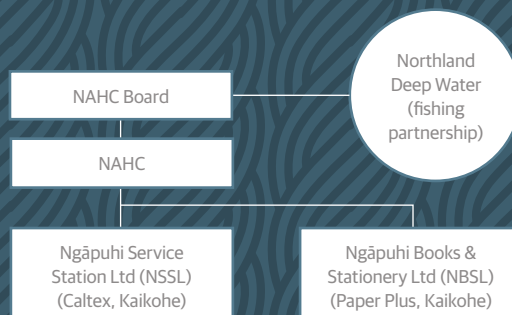




CHAIR'S REPORT

Tā te Heamana o Ngāpuhi Asset Holding Company Ltd



**NGĀPUHI ASSET HOLDING COMPANY LTD
BOARD OF DIRECTORS**

Leigh Auton	Chair
Jason Witehira	Deputy Chair
Wane Wharerau	Director
John Rae	Director
Mike Simm	Director
Elena Trout	Director
Helene Leaf	Alternate Director

Kia ora tātou

On behalf of the Board of Directors, of Ngāpuhi Asset Holding Company Limited (NAHC) and its commercial subsidiaries, I take great pride in being able to report the exceptional results achieved for the year ended 30 June 2017, and with the confidence in knowing that your commercial entities are in the safest possible hands going forward.

After nine rewarding years serving as an independent Director for NAHC (Chair: 2014-2017) I am retiring by tenure, in September. During this time NAHC has undergone some transformational changes whilst consistently performing financially, and has developed a governance platform that is able to attract the highest quality candidates. NAHC now has the capabilities to contribute to a more prosperous future for Ngāpuhi.

Having grown up on a farm in Omahuta Valley in the Hokianga, being a graduate of Okaihau DHS and Northland College and being able to whakapapa back to the waka of Kupe, Matahaorua, and the hapū of Te Hikutu, there is a true sense of pride in what we have achieved at NAHC for the good of Ngāpuhi. I am convinced the future will be even brighter.



Leigh Auton

Chair - Board of Directors

NGĀPUHI ASSET HOLDING COMPANY LIMITED



Getting ready for another busy day at Mobil Kaikohe

FINANCIAL PERFORMANCE

HE MAHI AHUMONI

The NAHC Group has again outperformed prior years with a contribution of \$3.8m for the year ended June 2017, being a 140% increase on the previous record year.

The gains are an accumulation from across the commercial business units despite what were, at times, adverse commercial conditions. In addition to this exceptional result, NAHC was able to negotiate a further \$200k worth of community grants that were distributed during the financial year. Having the right competencies in place and support within the Group we can leverage our commercial base to provide increased financial and societal returns for Ngāpuhi, and the community. It is that balance that NAHC is now better placed to contribute towards, and deliver upon.

DIRECTORSHIPS

HE RINGA TOHU

During the year the NAHC Board has undergone significant changes. Both Raniera (Sonny) Tau and I both retired by tenure after having served our maximum nine-year terms, and Jason Witehira has transitioned from Deputy Chair into the Chair role.

Then following an independent recruitment process Mike Simm (former Board advisor) and Elena Trout, both highly experienced governance practitioners, were appointed as independent Directors. It is a sign of prudent governance and developed relationships that the Rūnanga were willing to extend one of their seats on the NAHC Board to enable the inclusion of both of these exceptional candidates onto the NAHC Board, as independent appointments. We also welcomed Mana Newton as a Board observer through this selection process.

The Board of Directors will therefore proceed from September with five appointed Directors; four of whom are now deemed independent being Jason Witehira (Chair), John Rae, Mike Simm and Elena Trout; and with Wane Wharerau continuing to serve as the Rūnanga representative.

Strategically NAHC has become even better positioned to serve the current and future needs of Ngāpuhi.

FISHERIES

HE MAHI HĪ IKA

Fisheries continue to be the most significant, challenging, and potentially transformational asset class for NAHC.

This year we have continued an influential and advocacy role within the 11-year review of the fisheries settlement entities, held positions within the Iwi working group, contributed submissions to the draft Maori fisheries legislative changes and presented at national hui in Christchurch, Wellington and Auckland. We have also participated in a newly formed Iwi deep water collective, operated a second vessel through our Northland Deepwater partnership, and supported a number of local Ngāpuhi fishing businesses by providing discounted catch entitlement.

It is our collective desire to see Ngāpuhi members participate within commercial fishing. That motivation will help shape the long term arrangements that Ngāpuhi is currently negotiating within its fisheries portfolio.

INVESTMENTS

HE MAHI HAUMI

Following an investigatory process, and supported by the Rūnanga, NAHC transitioned its cash investment holdings into MINT Asset's Diversified Wholesale fund. The MINT portfolio provides higher anticipated returns and an increased exposure to a more diversified class of assets. NAHC's balance sheet and commercial credentials were also considerably strengthened by the Rūnanga capitalising its inter-entity balances with NAHC, from the start of the year. This was a positive move again demonstrating a higher level of cooperation and advancement within the decision-making process of the Group.

The commercial property portfolio continues to be leased on long-term stable agreements with reputable tenants, and we are currently negotiating the extension of our leases within the John Butler Centre through to 2025. The properties held within Kaikohe continue to be fully occupied, and are beginning to appreciate in value.

\$100,000

PROVIDED TO ESTABLISH
THE NEW KAIKOHE
YOUTH CENTRE
(TE UMA O TE KONA)





The friendly staff at Paper Plus (Kaikohe)

BUSINESS UNITS

HE TŌPŪ MAHI

Ngāpuhi Service Station Ltd (NSSL) and Ngāpuhi Books and Stationery Ltd (NBSL), within Kowhai Court at the entrance into Kaikohe, are our most visual investments. They continue to increase their contribution each year with both entities reporting record results, this is despite NSSL undergoing significant disruption resulting from the enforced change from a Caltex to a Mobil branded service station through the acquisition of Chevron NZ by Z-Energy.

The transition of fuel supplier (brand) for NSSL has enabled the negotiation of a new fuel supply agreement, a renewal of the forecourt aesthetics and point of sale system, and for new state-of-the-art fuel pumps to be ordered. As Mobil Kaikohe, NSSL is now better positioned to continue to trade more profitably into the future.

NBSL (trading as PaperPlus Kaikohe) and NSSL continue to be strategic investment for Ngāpuhi generating much needed local employment opportunities, and providing investments that Ngāpuhi can be proud of, and with the knowledge that their support of the retail businesses directly contributes to the positive work that the Rūnanga undertakes within the community.

\$100,000

PROVIDED TO THE
KAIKOHEKOHE EDUCATION
TRUST (CHROMEBOOKS
IN SCHOOLS)



DISTRIBUTIONS

HE WHAKARATO PŪTEA

NAHC has again provided the Rūnanga with a dividend of \$2.23m, and has increased shareholders equity to \$57m (2016: \$50m).

Additionally, two community grants of \$100,000 each were provided to the Kaikohekohe Education Trust (Chromebooks in local schools), and for the establishment of the Kaikohe Youth Centre (Te Uma o Te Kona) that opened in August 2017. Further sponsorship of \$10,000 was made to assist the kaumātua and kuia travel to Tahiti in July.

THE FUTURE

HEI TE TAU TĪTOKI

With the current staff, management and governance team in place, it is my firmly held belief that NAHC is becoming best positioned to meet the needs and challenges for Ngāpuhi, and for entering into settlement. After nine years I would like to acknowledge all those who I have had the pleasure of working and dealing with, in what has been a truly rewarding experience. I want to especially acknowledge the exceptional role that our staff have played in our success, and particularly thank our CEO Paul Knight for his leadership, skill and energy. Paul has played a pivotal role in steering our waka forward.

I will continue to offer my services to assist Ngāpuhi, as they are required. Kia tu tika ai te whare tapu o Ngāpuhi.

Ngā mihi nui

Leigh Auton

Chair - Board of Directors
Ngāpuhi Asset Holding Company Ltd

