any further action.

The Stoat Line on Trust land has 200 stoat traps with the greatest concentration along waterways. The trapping programme has run for nine years and is set to continue for a further three. We are quietly confident all native bird life, including Whio population have benefited. The traps are checked regularly during the summer months thanks to the support of DoC's Community Conservation Partnership Fund, Horizon's and Central North Island Blue Duck Trust.

We work closely with Department of Conservation (DoC) and Horizon's to control common plant pests. Old Mans Beard and White Bryony remain high on the list and are monitored regularly. The Rangitikei River corridor and along the Mangaohane boundary holds agricultural weeds such as gorse, broom and thistles which are sprayed every year. Pinus contorta have now been totally removed from the land.

The Trust continues to encourage Owner's to come join us in the work we are doing on the land.



HUNTING BY PETER STEEDMAN

Firstly I would like to recognize the Trustees for accepting commercial hunting on Aorangi Awarua land and that it could be made into a profitable enterprise, in my view it is still in its prime.

Since the beginning the commercial operation of deer hunting through permits has grown from a \$5,000 annual income into developing a viable revenue earner for the Trust. The income has been used to improve the assets and access ways on the lands. For 2014 -2015 the income exceeded \$22,600. This can be further improved with a formal marketing and promotion strategy. The hunting programme has the potential to grow further, as the mandated Trustee responsible for hunting I look forward to the challenge.

Presently there are seven cabins with hunters utilising five in co-ordination with workers on pest control management and track cutting. The pest control and conservation programme require constant revenue, the hunting fees should be encouraged and used to assist in this work.

Over time deer numbers have increased out of control however through the increased hunter numbers together with a policy of 'No Bag Limit' hunters are slowly decreasing deer numbers.

Conservation and Hunting are working collaboratively to achieve a long term gain for both parties, in the end that benefits everyone.

ECONOMIC DEVELOPMENT BY RICHARD STEEDMAN

Manuka Honey

The harvesting of Manuka honey in recent years has increased dramatically in Aotearoa. This has been an industry suited to many Maori land blocks whom for some reason or another still have a good proportion of

their lands covered with manuka.

Aorangi Awarua Trust Lands in their rural, remote and rugged state are ideal for this type of production although there is also a high proportion of tussock and indigenous forest present.

The Trust recently asked Westervelt Honey (who work closely with the Owahaoko B & D Trust) to conduct a survey of the Trust lands to ascertain potential hive sites suitable for Manuka honey production and the Chair accompanied the Westervelt Bee-keeper to carry out this survey in August of this year.

As a result of that the Trust will conduct a trial of 50 hives for the 2016 season (late December 2015 to early February 2016). These hives and all costs of the operation will be covered by Westervelt including the helicopter ferrying costs of the hives and the Trust will receive a percentage of the honey produced.

The trial should give us an indication of what our hive capacity is (currently estimated at up to 300 hives), the quality of the honey – Non Peroxide Activity (NPA) and the likely costs of the operation especially with the current necessity of air access for hive placement and retrieval.

Other factors the Trust needs to keep in mind are :

1. Only Manuka honey is viable due to helicopter costs.
2. Results can vary significantly each season due to climatic conditions and access to non manuka sources of nectar such as clover.
3. The industry is young and still holds significant risk.
4. The future opportunities of bring economic development and jobs to our people within Mōkai Pātea.

Once the results of this trial are known the Trust will investigate tendering out the bee-keeping and manuka honey production for future seasons.



Economic Development options within a Conservation framework

The Trust has first developed a draft Conservation Strategy due to the high importance our owners place on the values of kaitiakitanga and conservation of our lands over economic development imperatives.

In July 2013, the Trust engaged the Catalyst Group to prepare a Conceptual Conservation Management Plan for the lands. This involved a scan of existing information sources to assess the block's ecological and heritage characteristics; current land management practices; site challenges; relationships with adjacent landowners and agencies; and Kawenata obligations and requirements.

The Trust however has now reached a point with the draft Strategy which requires it to remain as a concept until some high level economic development concepts can also be investigated and both developed in unison. To get a full appreciation of options we need to go into discussions with our neighbours and other potential partners who include Mangaohane Station, Cape Sanctuary, River Valley, Mōkai Gravity Canyon, Owhaoko B&D Trust and Dept of Conservation.

From these discussions we aim to enhance potential opportunities for development within a conservation framework and to explore joint ventures where values are held in common and resources are able to compliment those developments.

The Trust will be employing an independent and appropriately skilled project manager who will be charged with achieving the above objectives.

Erehon Water Scheme

At every meeting we receive report from representative Trustee, Mary Mako and Minutes of Scheme Meetings. As previously reported the scheme supplies stock water (not for human consumption) to approximately 40 water tanks on approximately 25 farms. Farms are rated for the water and scheme is administered by Rangitikei District Council (RDC).

In 2013 Scheme Members replaced the timber wall with concrete. The existing wall was rotting away and gouging occurring along edge of weir. The cost is substantial

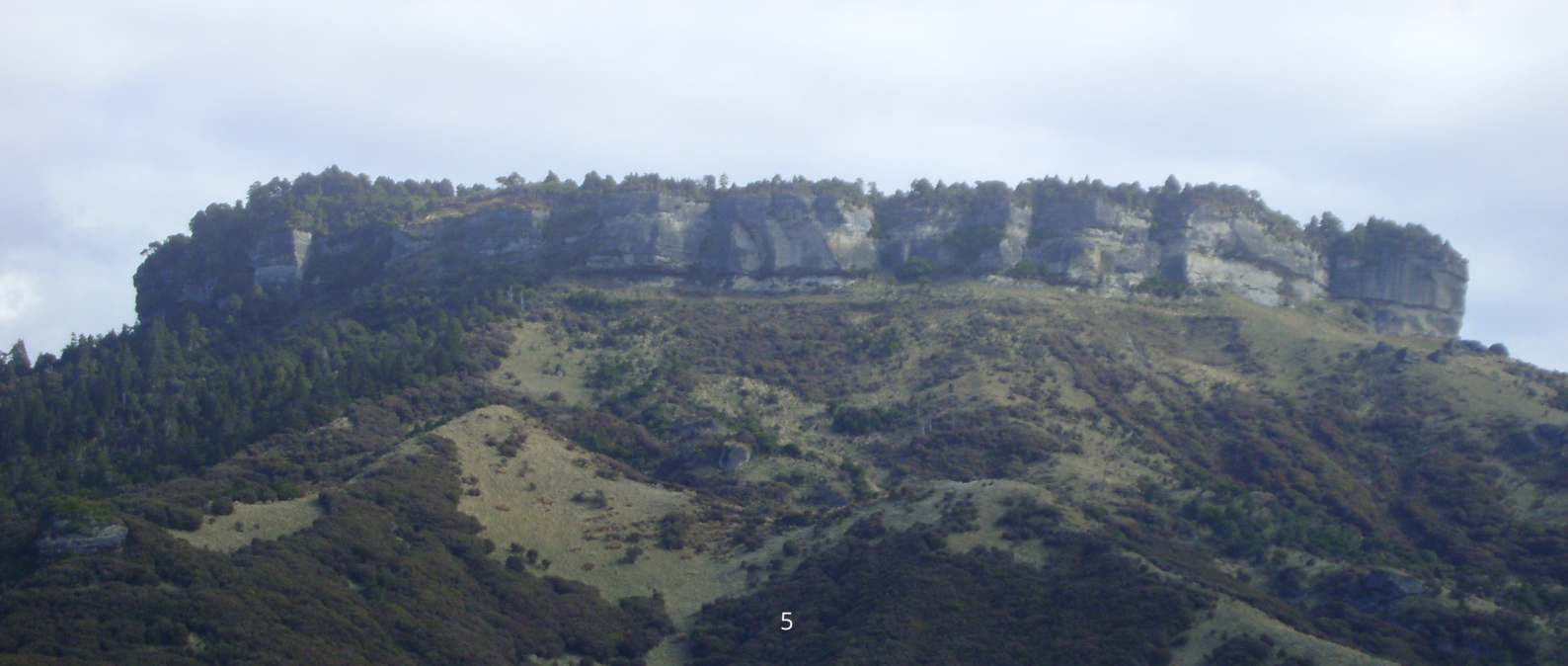
but the rates of scheme users cover the costs. Trustees along with scheme members, the contractor and Council visited the site just before new wall was installed.

Now in its tenth year the Trust will be undertaking a review of the Agreement with RDC.



Photo above shows front wall of weir. You can just see floating below the calm water three white pipes, these are the filters.

Photo below shows Trustees (L-R) Mary, Peter, Ike, Andrew van Bussel from Council (behind) then, Barry Thomas, Dean Smith Contract Plumber and John Gilbert, Scheme Chairman.



REPORT TO AORANGI AWARUA & AWARUA O HINEMANU OWNER'S RE AWARUA O HINEMANU BLOCK

This report concerns the Awarua o Hinemanu Block which is 2,561 Ha and is situated in the Ruahine Ranges. It has approximately 900 Owners of whom the vast majority are in common with the owners of the Aorangi Awarua Trust Lands.

As some owners may be aware there have been issues with the Awarua o Hinemanu Trust (AOHT) first of which is the missing funds from their Nga Whenua Rahui kawenata and the subsequent recovery actions.

As a result of these issues the Court appointed three responsible trustees - Clinton Hemana, Flo Karaitiana and Ranui Toatoa.

The Aorangi Awarua Trust have held conversations with both Clinton Hemana and Flo Karaitiana as well as gained information from Judge Layne Harvey on the issues confronting the Awarua o Hinemanu Trust and the possibility of the Aorangi Awarua Trust taking over the land as responsible Trustee.

For the record the two main reasons for our interest is that the Aorangi Awarua and Awarua o Hinemanu Blocks have a near 100% commonality of ownership and the Awarua o Hinemanu Block is contiguous with the Trust Lands.

The current Trustees were happy that today's hui be convened as a meeting of owners of the Awarua o Hinemanu Block and to ask the owners of Awarua o Hinemanu to discuss the transfer of Responsible Trusteeship to the Aorangi Awarua Trust. They no doubt will present further information to today's Meeting of Owners.

Before proceeding however we present below our assessment of the current situation of the Awarua o Hinemanu Trust and a clear pathway forward on resolving each of those issues. This Report also quantifies any risk to the Aorangi Awarua Trust in taking over the Trusteeship.

The issues and an outline of forward actions to address these are :-

1. Funds missing.

- Action to continue through MLC to prosecute/ recover missing funds.
- Ensure that liability for missing funds is contained to the previous Trusteeship and against the Awarua o Hinemanu Block only.
- Meet with Nga Whenua Rahui Management to ascertain how this happened and whether further steps by them could have prevented this loss of funds.

2. Big Hill Station (BHS) Action for costs and AOHT legal costs with Cara Bennett

- Meet with Big Hill Station owners to ascertain any out of court settlement solutions including the beginning of relationship building with them.
- Meet with Cara Bennett to discuss her account, the role third parties played in incurring this cost and payment options.
- Enquire of the MLC as to the possibility of the payment towards internal legal costs with Cara Bennett either previous, future or both.
- Ensure that liability for past legal costs is contained to the previous Trusteeship or against the Awarua o Hinemanu Block only

3. Access

- Cease all legal actions to gain access.
- Cultivate a workable relationship with Big Hill Station without the threat of access.
- Discuss with BHS what solutions are possible. This combined with 2.a.
- Meet with DoC staff re access situation.

4. Development

- Investigate expanding Hunting (currently internal) and Fishing (external) opportunities drawing on experience of Aorangi Awarua and Owhaoko B&D Trusts.
- Investigate ETS opportunities.
- Investigate Manuka coverage re Honey.
- Discuss mutual development options with BHS and other potential joint partners.
- Envelope Awarua o Hinemanu into our current 'Economic development within a conservation framework' work stream.
- Meet with DoC management re our future relationship.

From the above and taking into account the information from Judge Layne Harvey (see 342 Aotea MB 33-34) the Aorangi Awarua Trust could seek the Trusteeship of the Awarua o Hinemanu Block on the condition that any current liability be ring-fenced to the previous Trustees (ie prior to the current three) and to the Awarua o Hinemanu Block only.

Aorangi Awarua Trust Meeting of Owners proposed Motion :

That the Aorangi Awarua Trust pursues the Trusteeship of the Awarua o Hinemanu Block on the condition that any current Liability on the Land is ring-fenced to the previous Trustees and to the Awarua o Hinemanu Block only.

Awarua o Hinemanu Trust Meeting of Owners proposed Motion : to be discussed!

SUMMARY OF FINANCIAL STATEMENTS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
	\$	\$	\$
Income			
Property & Grant Income	12,255	13,751	50,508
Hunting Permit Income	22,661	9,703	18,550
Investment Income	65,133	58,472	70,978
Gain on Sale of Investments	-	21,262	14,052
Total Income	<u>100,049</u>	<u>103,188</u>	<u>154,088</u>
Less Expenses			
Administration Expenses	49,598	48,301	52,363
Investment Expenses	21,963	11,575	10,746
Meeting Expenses	10,049	13,087	17,819
Pest Management	11,933	7,288	36,555
Planning & Business Dev.	4,092	12,521	10,330
Other	12,518	23,369	21,714
Total Expenses	<u>110,153</u>	<u>116,141</u>	<u>149,527</u>
Net Surplus/(Deficit)			
Before Depreciation	(10,104)	(12,953)	4,561
Less Depreciation			
Depreciation as per Schedule	<u>(\$437)</u>	<u>(\$320)</u>	<u>(\$416)</u>
Net Surplus/(Deficit)	<u>(\$10,541)</u>	<u>(\$13,273)</u>	<u>4,145</u>

Statement of Financial Position

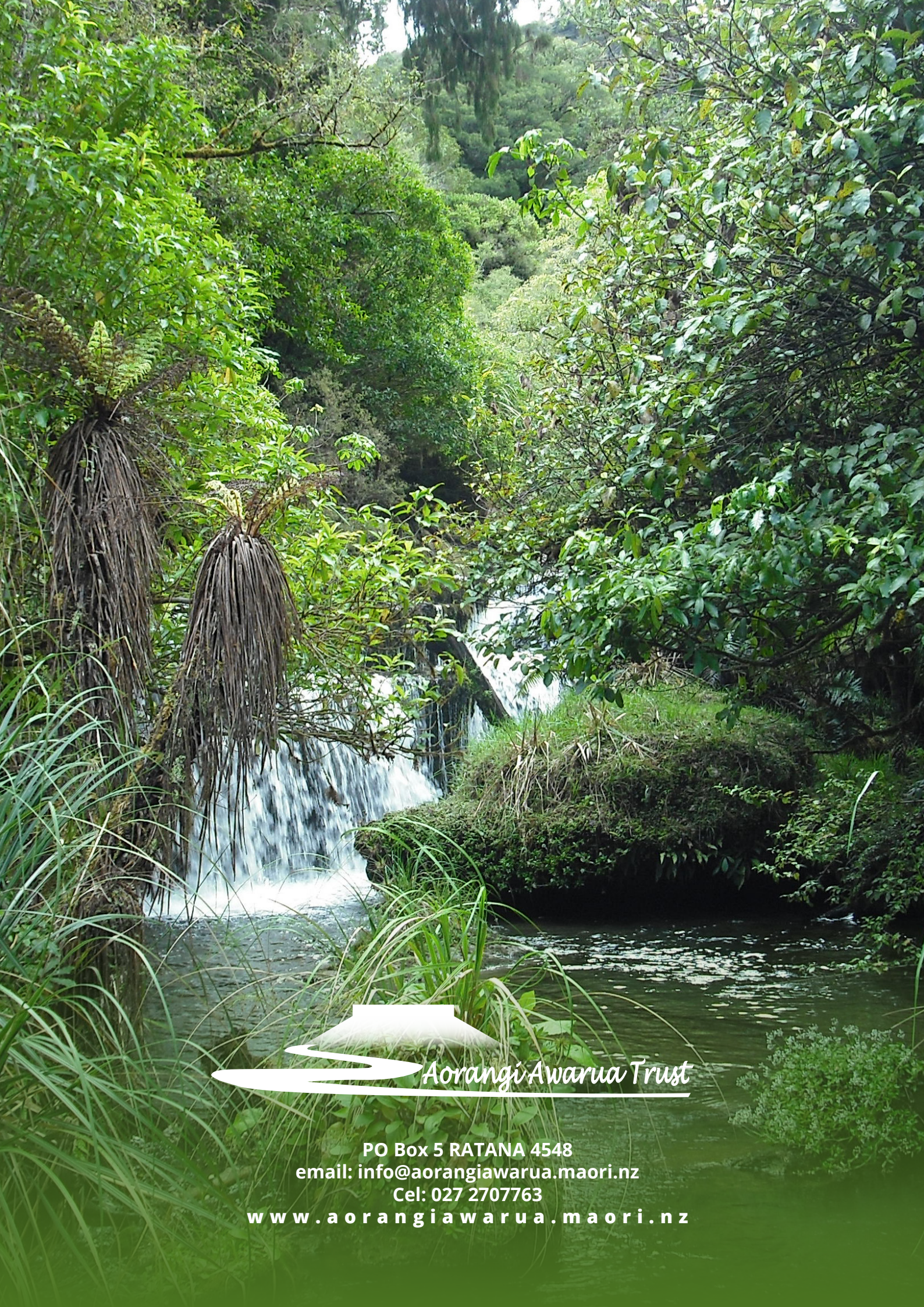
Current Assets	58,270	38,136	44,492
Property, Plant & Equipment	42,686	42,471	41,954
Investments	<u>1,198,809</u>	<u>1,218,093</u>	<u>1,245,756</u>
Total Assets	<u>1,299,765</u>	<u>1,298,700</u>	<u>1,332,202</u>
Less Current Liabilities	<u>(13,131)</u>	<u>(1,525)</u>	<u>(21,754)</u>
Net Assets	<u>\$1,286,634</u>	<u>\$1,297,175</u>	<u>\$1,310,448</u>

Represented by Trustees Equity

Trustees Income	1,331,517	1,342,058	1,355,331
Trust Capital	<u>(44,883)</u>	<u>(44,883)</u>	<u>(44,883)</u>
Total Trustees Equity	<u>\$1,286,634</u>	<u>\$1,297,175</u>	<u>\$1,310,448</u>

INVESTMENTS SUMMARY

	<u>2015</u>		<u>2014</u>		<u>2013</u>	
	Cost	Market	Cost	Market	Cost	Market
	\$	\$	\$	\$	\$	\$
Investment Portfolio						
Property	66,439	78,889	65,650	68,673	63,965	71,066
International Equities	332,590	446,061	336,473	379,922	332,926	345,389
Australian Equities	137,398	150,263	152,569	163,966	156,459	176,252
Fixed Interest	545,387	545,855	511,038	504,170	529,474	543,132
NZ Money Market & Cash	68,885	69,035	106,879	106,918	119,447	119,126
	<u>\$1,150,699</u>	<u>\$1,290,103</u>	<u>\$1,172,609</u>	<u>\$1,223,649</u>	<u>\$1,202,271</u>	<u>\$1,254,965</u>



PO Box 5 RATANA 4548

email: info@aorangiawarua.maori.nz

Cel: 027 2707763

www.aorangiawarua.maori.nz