



ROTOITI 15
Ngā Rawā E Tupu





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ngā hua o te tau

highlights



15,495

Registered Rotoiti 15
Share holders



\$296,955

Grants paid for the year



\$48.5m

Total Asset Base

kaupapataka agenda

2019 HUI- Ā- TAU ANNUAL GENERAL MEETING

Ngā Pūmanawa Marae
SUNDAY 24TH NOVEMBER 2019 at
10.00am

(Registrations commence at 9.00am)

1. **Karakia**

2. **Minutes**

3. **Chairman's Report**

4. **General Manager's Report**

5. **Distributions Report**

6. **Financial Report**

7. **General Business**



ngā mīneti minutes

ANNUAL GENERAL MEETING OF OWNERS

HELD AT RUAIHONA MARAE

TE TEKŌ

ON SAT, 9 FEBRUARY 2019

AT 10:00AM

present

See attached Attendance Register (194 owners).

apologies

See attached Apologies Register (96 owners).

karakia

Rangitukehu Paora

introduction and housekeeping

Piki Thomas opened the hui with a mihi to all those in attendance today then handed it over to Tina Ngatai (Chair) for her opening comments. Tina gave a quick overview of housekeeping before turning to elections.

elections

Isobel Morehu questioned the notice and in particular why it wasn't sent by email. She pointed out that the Trust deed uses email as an example of inexpensive method of notification. Further, she complained that the notice put in the paper was outdated and would like beneficiaries to have input on what qualities are advertised in the notice. She recommended that the election not be held and a committee be put together to rectify these issues.

Tina referred to the Trust's lawyer Kiri Tahana and asked whether delaying the election would put the trust in a compromising position. Kiri explained that the overarching obligation for the Trust is to take reasonable steps to send out notice and pointed out that email was used as an example in the trust deed. Kiri also pointed out that the trustees must take steps to replace trustees and that holding another election will incur more cost.

Isobel referred to the \$3.5M loss in NZPWL and said that she would like to have trust in the Trustees moving forward. At this time she does not. Kiri replied that there is an overarching obligation to take reasonable steps, while it is the owners rights to korero, the Trust is at risk if they continue without an election as they are in breach. Arapeta Tahana mentioned

that it is the Trust's fault there was no email notification. He also asked whether they would still be considered in breach if the directive not to hold an election was from the owners? Kiri replied that the Court would take that into consideration. Tina mentioned that the issue of notice will be added for discussion in General Business.

Wenarata Kopae indicated her support for the motion and urged owners to consider supporting her too. Rihi Vercoe asked to speak to the motion on the floor. Tina said advised that we needed to move on and continued with the motion.

Resolve: *"To postpone elections to take place in the next 6 months, put together a sub-committee to decide on the skillset required for potential candidates"*
Isobel Morehu/Wenarata Kopae
Favour: 59
Against: 55
Carried

Rihi Vercoe proposed that only those nominees who have put their names forward remain as candidates. Kiri Tahana advised that with a whole new election, a whole new process will need to take place. Rihi continued and asked that documentation of the current candidates, should they wish to re-stand, remain valid.

Robyn Skerrett asked if voting could be conducted by postal vote so the Trust comes to the meeting with the outcome. Tina explained that in the trust order it is noted as a show of hands.

Te Reiwhati Vercoe stood and expressed his disappointment in the Trust and moved to complete the hui now.

Resolve: *"To complete the hui now"*
Te Reiwhati Vercoe/Te Puhi o Te Arawa II Rondon-Devon
For: 1
Against: Overwhelming
Motion defeated

minutes 2017 annual general meeting

Piki introduced the minutes of the 2017 Annual General Meeting. He asked that those who were in attendance check for errors and typos. He also noted that our

hui are recorded. Arapeta pointed out that Te Poroa Malcolm conducted karakia not himself. Aroha Campbell pointed out that there are a lot of grammatical errors in the booklet.

Resolve: *“Subject to the amendments above that the minutes of the 2017 Annual General Meeting held 25 November 2017 are a true and accurate record of the meeting held” Dennis Waiti/Rihi Vercoe Carried*

2018 special general meeting

Piki continued on to the Special General meeting held at Te Takinga Marae to discuss the loss in New Zealand Premium Whitebait (NZPWL). He explained that if there were people who had questions regarding the NZPWL that Tina has made herself available for 30 minutes after lunch. Isobel Morehu said that she would have liked to have those trustees who voted in favour of and those against reflected in the minutes. Tina clarified that all trustees voted in favour of the investment in NZPWL except Merehira who was not in office at that time. It was the final decision where trustees were split. Isobel said that she was aware of that but would have still like it reflected in the minutes. Arapeta pointed out that it is covered on page 10 of the report.

Resolve: *“That the minutes of the 2018 Special General Meeting held 7 July 2018 are a true and accurate record of the meeting held” Isobel Morehu/Ngapera Peeti Carried*

chairman’s report

Tina explained the tough year that Rotoiti 15 has faced. She explained NZPWL has exhausted a lot of the Trust resource as R15 have been working hard to address the issues highlighted by the independent review. Further, she provided quick overview for those who did not attend the Special General Meeting at Te Takinga Marae in July. Since the SGM she advised that an application was filed by an owner at the Maori land Court to enforce the obligations of the trust. This was dismissed. She explained that the oral decision was available online, on face book and a copy is in the annual report. Tina pointed out that the Court had found that:

- a. Trustees had not been reckless
- b. They did not gain personally from this investment

Since the dismissal of the application, another application has been filed by another owner to Remove the Trustees. A hearing has been set for 10am on the 27th of March to discuss the foundations of the application.

Tina mentioned other highlights:

1. Potential opportunity to take the Rotoiti 15 forest back early;
2. Pest management monitoring on Makatiti under the expert assistance of Tame Malcolm
3. The Trust selling the farm, although at this stage it is still conditional.
4. Investment in Kawerau Dairy
5. Discussions around the tourism venture which was considered by prior trustees and details of this will be bought back to the owners
6. Tuara Matata collective has met to discuss the possibility of creating a forestry collective. Work is currently being undertaken on this.

Isobel Morehu expressed her annoyance that she was not allowed access to the attendance register and strategic plan information when she attended the Rotoiti 15 counter. Tina apologized to Isobel for the reception she received at the office and noted would speak to management accordingly. Brad Tatere apologized and explained that Rotoiti 15 cannot disclose personal information about other shareholders.

strategy

Arapeta Tahana provided a mihi to the owners for their attendance and explained that he will deliver the thinking behind the current strategy. He explained that the Trustees made minor tweaks to the strategy however essentially majority of the thought behind it is the same. He explained each section and the thought pattern behind each one. Wena Tait asked what Rotoiti 15’s view on the billion dollar trees scheme was, as she couldn’t see it within the strategy. She pointed out that Scion is in Rotorua, and is surprised it hasn’t been included in this strategy.

Arapeta pointed out that this is a high level overview of the strategy. Wena agreed, but pointed out that it is a map. Arapeta further explained that in the past, R15 couldn’t utilize the fund because the criteria wouldn’t cover those who were wanting to replant. Further, he explained that with Scion and any Government owned organization they often have their own agenda. We as mana whenua need to be clear on where we are going. Wilhemina Mohi complemented the graphics, but asked for the detail of the plan.

general manager’s report

Brad Tatere presented his General Manager’s report. Key points were:

1. Financial Overview

Revenues \$1.6M
Expenses \$1.37M
Operating Profit \$247K

2. Investment Strategy

The overarching goal is to continue distributions.

The Trust is looking to re-balance the investment portfolio to be able to provide sustainability for distribution needs.

3. Commercial Company

The intention is to gain some independence from the main trust and employ people with the key commercial skillsets required. Key factor is ensuring the correct checks and controls are in place.

Aroha Campbell asked if the commercial entity would be responsible for Audit and Risk. Brad explained that there will be a separate committee for this as all trust business would be subject to audit and risk.

Isobel Morehu asked if climate change had been considered when putting these goals in place. Merehira Savage acknowledged that there was still much to do not only in climate change but also in water and taonga tuku iho.

Linda Beets expressed her frustration with the Trust’s no dividend policy. She reiterated that she had an obligation to provide opportunities for the beneficiaries of her whanau trust,

ngā mīneti minutes continued...

but cannot do this when Ahu Whenua Trusts such as Rotoiti 15 do not pay dividends. Tina explained that the reasoning dividends were discontinued was because majority of shareholders own minority shares. A dividend wouldn't be economical both for the shareholder and the Trust.

distributions

Arapeta Tahana provided the distributions report. He provided a background as to how the policy come into function and described the three key focus areas of the trust: Environment, People and Culture. He reported issues with the uptake of grants and noted that this is a key area that will be focused on in the distributions review. He explained that the intention is to hold workshops to gain feedback on the current policy and draft a new policy surrounding this. Te Ohu Wikingi suggested that the marae grant be increased to \$10,000 if there is an issue with spending funds and asked that this be noted.

Dennis Waiti asked if the Trust would consider lowering the Koeke grant age to 65. Arapeta said that there needs to be a balance. Blanche Kiriona asked if the Trust would consider a business start up grant for shareholders, then commended the Trustees on their work.

financial report

Glenn Hawkins introduced Fred Cookson whom undertook the audit of Rotoiti 15 Trust accounts. Fred Cookson conducted a mihi to the shareholders and explained the situation with the accounts. He mentioned that Rotoiti 15 Trust have received a qualified audit opinion due to the new valuation requirements under the international accounting standards. In order to achieve this, the Trust must undertake a full valuation of its Maori freehold land which can be costly. He suggested that the Trustees consider switching to special purpose status. Furthermore, he noted there are no concerns with the accounts, the Trust currently has good separation of function with no indication of fraud or error.

Glenn stood to present the financial report. He noted that the numbers presented are similar to those presented at the SGM and are considered final.

He noted that it has been a challenging year, however the Trust still managed to turn over a profit:

Revenue: \$1.6M
Expenses: \$1.37M
Operating Profit: \$247K

Isobel Morehu asked if in future the Trust could include a meeting attendance register for each Trustee. Wilhemina Mohi asked what carbon credits are and what attracted trustees to hold onto them? Tina explained that they are a form of compensation as the Trust cannot change its land usage. Furthermore, that Trustees decided to keep them as they did not have a use for them as yet.

Resolve: *"That the financial report be received"* Ngaroma Grant/Caroline Jones **Carried**

Resolve: *"To re-appoint Cookson Forbes as the Auditor"* Blanche Kiriona/Caroline Jones **Carried**

pest management

Merehira Savage stood and provided a brief background to the Trust's pest management plan before introducing Tame Malcolm to present the findings. Tame introduced himself before his presentation. He explained that how forest health was measured by the presence of birdlife, and explained that Makatiti has lost almost 80 species of native bird. He explained the monitoring process that has taken place in order to measure the scale of the problem before deciding on control methods. Stoats appear to be the worst, with Wallabies and possums showing presence as well. Tame went through a list of six options available to the Trust in response to the results. Each option outlined, the method, cost and time required.

Tina stood and explained that the results of the monitoring astounded the Trust. She explained that the Trust may need to reconsider the resolution not to drop aerial 1080, and think about their role as kaitiaki. She said that the Trustees would like to use option six, which is to use aerial 1080 in order to reduce pests to a manageable level and maintain with boundary protection. The cost for this method will be \$200,000 initially then

\$80,000 to maintain with a period of 3 to 5 years to see the benefits.

Tane Lawless, stood and expressed his anger that this issue is being revisited again as the owners have already voted. He said that if DOC isn't willing to fund alternative methods to 1080 then the Trust should take ownership of Makatiti back. He also questioned whether this topic should have been advertised on the agenda. Wilhemina Mohi said that she has seen the Facebook videos of the effects of 1080. She expressed concerns of not being notified about an aerial drop on a neighboring block and potential toxins getting into waterways. Hone Cassidy said he would like to see ground based control methods used. He suggested Trustees look up the Graf Boys for videos of its effects. He also raised concerns with animals eating other animals that have already been poisoned. He said this is part of kaitiakitanga, we are putting a price tag on something we shouldn't. Wenarata Kopae said there is a phrase that applies here "Ka rite nei ki te kuri e hoki nei ki tona ruaki". She said, this issue was decided with 3 years ago by the owners.

Blanche Kiriona stood and said that she has seen the facebook posts, but questions their validity. She said she would like to be educated more in order to make an educated decision. She said she would like to see wananga, she is neither for or against its use, but would simply like to form an informed decision.

Tame Malcolm said that he trusts the science because science is emotive. He suggested owners look at how healthy Mokaihaha is now following their use of aerial 1080.

Harina Rupapera said she doesn't agree with the use of 1080 and further felt that there shouldn't be a monetary figure put on the health of the whenua. Isobel Morehu suggested the trust leave the bait stations as they are and plan 1080 discussions with owners. Tina said that this highlights a challenge for the trust to find another way. She noted that the Trust will discuss and bring it back to the owners.

haumingi 1a2

Te Ohu Wikingi asked for an update on the issue with Haumingi 1A2. For the benefit of those who weren't aware, she explained that Haumingi 1A2 acquired shares in Rotoiti 15 and are now the largest shareholder in Rotoiti 15 trust. They have asked for a specific grant to go to them as they cannot apply through the current distributions system. She advised that a legal opinion was sought, and trustees were advised not to provide a dividend to Haumingi 1A2. Further, Tina explained that the Trust is committed to finding a solution for all, but noted that it will be bought back to the owners in due course.

general business

Working groups

Tina asked for volunteers who were wanting to take part in distributions and election work groups to provide their details to the Trust staff.

Notice

Tina Ngatai asked for clarification surrounding notice. She acknowledged owner's who were disgruntled with no longer receiving postal notice, and asked whether it was the intention of the owners that we return to full postal notice. Isobel Morehu suggested that the trust exercise common sense and email those they have email addresses for, and mail those we do not hold email addresses for.

Capital Works

Rangitukehu Paora asked if the Trust would consider a capital works grant to be made to Ruaihona Marae. Tina advised that Ruaihona currently has an outstanding grant awarded and they are waiting on the haukainga to raise the remaining funds.

Voting Process

Harina Rupapera asked why her whanau trust only receives one vote when it represents many people. She said she would like to see this re-visited by the Trust. Tina advised that the voting process of a show of hands on the day has been in place since mai rāno. She advised that there is a proper process that needs to occur before this is changed.

National Policy Statement

Aroha Campbell asked if the Trustees had read the National Policy Statement on Indigenous Biodiversity. She explained that Steve Carlson is looking to support Maori in this area and suggested the Trust look into it.

Karakia Whakamutunga: Rangitukehu Paora. Hui concluded at 1.30pm.

attendance register

Grant Ngahana Savage, Paora N Maxwell, Queenie Wawatai, George William Te Matohi Rameka, Ronald Morehu, Moewai Roberts, Wimoka Karanga-atu Whanau Trust, Phillip Tapahiwaka Mutu, Isobel Morehu, Clive Ngatai Whanau Trust, Taitimu Hudson Whanau Trust, Joe Tahana, David Herewini, Carolyn Jones, Te Puihi o Te Arawa II Devon-Rondon, Te Reiwhati Vercoe Whanau Trust, Polly Herewini, TeHarimate Paora Patene Whanau Trust, Josephine Mokaimarutuna Scott, Richard Vercoe, Mereana Russell, Ngataahi Anderson, Te Reweti Boyd Whanau Trust, Althea Vercoe, Petsy Takakangi, E K McFarlane, Roberta Elliott, Susan Anderson, Robyn W Skerrett, Thomas and Amo Porter Whanau Trust, Nora Clements (Sidney John Teua Whanau Trust), James Hurinuku Malcolm, Emily Skerrett, Hinearangi Reihara Whanau Trust, Lesly Waitohi Douglas (Miriam Waitohi Douglas Trust), Elva Corbin, Hemana Eruera, Bunny Ormsby, Serjeant Skerrett Whanau Trust, Mihimera Lee, Jerry Hiwarau, Ngaroma Grant, Shirley Pepi Mari Kiripatea, Donald Reihana Trust, Luke Cassidy, Maria Southe, Easton Kiripatea, Aporo Rota, Albert Moses, David Ratima, Ezra Kiripatea, Kiri Tahana, Phillip Hunia Eunice Ratima, Victoria Paul, Hone Cassidy, Lesley Savage, Minnie King, Waireti Paul-Wilson, Johnno Mikaere Kiel, Matiu Pohatu, Bella Cribb/ Peeti, Matauranga Paul-Wilson, Te Raumawhitu Warihi, Rangiwahanake Apiata, Celia Witchman, Gabriel Michael Paul – Howell, Jacqueline Kaaho, Rana Hona (Makuini Kingi), Tiare Williams, Tuparahaki Paul- Howell, Anita Savage, Sharlene Kingi, Dujan Williams, Toby Salmon, Eric Titi Eruera, Betty Irihapeti Hunia, Rachel C Park – Falwasser, Shirley Ngatai, Linda Uluave, Monica Omeke Maniapoto, Blance Kiriona, Pare Aratema, Josie Reha, Houia Mamaku Whanau Trust, Aroha Campbell, Jackie Aratema, Te Kapua Riini, Hatepe Taiatini, James N Theodore, Huhana Church, Mereana Fitzell, Sonia Rogers, Barnett Vercoe, Lorraine Victoria Williams, Demelza Peri, Isaac Denton Pene, Bill William Vercoe, Wirihana Wilson Te Rangī, Aporina Chapman- Paul, George Tait Mataiawhea, Ricky Mita, Reina Treanor, Christine Miller, Tilly Hirst, Rangitukehu Paora, Wenarata Kopae, Ngataahi Anderson, Trudy Moses, Deborah Toa, Mokonuiarangi Guy Kingi, Tangihaere McFarlane, Denny Pehi, Josephine Mortensen, Susan Huhana, Waiamana Davie, Margaret Burton, Beatrice Koopu, Keita Rikiti, Jennifer Tierney,

Jimmy Himiona Tautuku, Marisse Kohu, Regan Riri, Te Amo Maxwell, Theresa Kirk Matehiko, Francis Savage, Fred Cookson, Delwyn Koce, P.C.J Fenwick Whanau Trust, Richard Tumarae, Mary Stanton, Margaret Herbert, Tina Ngatai, Te Rau Aroha Brown Karakia, Phillip Andrew Hunia, Genevieve Jackson, Merehira Savage, Ratema Mohi, Rita Herita Toko, Dr Ken Kennedy, Jade Rika, Edna Reha, Kerehitina Kingi, Darcel Maxwell, Brad Tatere, Hariata Douglas Maika, Arikihanara Alexandria Rikiti, Chase Maxwell, Mark Katene Higson, Rauotehuia Chapman-DeVos, Beatrice Koopu, Helen Brooking Patrick Piripi, Chevaane Kohu, Tamahae Te Rire, Christine James, S M Wikiriwhi, Tim Taiatini, Anita Petikara Moses, Alex Eryln Ani Cassidy, John Treanor, Laurie Morrison, Martin Hunia, Rihī Vercoe, Pip Newton, Wilhemina Mohi, Nepia Te Rangī, James Manley, Putiputi Tapiri Tonihī, John Treanor, Dave Rota, Te Ohu Wikingi, Sharaleen Brown, Harina Rinaha Rupapera, Helen Crawford, Te Maari Anahera Whare, Petera Clark, Eru Tautuku, Carol Ryder, Arapeta Tahana, Piki Thomas, Tiana Hodge, Huiarau Stewart, Holly Wharewera, Ruby Jeannette Healand, Pirihiha Whata, Gina Colbert, Sally Williams, Glenn Hawkins, Deborah Toa, Jo Jackson, Trudy Moses, Josephine Mortensen, Kitahna Maxwell, Denny Pehi, Keita Rikiti, Robert Trotman.

apologies register

Robert Taiatini, Rindy Paul, Tupari Pirimona, Charles Junior Hodge, Pauline Chapman, Mihiterina Hohepa William Toa, Erina Pakeha, Betty Vercoe, Ngawhainga Kiriona, Chevaane Johu, Lorraine Clark, Rondell Haumaha, Raymond Tolley, Warwick Morehu, Terrence Rondon, Loncey Paul, Mark Tolley, Kakengao Kaienua, Joseph Rondon, Mei Shepherd, Te Kapua Hohepa-Watene, Joseph Pryor, Luana Rauwhiro Ngaheue-Green, Ada Maria Park, Nikki Kohu, Wiki Brimblecombe, Edie Vercoe, Ken Raureti, Kipa Hohepa, Calvin Clements, Johnathan Ratima, Aneta Tare, Renee Kiriona, Rangī Bunyan, Lybia Wilson, Phillip Rondon, Nyreen Kiriona, Rueben Rupene Moses, Rangitataia Green, Vaughan Kokoma Douglas, Taumarangi Tolley, Huia Ereatara Whanau Trust, Allan Simpkins, Lewis Vercoe, John Tolley, Daniel Morrison, Rangī Green, Lyn Vercoe, Angela Hohepa, Gladys Canterbury, John Kiripatea, Hera Anderson, Carol Kohu, Lana Ngawhika, Hana Mason, Paul Taia, Joseph Kohu, Kim Marie Moenohotu Kilkelly, Allan Paul, Henare Mohi, Bill Pirimona, Paul Steven Bunyan, Walter Charteris, Joseph Henry Toa, Bing Rawhiti Moses, Hopihona Epaha, Christina Walker (Wimoka Whanau trust), Aneta Te Huaki, Pirihiha Fenwick, Kirimatao Tauilili, Runa Morrison, Maria Paul, Mere Niao, Erueti Ngaheue, Dotty Raroa, Wi/Lorraine Whanau Trust, Roka Bunyan, Lorraine Apiti, William Nicholas, Theo Bunyan, James Reihana, Hirini Waiari, Janet Taiatini, Leina Porter, Erlen Pene, Ngarangi Chapman, Andrew Pohatu, Delme Porter, Cleo Newton, George Bunyan, Ema Hawira, Dean Flavell, Margaret Taorei, Annie Selby, Mereheni Te Rangī.

ngā mīneti

2018 Special General Meeting Minutes

ROTOITI 15 TRUST

MINUTES OF THE SPECIAL
GENERAL MEETING OF OWNERS

HELD AT WAIATUHI MARAE,

MOUREA ON SUNDAY 5 MAY

2019 AT 10.00AM.

present:

See attached Attendance Register (194 owners).

apologies

See attached Apologies Register (96

owners).

karakia:

Piki Thomas

Introduction and Housekeeping

Piki Thomas opened the hui with a mihi to all those in attendance today then handed it over to Brad Tatere.

Elections

Brad introduced himself and explained the agenda for the day. He advised that the polls will be open until the conclusion of lunch, and noted that owners had until 1:30pm to vote. Brad explained that the Trust changed the process this year and held an evening where owners were invited to meet the candidates. This event was also livestreamed, which attracted over 2000 owners.

Further, he invited all 11 candidates to stand and briefly introduce themselves for the benefit of those present who did not get to view the candidates evening presentation. Each candidate introduced themselves and provided their reasons for standing.

Brad asked for volunteers to act as scrutineers, Sunny Wikiriwhi and Josie Scott volunteered. Brad then handed the floor to Arapeta to proceed to general business.

General Business

Arapeta provided an update on issues raised at the AGM in TeTeko:

• Distributions Review

He explained that at the AGM Trustees said that they would have the new distributions policy would be up and running in July 2019. Arapeta explained that that process was incorrect and in fact consultation with the owners needs to be undertaken, and the policy ratified at an AGM. Accordingly, Trustees will hold workshops between now and the AGM, with the new policy being presented at the AGM.

• AGM Timing

Arapeta explained difficulties with holding the AGM in February as over the Christmas period, everything is closed for a month. Trustees have proposed that the AGM date return to November. Arapeta also mentioned that Trustees will look at holding a special in 6 months, to engage and update owners.

• Pest Management

Arapeta explained that clear direction was given by owners that aerial 1080 not be used on the whenua. That being said, Trustees intend to hold workshops on a plan moving forward with emphasis on getting owners onto the whenua sooner rather than later as it is about out ngahere and our connection to it.

• New Zealand Premium Whitebait

Arapeta advised that as part of the whitebait situation, two owners have filed applications with the Maori Land Court. Both of these applications have been struck out as Trustees have been found not to have been in breach of their Trust orders. A further update will be provided at the AGM.

Te Maari Whare stood and extended a mihi to everyone in attendance. She requested that the Trust consider helping Paruaharanui in their efforts to re-build their wharekai which fell victim when a tree fell on it. Ken Kennedy, spoke in favor acknowledging them and provided the whakapapa.

Arapeta clarified, that the tono provided to the trust was to become an affiliate marae in which the Trustees have responded saying they were happy to consider it provided we follow the same process that we did with Te Takinga. Further he explained that affiliate marae were chosen based on whakapapa to Tupuna who were awarded lands in the 33 original titles of the block.

Arapeta ensued that we are committed to helping and pointed out there is also the avenue of utilizing the cultural grant category which will allow trustees to exercise discretion. However there is work to be done.

Karakia Whakamutunga:

Piki Thomas

Hui concluded at 12.45pm

Attendance Register

Stephen John Hill
 Veronica Ngahirapu Robinson
 Pare Bray
 Manahi Bray
 Margaret Goldsmith
 Julie Day
 Rangi Haumata Anderson
 Georgina Whata
 Tilly Hirst Mary Dillon
 Wakata Takuira
 Maryanne
 Patrick Piripi
 Pare Aratema
 George (illegible)
 Rakapura Tipiwai
 Jackie Aratema
 Rod Flintoff
 Tina Mary Cooze
 Te Ropiha Paul
 Mihaere Kirby
 Marina Naera
 M Hunuhunu
 Ngahaka Kihi
 Rangihua Oneroa Whanau Trust
 Susan Huhana Waimana
 Epiha Davie
 Airini Hepi
 Maragaret Burton
 Shirley Ngatai
 Margaret Herbert
 J Goldsmith
 Te Harimate Paora
 Patene Whanau Trust
 Barbara Hill
 Mary Stanton
 Reina Treanor
 Maryanne Kauhemo
 John Kiripatea
 Faith Smith
 Josephine Mokaimarutuna Scott
 Arikihanara Ihipa Rikiti
 Piria Davis
 Raewyn Bennett
 Betty R K Tautuku
 R Laurie Morrison
 Helen Crawford
 Rangitataia Green
 John Wiremu Ransfield
 Betsy Tahana
 Mahikore Sylvia Mc Gregor
 Mamae Lena Rapana
 Carol Tahana
 Nick Tawa
 Georgina Ngawhika
 Margaret Brown
 James Hurinuku Malcolm
 Tai-Te Aue Haukamau
 Barbara Hohepa-Te Wao
 Edie Vercoe
 Wilhemina Mohi
 Helen Brooking

Rauwhiro Cleal
 Josie Erena Cleal
 David Ratima
 Eunice Ratima
 Thomas Perfect
 Brian deBerr
 Hika Wiringi
 Derek Hare Newson
 Waereti Tait
 Wenarata Tait
 Janet Taiatini
 Robert Taiatini
 Turanga Phillip John Treanor
 Alive Niao Whanau Trust
 Mathew Matiu Kameta
 Melissa Walsh
 Violet Waiariki
 Lizabeth Rangitoheriri
 Nora Clements
 Kenneth Kennedy
 Ruby Jeannette Healand
 Mary Haere po Tapsell
 Maria Paul Elizabeth Vercoe
 Tere Malcolm
 Dennis Whata
 Donna Inia
 Mokonuiarangi Kingi
 Carol Hackett
 Joe Reid
 Keith James Hemi Walker
 Matarena Hay
 Te Raina Anderson
 Queenie Wawatai Rota
 Nelson Meha
 Mathew Taia
 Wenarata Kopae
 Paulena Jackson
 Gloria Newson Stafford
 Henry Ray Vercoe
 Kristin Post
 Bella Joanne Peeti
 Ratu Keepa Taepa
 Barnett Vercoe
 Monty Henry
 Kawekura Samuels
 William T Vercoe
 Blanche Hohepa-Kiriona
 Pauline Klaus
 Grace Malcolm
 Agnes Maramena Roberts
 Mia Arena Marsden-Matenga
 Ani Rudolph
 Lorraine Inia
 Inia Whanau Trust
 Te Maari Anahea Hawira (Whare)
 Steven Dodd
 Hana Rogers
 Richard Vercoe
 Sally Williams
 Te Ohu Wikingi
 Tina Ngatai
 Carolyn Jones

Rebecca Collier Whanau Trust
 Angela Wiringi
 Jessie Kapua
 Lorraine Williams
 Emily Skerrett
 Vicki Bhana
 Josephine Mortesen
 Lesly Waitohi Douglas
 Christine James
 Denny Pehi
 Werihe Mark Wharepapa
 Elva Corbin
 Geoff Rice
 Muriaroha Moengaroa
 Gavin Motai Park
 Kathryn
 Peter Wickliffe
 Oriwia Rikihana Grook
 Robert Trotman
 Wirihana Te Rangi
 Whanau Trust
 Rawiri Kingi
 Dr Kenneth Cameron Kennedy
 Wairaka Teua
 Celia Witchman
 Rena Morehu
 Te Rau Aroha Karakia
 Ronald Morehu
 Raukawa Manahi
 Te Raumawhitu Warihi
 Tuirauta Roxburgh
 Hiria Kereti
 Piki Thomas
 Hiria Whata
 James Austin Colvin
 Hinekiri Polgar
 Joe Tahana
 Manu Malcolm
 Graeme Niao
 Selina Hare
 Charles Hare
 Merehira Savage
 Nana Hohepa
 Peter Moke
 James Manley
 Caroline Taute
 Putiputi Tapiri Tonihi
 Moirirangi Williams
 Glenice Renaud
 Joe White
 Robyn Skerrett
 Tata Williams
 Aranui Williams
 Linda Bartlett (Arihia McKeachie
 Whanau Trust)
 Aroha Campbell
 Josephine Morgan
 Harata Maika
 Sharon Porter
 Te Kehuorogotama Ngawhika
 Whanau Trust
 Maria Ihaia

Carol Rurawhe
 William Emery
 Hori and Riini Haa
 Whanau Trust
 Karakia (ineligible)
 Grant Ngahana Savage
 Mona Pene
 Piata Grant
 Junior Grant
 Paora Maxwell
 Robbie Tawa
 Meihana Courtney

Bennett Peter
 John Hodge
 Jackson Broqn
 Keita Rikiti
 Mereana Russel
 David Herewini
 CM Hayward Whanau Trust
 Aporo Rota
 Ratema Mohi
 Douglas Faulkner

Apologies Register

Glady Nini Tangitoherrri
 Kelly Rangitoherrri
 Genevieve Jackson
 Huiarau Stewart
 Priscilla Kihi
 Ema Williams
 Kirihaeae Albert
 Brownie Kihi
 Raina Meha
 Jackie Kihi
 Anthony Whareaitu
 Johnson Rewi
 Brian Robinson
 Kipa Hohepa
 Rudy Paul
 Renee Kiriona
 Nyreen Kiriona-Nelson
 Mamaeroa Theresa Carman
 Quentin Kiriona
 Mark Tolley
 Lucy Taoroa Fraser
 John Tolley
 Raymond Tolley
 Pirihiara Fenwick
 Tamarangi Tolley
 Lynette Vercoe
 Para Meha
 Lewis Vercoe
 Hana Mason
 Ken Douglas
 Shilo Mason
 Matenga Brown
 Douglas Te Rangi Rewi
 Te Whai Brown
 Monty Henry
 Alan Paul
 BJ Raroa and Family
 Sonia Cooper
 Bobby Pairama
 Margaret Elers
 Peter Skerrett
 Rapana Garry
 Nathan Hobrough
 Robert Grayson Hobrough
 John Kameta
 Vicky Brimblecombe

Kimare Kilkelly
 Garry Whaanga
 Catherine Faulkner
 Richard Te Waaka
 Rangiamohia Chapman
 Waihourangi Gurnick
 Bert Moengaroa
 Teresa Terehia Paul
 Linda Barton Beets
 Erana deBerry
 David Rangitoherrri
 Dennis Rangitoherrri
 Wendy Barrett Kapua
 Shirley Curtis
 Kimiria Farrell
 Harry Tawa
 Dean Flavell
 David Rota
 Andrew Selwyn Pohatu
 Annie Selby
 Margaret Taorei
 George Bunyan
 Theo Bunyan
 Roka Bunyan
 Rangi Bunyan
 Paul Bunyan

ngā kaitiaki trustees



Arapeta Tahana jnr
Chairman | Trustee since 2010

iwī affiliations

Ngāti Pikiao, Ngāti Makino, Tapuika

Arapeta was raised at Tawhakarere Bay, Rotoiti amongst his Ngāti Pikiao whānau. This upbringing gave him a strong sense of connection and understanding of Ngāti Pikiao lands. His role as Trustee follows in the footsteps of his koroua Te Atirangi Tahana who was an original trustee in 1971 and his late father, Arapeta Tahana Snr, who served as a trustee from 2000 to 2009.

Arapeta became a Trustee in 2010 as a way of contributing to the protection and development of ancestral lands and to continue the mahi of his father. He is passionate about Māori development from a grass roots perspective, with much of his career focusing on futures planning, economic development and leadership for Māori iwi and organisations.

He brings a wealth of experience as a former a Councillor of the Bay of Plenty Regional Council (Okurei ward) business owner, consultant, community development advisor and though governance roles across a range of sectors. He was also recently appointed to the role of Te Ahurei to guide Rotorua Lakes Council's ongoing relationship with Te Arawa.



Tina Ngatai
Trustee since 2007

iwī affiliations

Ngāti Pikiao, Ngāti Rangiwewehi,
Ngāti Porou, Ngāti Whakaue, Tapuika

Tina was born and raised in Koutu, Rotorua and has 4 children and 8 mokopuna. She holds an MBA through Waikato University and a Post Graduate Diploma in Business – Māori Development from Auckland University. She has held several senior positions within the Māori Land Court and the Māori Trustee.

Tina has been a trustee of Rotoiti 15 Trust for 13 years and is now the longest serving trustee. The Trust has grown extensively in this time and it remains a challenge to meet the needs of a shareholder base that is very large and very diverse. Good economic growth has meant that the Trustees are now able to turn their attention to delivering more social benefits for the owners such as supporting employment through grants that recognize both trades and tertiary study and focus on the whenua, the environment and sustainability. She believes she offers not only gender balance to the Trust but also diversity of thought and opinion.

For her it's about creating wealth in order to deliver services to the people – social benefits such as Health, Employment and support to our culture & marae. Looking after the people now and establishing a great legacy for future generations. She is currently self-employed providing management services to Māori Entities. She sits as Chair of Manaaki Ora Trust (Te Utuhina Manaakitanga and Tipu Ora) in order to give back to the vulnerable people in the community. She also holds trustee roles on Pukeroa Oruawhata Group, Onuku Māori lands trust, BOP Leadership Group, Te Arawa Primary Sector Group and Te Taumata Iho Ake Trust.

He Tangata: He Whenua.



Piki Thomas
Trustee since 2014

iwī affiliations

Ngāti Pikiao, Ngāti Whakaue

Piki was raised in Mourea and attended Whangamarino Primary School, Mokoia Intermediate & Hato Petera College. After leaving school, Piki joined NZ Customs in Auckland for 4 years and then became a career firefighter based initially in Auckland then in the Bay of Plenty. He has served 30+ years in the New Zealand Fire Service / Fire and Emergency NZ serving as an operational firefighter, fire safety officer / investigator, 111 call centre and currently leads kaupapa Māori for the organisation as part of the office of the chief executive.

Married to Hinemaui (Ngāti Ranginui / Ngāti Hako) together they have 4 tamariki who all play an active role in their iwi. Besides whānau, Piki's time is shared with marae / hapū & iwi commitments. Piki is an active member in the iwi and chairs the Pikiao Iwi Trust, a member of Te Pūmāutanga o Te Arawa, Te Arawa Group Holdings, marae and various lands organisations.



Joseph Tahana
Trustee since 2016

iwi affiliations

Ngāti Pikiao, Ngāti Makino, Tapuika

Joe was raised in Rotoiti and attended Rotoiti Primary School and Rotorua Lakes High School. After leaving school, Joe joined the NZ Army serving in various roles both in NZ and overseas before retiring in 2004 after 20 years service.

Returning home, Joe developed experience in environmental resource related policy development and planning at both local and regional level, other experiences include working with whanau and hapu governance to build capability that address development issues.

Married to Bybi Clarke (Ngāti Maniapoto/ Ngāi Tahu) with 3 children, Joe is an active member of Te Waiti Marae and the Ngāti Pikiao Environmental Society.



Merehira Savage
Trustee since 2017

iwi affiliations

Ngāti Rongomai, Ngāti Pikiao, Ngāti Tarawhai, Ngāti Whakaue, Ngāti Tūwharetoa

Merehira was born in Rotorua and raised at Ruato Bay and attended Rotoiti Primary School and completed the rest of her schooling in Kawerau. She is 'uri' to the Te Rangi whanau and is a respected, hardworking and committed whānau member working unconditionally behind the scenes of her whānau, her hapū, our iwi and our marae. She is married to Ngahana Savage (Ngāti Tūwharetoa, Ngāti Whakaue, Ngāti Rangitihī) and they have 3 tamariki and 2 beautiful mokopuna with another mokopuna on the way. She was privileged to be the first incumbent Māori leader's cohort class and obtained an MBA, through the partnership between Waikato University and Tainui College. She also holds a Post Graduate Diploma in Business Enterprise through the Southern Institute of Technology.

Merehira was elected in November 2017 and she is currently an Independent Contractor providing governance and management services to different Māori entities. She is currently the Chair of Ngāti Rongomai iwi Trust, Chair of Waione Forest GP Ltd, Chair of Waione 2B 3E Trust, and holds trustee roles on Te Pūmāutanga o Te Arawa (Settlement) Trust, Te Kotahitanga o Ngāti Tūwharetoa (Settlement) Trust and Te Taumata o Ngāti Whakaue Iho Ake Trust.

Merehira is about a collective vision to provide employment to our whanau; to increase our revenue by making smart decisions; to protect and maintain our wāhi tapu; to learn and retain our cultural heritage; and have a succession plan in place to nurture our future.



Katie Priscilla Paul
Trustee since 2019

iwi affiliations

Ngāti Whakaue, Ngāti Awa, Ngāti Manawa, Tuhoe

Katie is of Te Arawa and Mataatua descent. Her mother is a Tapsell of Ngāti Whakaue and her father is a Paul of Ngāti Awa, Ngāti Manawa and Tuhoe. Growing up Mourea, Katie inherited the responsibilities that come with tribal membership and leadership.

In 1998, Katie graduated with a Bachelor of Laws at Victoria University of Wellington, specialising in international trade and environmental law. She entered the NZ Foreign Service the same year and by the year 2000, she was a New Zealand diplomat in South Korea. In 2005 she returned to raise her two young sons in Rotorua before she resumed her diplomatic life in 2011 as a senior political and security advisor for the United States relationship.

In 2010 Katie was appointed a Director on the CNI Iwi Ltd (a role she held for 8 years), she also became the Chair of the Ngāti Whakaue Assets Trust and a Trustee on multi million dollar forest and farming Trusts. In 2016, Katie decided to refresh her legal skills and is now a Barrister and Solicitor of the High Court. She has completed the course requirements for membership to the New Zealand Institute of Directors.

As a former diplomat, government advisor, lecturer, working mother, trustee and director and now, a Barrister and Solicitor of the High Court, Katie is excited to bring her legal skills home in the service of the owners and beneficiaries of Rotoiti 15.

ngā hungamahi

our team



Brad Tatere
General Manager

iwi affiliations

Ngāti Pikiao, Ngāti Kahungunu, Rangitāne,
Te Arawa, Ngāti Whakaue

Brad was born and raised in Hawkes Bay and is of Ngāti Pikiao descent and has whakapapa through his tipuna wahine, Te Muri Ahipene, daughter of Ahipene Hoete. Brad also whakapapa's to Ngāti Whakaue, Ngāti Kahungunu and Rangitane iwi. He is married to Kirsty and has four primary school aged tamariki.

Brad was appointed General Manager in November 2016 after having spent nearly a decade in Agri Commercial banking and investment management. Brad brings a wealth of commercial expertise which will assist Rotoiti 15 Trust to achieve its strategic objectives for the ultimate benefit of beneficial owners.

Brad is committed to a best practice management approach and performance at the highest possible level. He approaches life as an endless continuum of learning. He is a member of the New Zealand Institute of Directors, an alumni of the Kellogg Rural Leadership Programme, and is a current participant in Fonterra's Governance Development Programme



Kerri Anne Hancock (nee Rogers)
General Manager

iwi affiliations

Ngāti Tarawhai, Ngāti Whakaue,
Ngāti Rangiwewehi

Kerri Anne was born and raised in Rotorua, a proud beneficiary of the trust. She is of Ngāti Tarawhai descent through her tupuna kuia, Te Ririu. Kerri Anne is the newest addition to the team, having been appointed as General Manager just a few weeks ago.

Kerri Anne's background is in Treaty settlement negotiations, and in the last few years has been working within Te Arawa as a consultant on community wide projects such as Rotorua Reorua (Bilingual Rotorua), the early Māori Land Service Design and working with iwi entities with planning and strategy work. She was recently awarded the Emerging Leader award in the Westpac Rotorua Business Excellence Awards for the work she has done in her governance positions for Ngāti Rangiwewehi.

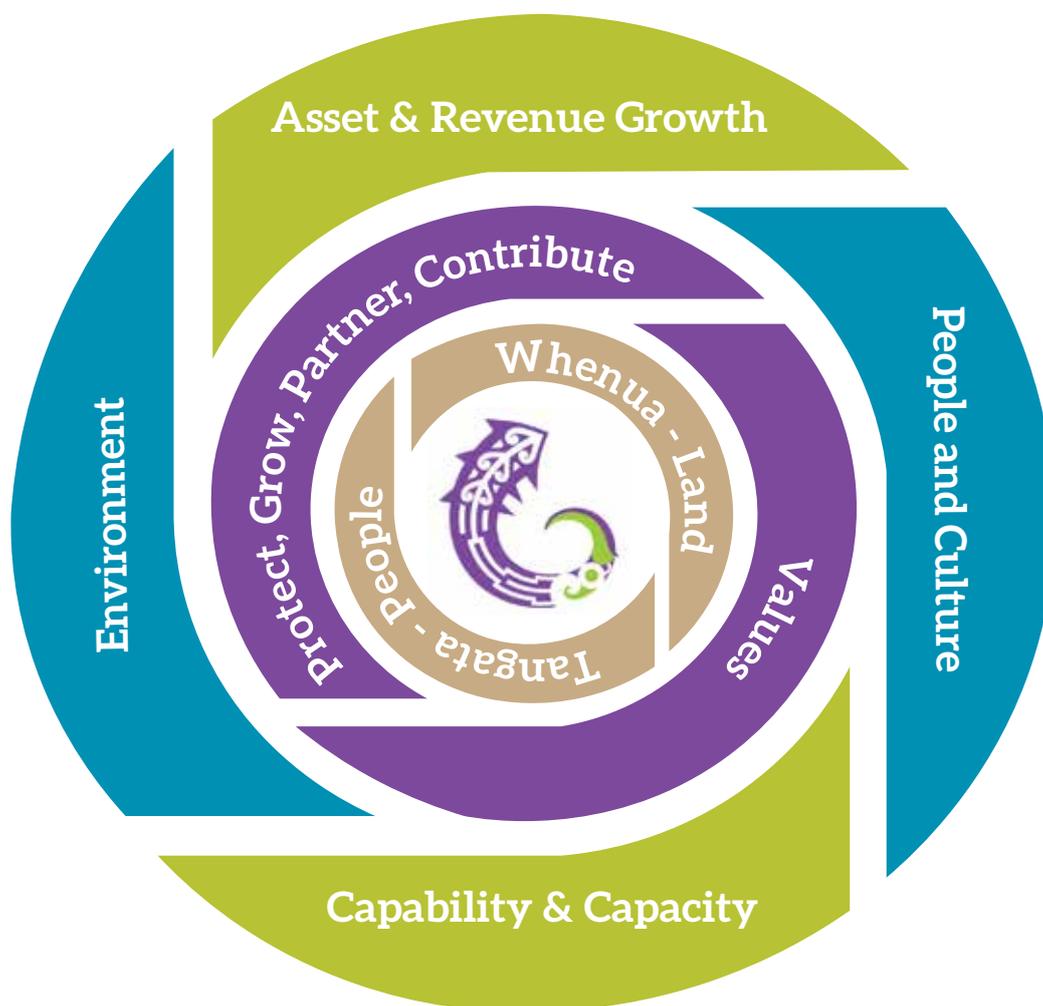
Outside of her mahi for her iwi, Kerri Anne is māmā to three beautiful tamariki, wife to Michael Hancock (Te Arawa, Ngāti Rongomai, Ngāpuhi, Tauranga Moana) and has a genuine love for all things Te Arawa, taiao and te reo Māori.

strategic directions

our vision

“Kia hihiri te ohanga, te oranga me te pukumahi i runga i te ngakau ngatahi”

“Working together to protect and grow the wellbeing of our people, environment and culture”



our values

Kia whakamana te tangata
 Kia tina te kaitiakitanga
 Kia tapu te whenua
 Kia tu maia
 Kia ngatahi te whakaaro me te mahi

We respect and value people
We act with integrity
We value the sacredness of land
We are courageous
We believe in working together



te rīpoata o te tiamana chairman's report

Ko te wehi ki te atua te timatanga o te whakaaro nui. He hōnore, he korōria ki a ia, he maungārongo ki runga ki te mata o te whenua, he whakaaro pai ki a tatau katoa.

Tuarua, ka mihi ki a rātau kua riro atu ki tua o te ārai. Ki ngā tini mate o te wā, kei tena, kei tēnā o wa tatau hapū, ka poroporoakihia, ka tanighia atu anō ki a rātau. Koutou kua whetūrangihia, haere, haere, e oki. Kati ake ki a rātau.

Ka mihi kau ana ki a koutou katoa e whakapapa mai nei ki ēnei whenua o te Rotoiti 15. Otirā, me mihi ki ngā hapū, ki ngā iwi honohono o te whenua nei, ka tika. Nā wēra kawai whakapapa ka tuku mai ēnei whenua ki a tatau. Nō reira, Ngāti Hinekura, Ngāti Te Rangiuuora, Ngāti Rongomai, Ngāti Tarawhai, Tūhourangi-Ngāti Wāhiao, Ngāti Rangitīhi, Ngāti Te Takinga, nei ra te mihi. Tēnā panui mai i te rīpoata nei, kua hangaia hai rauemi ma koutou, kia mohio ai ki ngā nekenekēhanga o to tatau whenua, me on rawa maha. Nei ra te mihi maioha kia koutou, mai i te hunga hautū. Mauriora ki a tatau.

Kupu Whakataki introduction

On behalf of Rotoiti 15 Trust I'm proud to present our annual report for the 2018/2019 financial year.

The past year has been yet another busy one for the trust as we continue to build on our vision and evolve to respond to the challenges and opportunities of a changing environment. The past year reminds me of the skill and vision of our ancestors as navigators of Te Moana nui a Kiwa. Like our ancestors, we must hold fast to our values and vision for the future, and, remain observant and adaptable to the environment around us. From this perspective it has been a year of tactical changes to stabilise our waka, preparing our supplies and people for the next leg of our journey, and, reaffirming our commitment to our vision and values.

The Chair's report aims to provide owners with a snapshot of key highlights, whilst the remainder of the annual report provides greater detail about the key activities of the trust. We look forward to the AGM as an opportunity to get your feedback on our mahi over the past year and to provide some insight into the year ahead.

Ngā Nekenekēhanga Matua Key developments over the past year Tupu Rawa - Asset Growth

The past year has focused on assessing and evolving our asset management practises to ensure we can achieve our asset growth aspirations. I'm proud of the courage of our Trustees to challenge ourselves, learn from the New Zealand Premium Whitebait investment and make changes to improve our future asset management. Key highlights and outcomes from this work include: :

- Placing a moratorium on new investments (until we understood and implemented practises that will improve asset management and performance)
- Establishing a commercial company to oversee new investments and provide management advice on current assets. This process has included significant debate and advice to ensure the right culture, controls and whanaungatanga are in place between the Trust and the commercial company. It was essential to Trustees that the commercial company acts in alignment with our vision, values and tikanga.
- The commercial company will be governed by three directors, two independents and one trustee director.
- We are pleased to announce that we have recruited Mike Pohio and Geoff Rice as independent directors (both with whakapapa links to Rotoiti 15 and our affiliated hapū/ iwi).
- We also congratulate Tina Ngatai on her appointment as a Trustee director.
- Establishing a dedicated general manager role for the commercial company and another for the Trust
- The directors of the commercial company are currently reviewing our investment strategy and setting up their systems before initiating new investments.

The Trustees are confident that the new structure, systems and capability will improve our asset management and performance. Another key change in terms of our assets was the successful sale of our Maniatutu Rd Dairy Farm and Kiwifruit Orchards. Past investment monitoring had identified the farm as a poor performing asset (returns have been in the range of 2-3% in recent years) with limited opportunities to be optimised. This asset was sold for \$6.2m, which was \$1m above its book value.

Beyond these developments our other assets are performing in line with our forecast and we are confident we will achieve our 2026 target of \$60m in assets.

Kaitiakitanga

The Trust has maintained a focus on kaitiakitanga as a core responsibility of the Trust. We have established a Taiao Komiti made up of three trustees and independent member, Tame Malcolm (a beneficiary of the Trust). Tame brings invaluable experience, networks and skills in the bio-security and pest management field. Due to the focus on restructuring our asset management approach, we haven't made significant progress on pest management, however this will be a core focus for the Komiti over the next year.r.

Tikanga and Kawa

The Trust continues to strengthen the use of tikanga and kawa into the management of our whenua and the Trust's activities. This included the practise of an annual dawn



karakia (which we started in 2016). The annual dawn karakia provides an opportunity for us to mihi to our whenua, tupuna and ngā atua for the benefits we receive from our whenua. It also aims to remind trustees and owners of our obligations to our whenua and assist us in carrying out these duties. This year's karakia was performed at Te Waiti Marae by kaumatua and beneficiary Muriwai Ihakara.

Te Ihu Oneone – Management Capability

The Trust has continued to build our management capability as a core aspect of our long term strategy. A key development this year was to separate the management of commercial activities from the Trust's other activities. The rationale for this separation is to provide better focus, capability and disciplines across the two core functions of the Trust:

- Caring for our people, environment and culture (Trust core obligations)
- Growing assets and cashflow (commercial activities)

As part of this restructure we have recently created a GM Trust role and are pleased to announce we have appointed Kerri Anne Hancock to this position. Kerri Anne comes with a wealth of experience working with Te Arawa entities in project management roles across a range of kaupapa including treaty settlement negotiations, governance support, environmental advocacy and planning, social development, education, economic development and marae development projects. Kerri Anne is an important addition to our team who will bring key capability to assist us in being more active across our distributions, owner engagement, katiakitanga and organisational development activities.

We also wish to acknowledge Huiarau Stewart our executive administrator for the past 3 years. Huiarau has chosen resign to pursue the next leg of her career development. We thank Huiarau for her commitment, dedication and passion to the mahi of the Trust and in serving our owners with manaakitanga. We wish her well on her future journey.

We also acknowledge Holly Wharewera who has worked as a project administrator for the Trust for the past 18 months. Holly has also chosen to take the next step in her career, having joined Deloitte Rotorua as part of their governance and business support team to Te Arawa land trusts and entities. We wish Holly well on her future journey.

The Trust will be recruiting a new executive administrator in early 2020 and will consider whether further project administration capacity is required by mid 2020.

Te Hanga Pūtea Financials

Over the past year, the Trust has achieved another solid financial result. The Trust achieved an overall after tax profit of \$826k (including the revaluations). This represents a 8% decrease in overall profit compared to the previous year.

The Trust's asset base has had further growth of \$643k which represents a 1.3% increase compared to the previous year.

On the back of this growth, owner's equity has grown from \$41.1m to \$41.7m. This is a record high for the Trust and will provide the Trust with greater financial opportunities from a strengthened balance sheet. The Trust is also in a strong cash position with over \$8.6m held back in accounts and term deposits, following the sale of the farm.

Te Pūtea Tautoko Distributions

The past year has seen the trust distribute \$296,955. This was only 54.2% of the \$547,886 made available for distributions. The Trust has also progressed the review of the distributions policy and will be presenting some initial ideas for feedback at the AGM with the aim of finalising a new policy in 2020. Key ideas that emerged to date include:

- Providing more focus, effort and resourcing to our distribution activities
- Utilising the Rotoiti 15 Charitable Trust to provide greater capital for distributions over the next 10-15 years
- Maintaining our current grants but making some adjustments to approve uptake (e.g. improved marketing of grants and supporting owners to draft applications) and grants administration (e.g. by providing online grant applications)
- Adding some new forms of distributions to address opportunities and challenges voiced by owners and affiliated hapū and iwi.

Te Reo Whakakapi Closing Remarks

In closing I would like to thank my fellow Trustees for their time, aroha and hard work over the past year. I believe we have worked well together through some complex and challenging decisions and I appreciate the collective knowledge, experience and passion you all bring to the kaupapa.

I would also like to thank our staff, business partners and professional advisors who have supported us through a year of big decisions.

Finally, I would like to acknowledge our owners again, everything we do must be focused on contributing to the aspirations of our owners, hapū and iwi, and, to honour the aspirations of our tūpuna. Despite the challenges and complexity, we believe we are making good progress and will continue to work hard, learn and grow. To this end, we always welcome your whakaaro and awhi to assist us in creating a better future for our taiao, ahurea, mokopuna, whānau, marae, hapū and iwi.

Mauriora ki a tatau katoa.

Arapeta Tahana
Chairperson



te rīpoata o te kaihautū general manager's report

Tēnā tatau ngā uri o Rotoiti 15

It's a pleasure to present on behalf of our management team, this report for the 2019 Financial Year. It has been a year of review and change at both a strategic and operational level and the results of our mahi is coming to fruition.

The importance of our core values has always been central to how we make decisions, do business and support ngā uri o Rotoiti 15.

Looking in the rear-view mirror, Rotoiti 15 Trust is more stable and focused, capable of delivering significant tangible and intangible benefits to owners. The journey to this point has been challenging and the need to continually reflect and adapt, as our environment changes, is the only constant.

The Trust is extremely well positioned for the future. It has a strong balance sheet; minimal liabilities, scale advantage in a growth sectors, and liquidity to support future investment. Rotoiti 15's endowments listed in the table below highlights our unique position not commonly available to other investment groups:

Endowment	Opportunity/ Focus
1. Tangata whenua	Collectivise iwi relationships to collectivise significance of investment capacity and capability to compete at scale
2. Relationship with Crown	Protection of rights and ability to use existing relationship to leverage future opportunities and protection of rights
3. Long-term investment timeframes	Confidence to invest through economic cycles
4. Tax status	Overall returns should be greater than market
5. Clear and robust governance structure	Access to preferred investment opportunities and/or premium returns

Combining our core values and shareholder aspirations with our commercial focus, underpins the Trust's strong position, and ability to support the aspirations of future generations of owners.

This report provides a summary of key operational activities for FY19 and will draw conclusions about future positioning for the Trust and its subsidiaries.

Finance

The results for the financial year 18/ 19 show a net profit after tax of \$826k, with total comprehensive revenue recorded for the year at \$701.

Markets

We have experienced very good growth and cash returns from our share portfolio historically, however markets experienced a notable change in December 2018.

The portfolio was initially positioned to provide strong dividend income, and in the last few years has experienced the benefits of falling interest rates which drove higher market values.

In May 2018, we took a cautious view after a strong rebound in value, and with knowledge of future cashflow requirements for R15, we decided to convert equities to cash by selling \$1.7m worth of mainly NZ equities.

At the same time we made the judgement that interest rates were at their low point, however in hindsight, interest rates fell further and we therefore missed the opportunity of further gains through the sale of equities as interest rates fell even further.

Future Strategy

Equity markets are facing numerous challenges, although central banks are committed to keeping monetary conditions highly accommodative. Recessions are uncommon (but not impossible) when policymakers take this approach, and severe equity market downturns are rare outside of recessions.

R15 are looking to remain invested, but position portfolios defensively and expect more volatility. This means ensuring the portfolio is well diversified and stick to quality businesses that are "best of class".

The portfolio has historically had strong exposure to energy, infrastructure, food, and healthcare sectors which are defensive and reliable under times of stress, however they tend to underperform compared to higher growth sectors such as IT, or cyclical businesses during times of economic growth.

R15 in partnership with Craigs Investment Partners is currently completing future modelling of different portfolio scenarios, which are designed to provide information to enable informed decision making for Rotoiti 15, and to assist with forming part of the future investment strate

Dairy

Improved weather conditions leading to good pasture growth resulted in an uplift in milk production and milk proceeds. This however was off-set in part by the lower milk price received - \$6.35 (FY18 \$6.75). With Trust only receiving 50% of the revenue, profitability of this small dairy unit is questionable.

Forestry

Our forest investments are performing well. The Rerewhakaaitu forest is about to have its second lift prune. The forest regime is 25% clearwood with the balance being a framing stand.



The decision to reduce from a 50% clearwood regime was based on a report provided by Woodland Pacific which outlined key economic trade-offs. When we aligned this with our overall investment strategy and demands on free cash, it made sense to reduce the amount of forest pruned.

Trustees remain committed pruning those parts of the forest where we will gain a premium return. Pruning also ensures the Trust is providing some form of work available, and we actively promote any forest gangs that whakakapapa to Roiti 15.

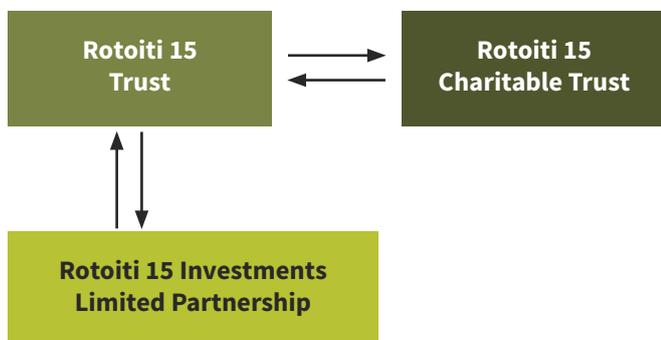
A rent review of the Rotoiti 15 forest has been completed for the new financial year. The review was an economic assessment based on measuring the combined movement of the Consumer Price Index (CPI) and Producer Price Index (PPI) for a specific period. The net result of this review was an increase of annual rent from \$776,000 to \$834,000.

Rotoiti 15 Investments Limited Partnership

Following an internal structure review and, recommendations from a post-investment review conducted by MyFiduciary, trustees agreed in principle to the establish a commercial entity, to oversee the strategic and operational management of the Trust's commercial assets. The commercial entity is a wholly owned subsidiary of the Trust.

Trustees realised that investment and commercial governance requires a different set of skill and expertise to that of owner representation. Creating a commercial entity would enable Trustees to appoint independent directors who possess the required skills and experience, capable of developing strategy and delivering targeted returns.

Management worked with our solicitors and tax advisors to come up with the most effective and efficient structure, which was the establishment of a Limited Partnership (LP). The benefit of this structure is the tax efficiency, i.e. the LP has the same Māori Authority tax status at the parent (Rotoiti 15 Trust).



During the establishment phase, asset transfers were determined. From the outset, all corpus assets were to (and have) remained in the Trust, while the commercial assets, unencumbered by tax (liability) have been transferred to the new

investment entity. Include in this transfer was cash from term deposits. The mechanism for transferring cash is via a deed of debt. This acknowledges that the intent is for the commercial entity to invest the funds of behalf of the Trust, however long-term ownership is retained by the Trust.

The governance structure comprises of 3 directors, 2 of whom are independent. The positions were advertised externally, and interviews conducted. The result was the appointment of Mike Pohio (who was also appointed Chairman) and Geoff Rice as independent directors and Tina Ngatai as the Trustee representative.

Investment Portfolio Review

During 2018/19, the Trust carried out a strategic review of its investment portfolio. The purpose was to assess and rebalancing its asset allocation.

Forestry assets makes up over 60% of Trust assets and is steadily growing in capital value overtime. It is this capital growth that produces an imbalance against cash returns and requires constant adjustment in order to achieve sustainable, long-term returns.

As a result of the review, Trustees made two strategic decisions:

1. To sell \$1.7 million from Craig's Investment Portfolio, and
2. To sell the Maniatutu Rd properties

The decision by Trustees to sell asset from the Craigs Portfolio was well informed. The portfolio had performed well over the medium term, however advice we sort showed the market was 'top heavy' at risk of significant devaluation. Following the sale and with \$1.7 million in the bank, the market deteriorated and returns started decline. Had the Trust not sold when it did, it would have lost approximately \$300,000.

Maniatutu Rd was originally purchased following harvest of the second rotation of Rotoiti forest when the Trust received 9% of the stumpage. The first was a 164-hectare dairy farm purchased in July 2008, followed by a 6.4-hectare kiwifruit orchard purchased in May 2012. The combined purchase price at the time was approximately \$5.4 million.

Motivation for purchasing Maniatutu Rd at the time was to provide diversification of the Trusts investment portfolio at the time. The intent was right; however, performance of the dairy farm and kiwifruit orchard were sub-optimal.

The dairy farm was small scale and operated under a 50% sharemilking agreement, meaning the Trust received only 50% of the revenue while owning 100% of the asset. The kiwifruit orchard contracted PSA shortly after purchase and never recovered, resulting in negative annual cash flows.

A registered market valuation was carried out in 2018/19 to provide an assessment of 'market value', which came in at \$5.2 million. The combined being close to the original purchase price back in 2008 and 2012.



The property was marketed knowing there would likely be little interest in the dairy farm due to size and location. The kiwifruit sector however was experiencing significant growth, and although fringe and still two years off production, the Maniatutu Rd orchard would draw in buyers. This strategy worked and we were able to negotiate a sale at \$6.2 million, \$1 million above valuation and approximately \$800,000 more than what the property was originally purchased for. The funds from the sale of these assets are now available for reinvestment where we can achieve premium returns.

Strategic Focus

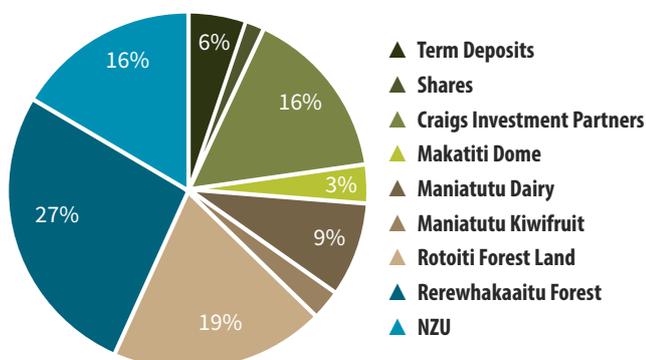
Review and rebalancing our investment portfolio will continue to be the main focus going forward, with our priority being to grow sustainable cash returns for our owners.

As you will read further in the Annual Report, the Trust has performed well in terms of revenue received. To put this into context, the following chart provides a snapshot of the Trusts investment portfolio. This highlights that of the \$45 million of total assets, only 50% (by asset value) is deriving any form of revenue. The reasons being:

- Rerewhakaaitu forest won't be harvested until around 2040, and will continue to grow in value as the forest grows
- NZU's have continued to increase in value and have become a drag on the balance sheet
- Nil income from Maniatutu Rd kiwifruit, and
- Makaiti dome is a taonga asset and derives nil income

In a perfect situation, the Trust would be achieving total returns of 7-8%, with real cash returns making up 4.5% of this. While the total return achieved by the Trust is in the vicinity of the target (8%), we are only achieving approximately half the cash returns (2%), as the capital appreciation of forest related assets out way cash returns.

Rotoiti 15 Trust Assets



Looking ahead, the commercial entity will develop strategy on how to better utilise the assets and improve the balance between cash returns and capital gains. In doing so the Trust will be better positioned to provide benefits to our current and future generation of owners and beneficiaries.

Grants and Distributions

Rotoiti 15 Trust exists for the sole benefit of its owners. For the year ending 30 June 2019, grants distributed to owners and beneficiaries was \$296,955. The amount available was \$547,887 meaning \$250,932 will be carried over and made available for the following year.

Trustees expectation of management is to increase the level of free cash available for grants year-on-year. To do this takes commercial discipline and investment rigour, achieving balance between income and growth, and then balancing the Trust's spending between grants and re-investment. At a minimum, growth needs to cover inflation & population growth ('shareholder' inflation) which is 1.6% and 1.5% respectively.

Grant Applications

The process of applying for grants can often be frustrating for owners, and time consuming for our administration team. Following a review of the end to end process, we have implemented an electronic application system. This means all grant applications will soon be accessible and submittable on-line via the Trust's website.

This project was initiated in FY19, however delays in its development means we are still in testing phase. It is expected the new system will be available for owners to access in December 2019.

The Trust's management and administration team will still be available to assist owners and beneficiaries with applications and collation of information. By going electronic we hope to connect with a greater number of owners and beneficiaries who in the past have been hindered by our processes. This also means grants can be applied for from home, alleviating the need to come into the office.

Conclusion

Rotoiti 15 Trust is in a solid position with a strong asset and equity base on which to launce future endeavours. With our new structure, we are poised to elevate returns on our investments and improve the leverage we hold in core assets and through our endowments.

On behalf of the management team, I would like to thank the Board and owners for your on-going support and challenging us to work toward our mission to protect and grow the well-being of our tāngata and whenua, enabling both to thrive.

Ngā mihi

Brad Tatere

General Manager

te pūtea tautoko distributions report

This financial year has been another positive year for both the Rotoiti 15 Trust and Rotoiti 15 Charitable Trust. Collectively they have distributed \$296,955 to beneficiaries, Marae and Community Organisations. Congratulations to our owners and beneficiaries on another year of achievement – the positive impact you have on our wider community is resounding. Thank you also for continuing to share your stories and journeys with the trust.

Distributions policy

Since 2005, The trust has distributed over \$6 million to its beneficiaries since 2005. As reported last year, the distributions policy is still in review and with the recent appointment of the trusts General Manager Kerri Anne, we are looking forward to engagement on this kaupapa in the first quarter of 2020. The review of the distribution's policy will be focused on maximising investment in our people, making sure distributions are fit for purpose, and enabling you to achieve your moemoea for your whanau hapū and iwi.

We encourage owners to apply and will be actively perusing this in the coming years as part of the distributions review process. In the meantime, please check our website for application forms and current grant criteria.



Grant Category	Allocation 18/19	Carry Over 17/18	Total Allocation	Distributed 18/19
Community Organisation	6,441	6,255	12,696	12,696
Cultural Activities	11,949	17,935	29,884	17,119
Discretionary	15,814	15,721	31,535	24,150
Environmental	2,576	5,957	8,533	5,000
Koeke	92,036	4,055	96,090	96,090
Marae	110,000	162,000	272,000	101,000
Tertiary	38,400	8,100	46,500	38,400
Trade Training	1,600	49,049	50,649	2,500
Total	278,816	269,072	547,887	296,955



ngā putea tautoko mo te tau

summary of distributions paid



Education
\$38,400



Koeke
\$96,090



Trade
\$2,500



Environmental
\$5,000



Discretionary
\$24,150



Cultural
\$17,119



Marae
\$101,000



Community
Organisation
\$12,696



Total distributions
paid in 18/19
\$296,955



pūrongo ā putea
financial report

pūrongo ā putea financial report

Financial Overview

The consolidated financial statements presented are for the year ended 30 June 2019.

These consolidated financial statements include the Trust itself (the Parent) and the following subsidiaries:

- Otukawa Whenua Limited Partnership
- Rotoiti 15 and Ruahine & Kuharua Limited Partnership

This overview provides a snapshot of the Group's finances and results for 2018/19 year. The full financial statements are available on pages x – x. The financial statements were audited by Cookson Forbes & Associates.

Financial performance

In 2018/19, the Group delivered a softer result than the previous year, with operating revenue down 10% compared to last year, while operating expenses were up 6%.

An overall net profit of \$826,146 was achieved this year. The net profit has reduced by 8% compared to 2018. A lower increase in the value of biological assets is the main contributing factor.

	This year	Last year	Change
Revenue	2,641,070	2,934,901 ↓	10%
Expenses	(2,684,644)	(2,528,151) ↑	6%
Operating profit	(43,575)	406,750 ↓	111%
Other gains/(losses)	743,871	961,541 ↓	23%
Tax	125,850	(472,844) ↓	127%
Net profit	826,146	895,446 ↓	8%

Other comprehensive income included revaluations of some of the Trust's key investments, though the net result had minimal impact on the overall result (up \$701 to \$826,340).

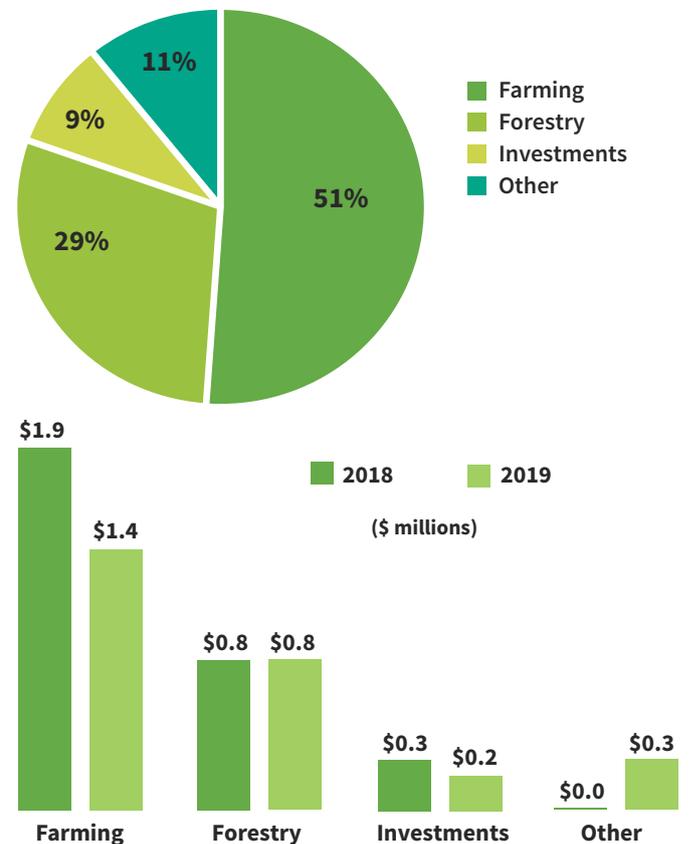
Revenue

For the year ended 30 June 2019, the Group had total revenue of \$2.6 million (down 10% on last year). Majority of this income was generated from its core activities being farming, forestry and investments.

Farming income was down 28% though it continues to be the major source of revenue for the Group. Milk proceeds from the Maniatutu Road farm and Otukawa joint venture farm both decreased compared to last year.

Income from forestry rent remained unchanged at \$779k.

Investment income received from portfolios, terms deposits and shares reduced by 11% to \$228k.



Expenses

Total expenses of the Group were \$2.7 million, a 6% increase compared to last year.

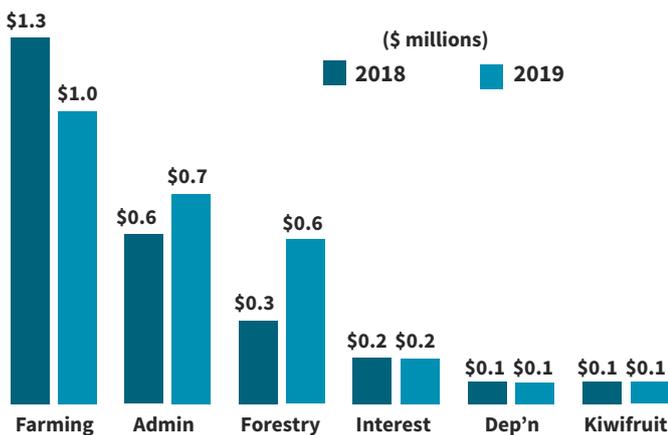
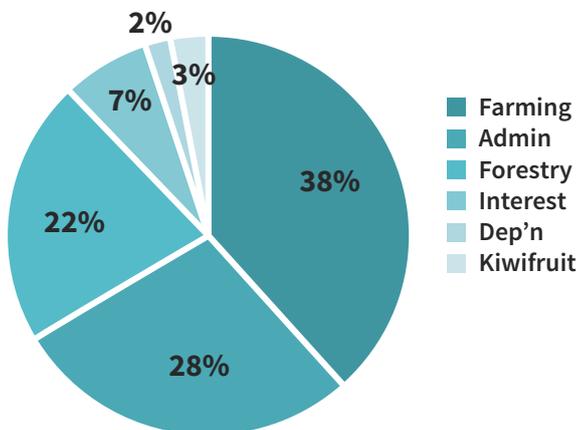
Dairy farm expenditure was the highest contributor to total expenditure again at 38% or \$1.03 million. The largest expense relates to the sharemilkers' share of milk proceeds (\$227,896). Other larger costs included the purchases of feed (\$179,369) and lease expenses (\$151,750). Overall, dairy expenditure has decreased by \$268,857 compared to last financial year.

Administration expenses totalling \$0.75 million, represent 28% of total expenses. Administration expenses are made up of general manager and trustee fees, staff salaries, AGM expenses, accountancy and secretarial fees, insurance, investment management fees, consultancy, and other management costs. Administration expenses have increased by \$140,164 on 2018.

Forestry expenses made up 22% or \$584,338 of the total expenditure. This has increased by \$285,322 compared to 2018 and is due to pruning and forest health and maintenance.

Interest expenses for the year were \$191,828 or 7% of the total expenses. Interest paid relates to the loan facility Otukawa has with BNZ. Interest expenses increased by \$24,035 or 14% compared to last year.

Kiwifruit expenses contribute to 3% of the total expenses with a balance at year-end of \$81,385. This is an increase compared to last year-end, of \$5,679.



Other gains/(losses)

After another strong year for the share market, value gains on the investment portfolio were \$209,078 though this is lower than the year before (\$532,709).

Other gains/(losses) include increases in value of trees and livestock, \$40,259. The Maniatutu farm and kiwifruit orchard was sold at the end of the financial year with a resulting capital gain of just under \$495,387.

Financial position

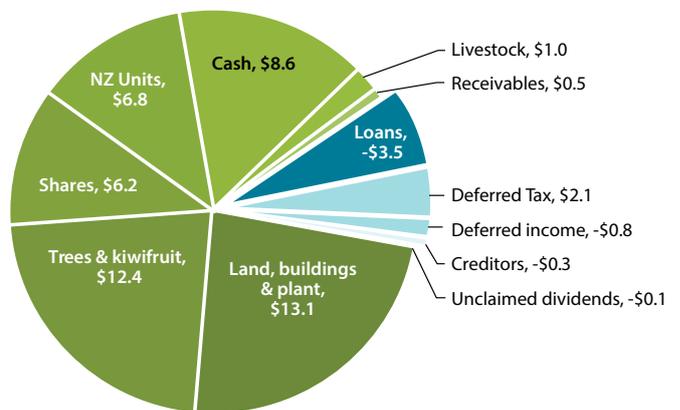
At the end of each year, the Statement of Financial Position shows the current financial position of the Group at year end. This reflects the overall value of the Parent and its subsidiaries.

	This year	Last year	Change
Total assets	48,594,601	47,951,337	1%
Total Liabilities	6,823,442	6,864,664	1%
Equity	41,771,160	41,086,674	2%

As at 30 June 2019, total assets were \$48.5 million. Of this, biological assets (trees & kiwifruit) accounted for \$13.3 million or 28%. Total liabilities were \$6.8 million, with 49% or \$3.3 million of this being long-term borrowings from BNZ.

The difference between total assets and total liabilities means that owners' equity for the Group is \$41.7 million.

Financial position (\$millions)



\$48.5
Assets

(\$6.8)
Liabilities

\$41.7
Equity

pūrongo ā putea financial report

Assets

The Group's Current Assets were \$8.8m and consist of bank funds, term deposits, receivables, and an Income tax refund. Non-current assets of \$39.7m include property, plant and equipment, forestry and livestock holdings, carbon credits and other financial assets. Other financial assets are made up of managed portfolio funds, shares in listed companies and unlisted shares.

Total Assets of the Group increased by \$0.6 million or 1.3%, from \$48m to \$48.5m, compared to 2018.

The total value of the Group's two investment portfolios with Craigs Investment Partners and shares was \$5.4 million which has declined compared to 2018 by \$1.6m (22%), as the trustees have adjusted their investment mix.

Liabilities

Total liabilities amount to \$6.8 million for 2019, a decrease of \$41,221 or 0.6% on last year's total. Current Liabilities include the Otukawa bank overdraft, accounts payable, GST due for payment, and deferred forestry rent.

Non-current liabilities (\$5.5 million) are mostly made up of the Otukawa BNZ borrowings of \$3.3 million, as well as unclaimed dividends and deferred tax.

Equity

The Group's equity is the net difference between the Group's assets and its liabilities. Closing Equity as at 30 June 2019 was \$41,771,160 with \$85,587 representing Te Karangi A2 Trust's share in closing equity of Otukawa Whenua Limited Partnership.

Distributions made in 2019 are explained in detail in the Distributions section of this report.

Rotoiti 15 Charitable Trust

Income

Total revenue for the year was \$337,265, which was up 16% compared to last year (\$291,121)

The Trust received \$81,236 from its investments which is a decrease of \$39,486 on the previous year. Interest income accounts for \$4,306 of the total investment income. Dividends and income from shares in overseas companies make up the balance of \$76,930.

Other revenue of \$256,029 has increased compared to last year's balance of \$170,399. This is the change in value of the investment portfolio over the past 12 months.

Expenses

The Trust's total expenditure for the year was \$154,201. The difference on last year of \$57,965 is made up of an increase in grants paid (2019: \$125,900, 2018: \$64,851), and a small decrease in loss on sale of investments of \$4,918.

Grants paid in the 2018/19 year are explained in detail in the Distributions section of this report.

Net Surplus

The Trust's net surplus for the year ended 30 June 2019 was \$183,064, a decrease of 6% on last year's surplus of \$194,885.

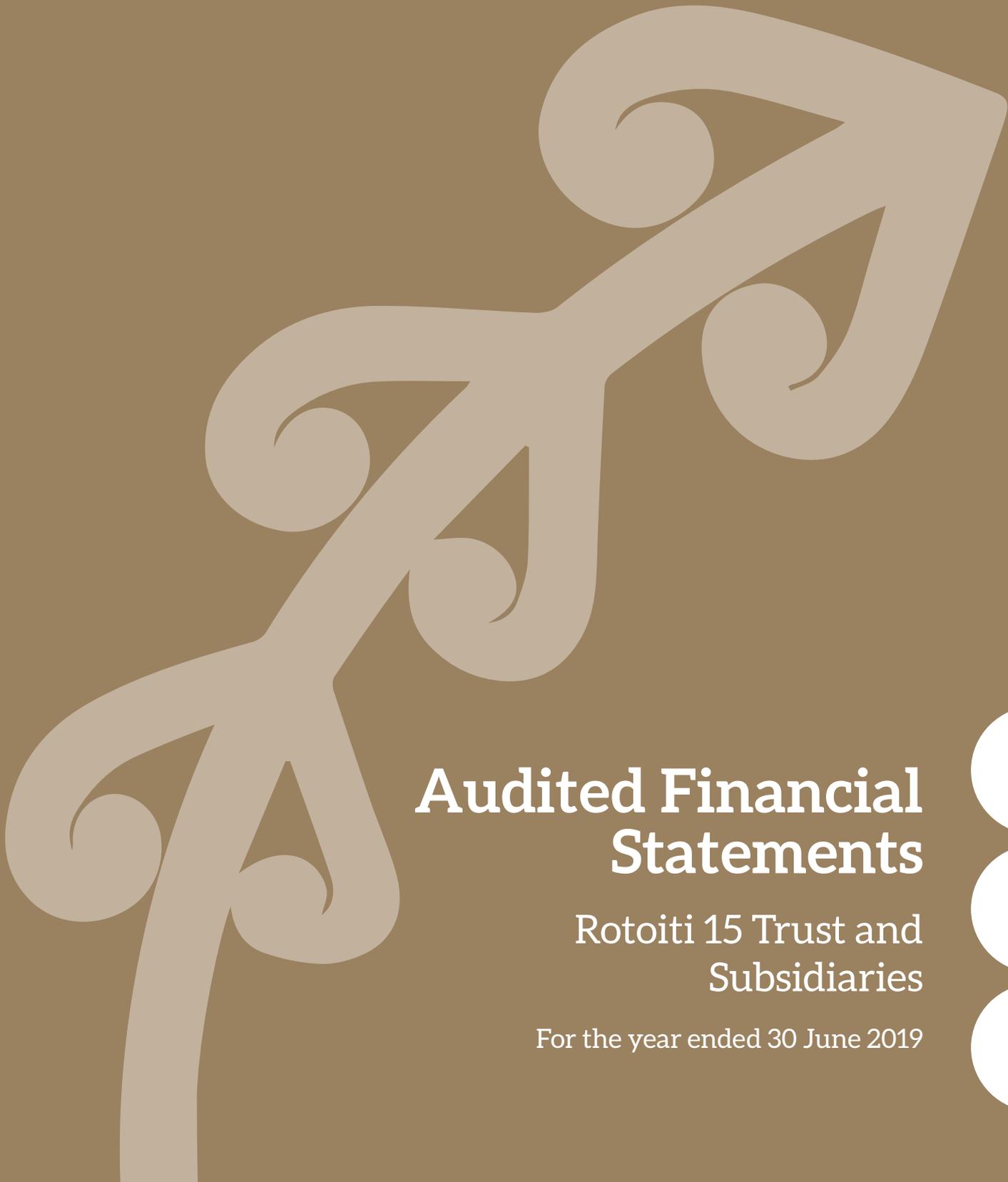
Balance Sheet

The Trust's Current Assets is mainly bank funds which has decreased by over \$0.5m compared to last year. The Trust's only non-current asset is an investment portfolio held with Craigs Investment Partners. Overall the Trust's assets have increased in value again by 6% or \$174,807 compared to 2018.

The Trust's only liabilities are creditors due for payment. Total liabilities are \$3,324.

The Trust's Equity at 30 June 2019 was \$3,300,268 which is \$183,064 (6%) up on last year.

Statement of Financial Performance		
	2019	2018
Investment income	81,236	120,722
Other revenue	256,029	170,399
Total Revenue	337,265	291,121
Administration	3,553	2,560
Grants paid	125,900	64,851
Investment expenses	12,666	11,824
Other expenses	12,082	17,000
Total Expenses	154,201	96,236
Surplus	183,064	194,885
Statement of Financial Position		
	2019	2018
Current Assets	1,137,021	1,188,196
Investments	2,166,571	1,940,589
Total Assets	3,303,592	3,128,785
Creditors	3,324	3,180
Rotoiti 15 Trust	-	8,400
Total Liabilities	3,324	11,580
Accumulated Funds	3,300,268	3,117,204



Audited Financial Statements

Rotoiti 15 Trust and
Subsidiaries

For the year ended 30 June 2019

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INDEPENDENT AUDITOR'S REPORT

To the Trustees and Owners of Rotoiti 15 Trust & Subsidiaries

Qualified Opinion

We have audited the financial statements of Rotoiti 15 Trust & Subsidiaries on pages 6 to 25, which comprise the statement of financial position as at 30 June 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 2019 and its financial performance and its cash flows for the year then ended, in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

Basis for Qualified Opinion

The Trustees have elected to revalue land and buildings to rateable value which is a departure from NZ IAS 16 which requires a "fair value" valuation to be undertaken. Our opinion is qualified solely in this respect.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described below in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust Group 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 and subsidiary entities.

Restriction on Responsibility

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

Other Information

The Trustees are responsible on behalf of the company for the other information. The other information comprises 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 assurance conclusion thereon.

Other Information - Continued

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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with NZ IFRS RDR and for such internal control as the Trustees deem 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 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 directors 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. 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 the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/>



Cookson Forbes & Associates
Chartered Accounts
96 Waioweka Road
Opotiki, New Zealand

15th November 2019

Entity Information

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2019

Nature of business

Forestry, Dairy Farming, Kiwifruit, Investments

Postal address

PO Box 1712, Rotorua

Trustees

Arapeta Tahana Jnr (Chairman)

Fred Whata (Resigned January 2019)

Joe Tahana

Katie Paul

Merehira Savage

Piki Thomas

Tina Ngatai

Accountants

GHA Ltd

Chartered Accountants

PO Box 1712, Rotorua

Auditors

Cookson Forbes & Associates

Chartered Accountants

96 Waioeka Rd, Opotiki

Solicitors

Kahui Legal

32 Waring Taylor Street

Wellington

Subsidiaries

Otukawa Whenua Limited Partnership

Rotoiti 15 Trust - 60%

Te Karangi A2 Trust - 40%

Board Members:

J Fenwick, representing Te Karangi A2 Trust

M Wihapi, representing Te Karangi A2 Trust

T Ngatai, representing Rotoiti 15 Trust

Piki Thomas, representing Rotoiti 15 Trust

Rotoiti 15 and Ruahine & Kuharua Limited Partnership

Rotoiti 15 Trust - 90%

Ruahine and Kuharua Incorporated - 10%

Board Members:

Tina Ngatai

Statement of Profit or Loss and Other Comprehensive Income

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2019

	Note	Group		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
Revenue					
Forestry income	5	779,335	779,335	779,335	779,335
Farm income	6	1,350,080	1,877,997	235,100	580,315
Investment income	7	228,238	255,935	228,150	255,929
Other income		283,417	21,633	282,132	1,250
Total Revenue		2,641,070	2,934,901	1,524,717	1,616,829
Expenses					
Forestry expenses	5	584,338	299,016	584,338	299,016
Farm expenses	6	1,029,447	1,298,304	85,563	379,203
Kiwifruit orchard working expenses		81,385	75,706	81,385	75,706
Administration expenses	8	746,669	606,505	699,868	563,288
Interest paid		191,828	167,793	-	-
Depreciation of property, plant and equipment	10	50,977	80,827	19,493	51,818
Total Expenses		2,684,644	2,528,151	1,470,646	1,369,031
Operating Profit		(43,575)	406,750	54,070	247,798
Other items					
Changes in fair value of managed portfolio funds		209,078	532,709	209,078	532,709
Changes in fair value of biological assets	19	40,259	2,568,497	31,134	2,535,997
Gain on sale of assets		495,387	-	495,387	-
Share of loss in joint ventures	14	(854)	(5,816)	(854)	(5,816)
Share of profit in subsidiary	16	-	-	(53,111)	114,872
Impairment loss	15, 16	-	(2,133,849)	-	(2,047,434)
Profit before tax		700,296	1,368,290	735,705	1,378,125
Less Income tax expense	9	125,850	(472,844)	125,850	(472,844)
Net profit for the year		826,146	895,446	861,555	905,280
Other comprehensive income, net of income tax					
Changes in fair value of available-for-sale financial assets		(442,194)	(145,055)	(154,826)	(54,530)
Share of movement in reserves of equity accounted associates		-	-	(172,421)	(54,315)
Changes in fair value of intangible assets	18	415,800	1,231,785	415,800	1,231,785
Share of movement in reserves of joint ventures		-	1,463	-	1,463
Changes in fair value of land	10	-	1,351,702	-	1,351,702
Income tax relating to these items	26	27,095	19,048	27,095	19,048
Total Other comprehensive income, net of income tax		701	2,458,943	115,648	2,495,153
Total Comprehensive income for the year		826,847	3,354,389	977,203	3,400,433
Profit for the year attributable to:					
Owners of the Trust		861,553	1,032,250	861,555	905,280
Non-controlling interests	17	(35,407)	(136,804)	-	-
		826,146	895,446	861,555	905,280
Total comprehensive income for the year attributable to:					
Owners of the Trust		977,201	3,527,403	977,203	3,400,433
Non-controlling interests	17	(150,354)	(173,014)	-	-
		826,847	3,354,389	977,203	3,400,433

This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

CF
Audit

Statement of Financial Position

Rotoiti 15 Trust and Subsidiaries

As at 30 June 2019

	Note	Group		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
Assets					
Current assets					
Cash and cash equivalents	11	8,629,034	1,613,994	8,628,052	1,613,565
Trade and other receivables	12	159,436	223,434	12,229	14,167
Related party advances	27	13,029	20,185	13,029	20,185
Income tax refund due	9	20,259	4,824	20,259	4,823
Total Current assets		8,821,758	1,862,437	8,673,569	1,652,740
Non-current assets					
Property, plant and equipment	10	13,149,074	18,064,133	10,661,373	15,565,453
Other financial assets	13	6,166,092	7,926,256	5,446,195	7,006,902
Investments in subsidiaries	16	-	-	427,996	653,528
Investments in joint ventures	14	251,437	45,790	251,437	45,790
Intangible assets	18	6,816,150	6,400,350	6,816,150	6,400,350
Biological assets	19	13,376,684	13,646,176	12,375,134	12,653,751
Other non-current assets		13,406	6,196	13,406	-
Total Non-current assets		39,772,843	46,088,901	35,991,691	42,325,774
Total Assets		48,594,601	47,951,338	44,665,261	43,978,514
Liabilities					
Current liabilities					
Cash and cash equivalents	11	151,652	20,365	-	-
Trade and other payables	20	207,926	249,787	35,229	73,946
Deferred revenue	21	834,168	779,335	834,168	779,335
Employee entitlements		2,896	5,635	2,896	5,635
Goods and services tax		104,640	96,953	110,229	104,024
Total Current liabilities		1,301,281	1,152,075	982,522	962,940
Non-current liabilities					
Borrowings	22	3,325,254	3,348,003	-	-
Unclaimed dividends		86,805	86,804	86,805	86,804
Deferred tax liabilities	26	2,110,101	2,277,781	2,110,101	2,277,781
Total Non-current liabilities		5,522,160	5,712,588	2,196,906	2,364,585
Total Liabilities		6,823,442	6,864,663	3,179,428	3,327,525
Net assets		41,771,160	41,086,675	41,485,833	40,650,990

This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

CF
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Statement of Financial Position (CONTINUED)

Rotoiti 15 Trust and Subsidiaries

As at 30 June 2019

	Note	Group		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
Equity					
Capital	23	1,331,805	1,331,805	1,331,805	1,331,805
Reserves	24	15,920,322	17,031,249	15,920,322	17,031,249
Retained earnings		24,433,447	22,487,678	24,233,706	22,287,936
Equity attributable to owners of the Trust		41,685,574	40,850,732	41,485,833	40,650,990
Non-controlling interests	17	85,587	235,941	-	-
Total Equity		41,771,160	41,086,675	41,485,833	40,650,990

For and on behalf of the Board of Trustees:

Chairman

Trustee

Date: 15 November 2019

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This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

Statement of Changes in Equity

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2019

	Note	Contributed Share Capital	Reserves	Retained Earnings	Non- controlling interests	Total Equity
Group		\$	\$	\$	\$	\$
Opening balance 1 July 2018		1,331,805	17,031,249	22,487,678	235,941	41,086,675
Net Profit for the year		-	-	861,553	(35,407)	826,146
Derecognition upon disposal of property		-	(1,226,575)	1,226,575	-	-
Other comprehensive income		-	115,648	-	(114,947)	701
Shareholder grants paid		-	-	(142,359)	-	(142,359)
Closing equity 30 June 2019		1,331,805	15,920,322	24,433,447	85,587	41,771,160
Opening balance 1 July 2017		1,331,805	14,536,096	21,562,376	408,955	37,839,232
Net Profit for the year		-	-	1,032,250	(136,804)	895,446
Other comprehensive income		-	2,495,153	-	(36,210)	2,458,943
Shareholder grants paid		-	-	(106,947)	-	(106,947)
Closing equity 30 June 2018		1,331,805	17,031,249	22,487,678	235,941	41,086,675
Parent						
Opening balance 1 July 2018		1,331,805	17,031,249	22,287,936	-	40,650,990
Net Profit for the year		-	-	861,555	-	861,555
Other comprehensive income		-	115,648	-	-	115,648
Derecognition upon disposal of property		-	(1,226,575)	1,226,575	-	-
Shareholder grants paid		-	-	(142,359)	-	(142,359)
Closing equity 30 June 2019		1,331,805	15,920,322	24,233,706	-	41,485,833
Opening balance 1 July 2017		1,331,805	14,536,096	21,489,603	-	37,357,504
Net Profit for the year		-	-	905,280	-	905,280
Other comprehensive income		-	2,495,153	-	-	2,495,153
Shareholder grants paid		-	-	(106,947)	-	(106,947)
Closing equity 30 June 2018		1,331,805	17,031,249	22,287,936	-	40,650,990

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This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

Consolidated Statement of Cash Flows

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2019

	Note	Group		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from customers		2,539,170	2,639,251	1,360,844	1,356,657
Payments to suppliers and employees		(2,477,728)	(2,352,588)	(1,487,725)	(1,311,667)
Investment income		134,261	181,611	134,186	131,664
Interest paid		(191,282)	(167,793)	-	-
Grants paid		(142,360)	(106,947)	(142,360)	(106,947)
Income tax		(30,096)	22,812	(30,096)	22,812
Net GST		4,228	(8,477)	2,737	(2,012)
Total Cash flows from operating activities		(163,807)	207,869	(162,414)	90,507
Cash flows from investing activities					
Payments to acquire property, plant and equipment		(20,505)	(31,376)	-	(17,153)
Proceeds from the sale of property, plant and equipment		7,389,724	-	7,389,725	-
Net payments to acquire investments		(99,493)	(875,498)	(13,406)	(872,000)
Advances to related parties		7,156	(9,400)	7,156	(9,400)
Payments for investment in joint venture		(206,573)	(43,424)	(206,573)	(43,424)
Total Cash flows from investing activities		7,070,309	(959,698)	7,176,902	(941,977)
Cash flows from financing activities					
Dividends paid		-	-	-	-
Proceeds from borrowings	22	(22,749)	(103,382)	-	-
Total Cash flows from financing activities		(22,749)	(103,382)	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalents		6,883,753	(855,212)	7,014,488	(851,470)
Cash Balances					
Cash and cash equivalents at beginning of the year		1,593,629	2,448,841	1,613,565	2,465,035
Cash and cash equivalents at end of the year	11	8,477,382	1,593,629	8,628,052	1,613,565
Net change in cash for the year		6,883,753	(855,212)	7,014,487	(851,470)

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This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2019

1 Reporting entity

Rotoiti 15 Trust is a Trust that is a trust originally vested under s438 of the Maori Affairs Act 1953, and continues under Section 215 of Te Ture Whenua Maori Act 1993 as an Ahu Whenua Trust. The financial statements of the Trust have been prepared in accordance with generally accepted accounting practice and the requirements of Te Ture Whenua Maori Act 1993.

These consolidated financial statements for the year ended 30 June 2019 comprise Rotoiti 15 Trust ("the Parent") and its subsidiaries Otukawa Whenua Limited Partnership and Rotoiti 15 Trust and Ruahine & Kuharua Limited Partnership (together referred to as the "Group").

These financial statements were authorised for issue by the Board of Trustees on 15 November 2019.

2 Basis of preparation

(a) Statement of compliance

The group has adopted External Reporting Board Standard A1 Accounting Standards Framework (For-profit Entities and Public Sector Public Benefit Entities Update) (XRB A1). The Group qualifies for NZ IFRS (RDR) as it does not have public accountability and it is not a large for-profit public sector entity.

(b) Measurement basis

The consolidated financial statements have been prepared on the historical cost basis except for assets and liabilities that have been measured at fair value.

(c) Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$) which is the Group's functional currency. There has been no change in the functional currency of the Group during the year.

(d) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

3 Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the consolidated financial statements include the following:

- Revenue recognition
- Classification of lease arrangements
- Recognition of deferred tax assets

4 Significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent and subsidiary controlled by the Parent.

Control is achieved when the Parent:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2019

4 Significant accounting policies - continued

Consolidation of a subsidiary begins when the Parent obtains control over the subsidiary and ceases when the Parent loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent gains control until the date when the Parent ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

In the Parent's financial statements Investments in subsidiaries is stated at cost less any impairment losses.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(i) Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by a binding agreement and requiring unanimous consent for strategic financial and operating decisions.

(b) Revenue

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Group, and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest revenue

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

Dividends

Income from dividends is recognised when the Group's right to receive payment is established, and the amount can be clearly measured.

(c) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

(c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2019

4 Significant accounting policies - continued

(d) Financial instruments

Financial instruments are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement is dependent of classification of the financial instrument, and is specifically detailed in the accounting policies below.

Financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets.

Financial assets at fair value through profit or loss (FVTPL)

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

Financial assets at fair value through profit or loss are subsequently measured at fair value with gains or losses being recognised in profit or loss.

The Group has elected to designate investments in managed portfolio funds as fair value through profit or loss.

Available-for-sale financial assets (AFS)

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's AFS financial assets include investments in listed and unlisted securities.

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest is calculated using the effective interest method and dividends are recognised in profit or loss within investment income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Group's cash and cash equivalents and debtors fall into this category.

Financial liabilities

The Group's financial liabilities include trade and other creditors, and bank loans.

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

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2019

4 Significant accounting policies - continued

(f) Property, plant and equipment

(i) Recognition and measurement

Land held for use by the Parent, except for land used for dairy farming and kiwifruit orchard, is valued at the ratings valuations prepared by Landmass Technology Ltd. The ratings valuations are issued every three years. Whilst this valuation method is in compliance with section 276A(4) of Te Ture Whenua Maori Act 1993, it is a departure from NZ IAS 16 *Property, Plant and Equipment*, which requires land and buildings to be valued at either cost or fair value (as determined by an independent valuer).

Land and buildings held for use by the Parent for the purposes of dairy farming and kiwifruit orchard, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Land held for use by the Subsidiary is stated in the consolidated statement of financial position at cost.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Land improvements, plant and equipment, motor vehicles and office equipment are stated at cost less accumulated depreciation and impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The depreciation rates are:

Buildings	3% SL; 6% DV
Plant and Equipment	10 - 40% DV
Motor Vehicles	13% DV
Office Equipment	50% DV
Land is not depreciated	

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

(g) Intangible assets

Intangible assets are initially measured at cost, except for intangible assets acquired through non-exchange transactions (measured at fair value). All of the Group's intangible assets are subsequently measured in accordance with the cost model, being cost (or fair value for items acquired through non-exchange transactions) less accumulated amortisation and impairment.

(h) Operating leases

Operating leases are not recognised in the statement of financial position. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2019

4 Significant accounting policies - continued

(i) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount, Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(j) Income tax

The Parent has been granted Maori Authority status.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive revenue and expense or directly in equity.

(i) Current income tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, Inland Revenue and relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Incorporation has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

(k) Biological assets

Biological assets are measured at fair value less cost to sell.

Changes in fair value of biological assets are recognised in the statement of profit or loss.

Farming costs such as feeding, labour costs, pasture maintenance, veterinary services and sheering are expensed as incurred.

(l) Goods and Services Tax (GST)

The Group is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2019

	Note	Group		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
5 Forestry income					
<i>Revenue</i>					
Forestry land rentals		779,335	779,335	779,335	779,335
		779,335	779,335	779,335	779,335
<i>Expenses</i>					
Forest health and maintenance		110,536	49,812	110,536	49,812
Insurance		15,318	14,321	15,318	14,321
Management		31,037	44,228	31,037	44,228
Planting		-	13,777	-	13,777
Pruning		400,807	151,698	400,807	151,698
Rates		26,641	24,954	26,641	24,954
Other expenses		-	225	-	225
		584,338	299,016	584,338	299,016
Net Forestry income		194,997	480,319	194,997	480,319
6 Farm income					
<i>Revenue</i>					
Milk proceeds		1,270,991	1,731,500	229,652	552,021
Livestock sales		73,887	63,529	-	-
Rebates		5,202	4,734	1,187	-
Fonterra dividends		-	78,234	4,261	28,294
		1,350,080	1,877,997	235,100	580,315
<i>Expenses</i>					
Animal health		46,056	39,131	-	-
Breeding		43,693	37,326	-	-
Feed		179,369	168,900	-	-
Fertiliser & lime		53,880	59,682	4,635	26,193
Grazing		66,447	55,522	11,783	12,415
Lease expenses	25	151,750	121,111	-	-
Maize/PKE purchases		40,260	27,363	40,260	27,363
Rates		67,021	75,335	-	7,225
Repairs & maintenance		68,416	96,455	10,067	10,751
Sharemilker payments		227,896	531,232	-	276,011
Supervision fees		27,701	24,916	-	175
Other farm expenses		56,958	61,332	18,818	19,071
		1,029,447	1,298,305	85,563	379,203
Net Farm income		320,633	579,692	149,537	201,112
7 Investment income					
Interest income		60,448	38,072	60,410	38,065
Dividends received		167,790	217,863	167,740	217,863
Total Investment income		228,238	255,935	228,150	255,929

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2019

	Note	Group		Parent	
		2019 \$	2018 \$	2019 \$	2018 \$
8 Administration expenses					
Accountancy		58,983	57,514	39,464	34,217
AGM expenses		65,003	31,213	65,003	31,213
Audit fees		9,475	6,742	6,800	4,561
Consultancy		16,777	19,696	16,777	19,696
Due diligence		19,488	19,671	19,488	19,671
General manager		125,416	125,474	125,416	125,474
Grants and donations		34,696	17,100	34,696	17,100
Insurance		17,587	21,034	4,904	8,400
Investment management fees		14,656	29,083	14,656	29,083
Legal fees		75,631	37,963	71,491	37,963
Office rent		15,290	16,680	15,290	16,680
Printing, stamps & stationery		3,873	8,540	3,802	8,107
Pest management project expenses		8,059	-	8,059	-
Salaries & wages		104,836	79,408	104,836	79,408
Share register		40,828	18,169	40,828	18,169
Trustee and director fees	27	90,450	90,696	90,450	88,209
Other administration expenses		45,623	27,522	37,910	25,337
Total administration expenses		746,669	606,505	699,868	563,288
9 Income tax expense					
Profit/(Loss) before income tax		700,296	1,368,291	735,705	1,378,125
<i>Plus/(less) adjustments</i>					
Non-assessable income		(1,232,535)	(3,172,899)	(1,232,535)	(3,124,506)
Non-deductible expenses		680,315	2,208,803	667,401	2,122,389
Other adjustments		(803,343)	2,513,764	(803,343)	2,503,070
Loss brought forward		-	(38,385)	-	(38,385)
Attributable to non-controlling interests		22,492	(38,883)	-	-
Taxable income		(632,775)	2,840,693	(632,772)	2,840,693
Income tax using Maori Authority tax rate of 17.5%		(110,736)	497,121	(110,735)	497,121
Less Imputation tax credits		(14,332)	(24,277)	(14,332)	(24,277)
Less prior period error		(783)	-	(783)	-
Tax expense		(125,850)	472,844	(125,850)	472,844
Less deferred tax	26	140,585	(438,029)	140,585	(438,029)
Plus opening balance		(5,104)	(67,362)	(5,104)	(67,362)
Less withholding tax paid		(23,999)	(28,363)	(23,999)	(28,363)
Less terminal tax (paid)/refunded		-	62,254	-	62,254
Less other tax credits		(5,891)	(6,168)	(5,891)	(6,168)
Total tax to be paid/(refunded)		(20,259)	(4,824)	(20,259)	(4,824)

Maori Authority Tax Credits available to the shareholders of the Parent were \$3,942,487 (2018: \$3,917,972).

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2019

10 Property, plant and equipment

Group	Land & improvements	Buildings	Plant & equipment	Motor vehicles	Office equipment	Total
Cost or valuation	\$	\$	\$	\$	\$	\$
Balance at 1 Jul 2017	15,861,533	747,175	263,682	115,260	13,423	17,001,073
Additions	-	-	73,328	-	6,466	79,794
Revaluation	1,351,702	-	-	-	-	1,351,702
Balance at 30 Jun 2018	17,213,235	747,175	337,010	115,260	19,889	18,432,569
Balance at 1 Jul 2018	17,213,235	747,175	337,010	115,260	19,889	18,432,569
Additions	-	-	14,310	-	-	14,310
Disposals	(4,279,235)	(747,175)	(105,358)	-	-	(5,131,768)
Balance at 30 Jun 2019	12,934,000	-	245,962	115,260	19,889	13,315,111
Accumulated depreciation						
Balance at 1 Jul 2017	39,303	120,407	71,324	47,580	8,994	287,608
Depreciation expense	31,704	12,329	23,304	8,798	4,692	80,827
Balance at 30 Jun 2018	71,007	132,736	94,628	56,378	13,686	368,435
Balance at 1 Jul 2018	71,007	132,736	94,628	56,378	13,686	368,435
Depreciation expense	-	-	23,829	7,654	3,829	35,312
Depreciation recovered	(71,007)	(132,736)	(33,968)	-	-	(237,711)
Balance at 30 Jun 2019	-	-	84,489	64,032	17,515	166,036
At 30 June 2018	17,142,228	614,439	242,382	58,882	6,203	18,064,133
At 30 June 2019	12,934,000	-	161,473	51,228	2,374	13,149,074
Parent	Land & improvements	Buildings	Plant & equipment	Motor vehicles	Office equipment	Total
Cost or valuation	\$	\$	\$	\$	\$	\$
Balance at 1 Jul 2017	13,586,533	747,175	110,465	-	13,423	14,457,596
Additions	-	-	1,087	-	6,466	7,553
Revaluations	1,351,702	-	-	-	-	1,351,702
Balance at 30 Jun 2018	14,938,235	747,175	111,552	-	19,889	15,816,851
Balance at 1 Jul 2018	14,938,235	747,175	111,552	-	19,889	15,816,851
Additions	-	-	-	-	-	-
Disposals	(4,279,235)	(747,175)	(111,552)	-	-	(5,137,962)
Balance at 30 Jun 2019	10,659,000	-	-	-	19,889	10,678,889
Accumulated depreciation						
Balance at 1 Jul 2018	39,303	120,407	30,875	-	8,994	199,579
Depreciation expense	31,704	12,329	3,093	-	4,692	51,818
Balance at 30 Jun 2019	71,007	132,736	33,968	-	13,686	251,397
Balance at 1 Jul 2018	71,007	132,736	33,968	-	13,686	251,397
Depreciation expense	-	-	-	-	3,829	3,829
Depreciation recovered	(71,007)	(132,736)	(33,968)	-	-	(237,711)
Balance at 30 Jun 2019	-	-	-	-	17,515	17,515
At 30 June 2018	14,867,228	614,439	77,584	-	6,203	15,565,453
At 30 June 2019	10,659,000	-	-	-	2,374	10,661,373

Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2019

	Note	Group		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
11 Cash and cash equivalents					
Cash at bank - NZD		268,407	313,994	267,425	313,565
Short-term deposits		8,360,627	1,300,000	8,360,627	1,300,000
		8,629,034	1,613,994	8,628,052	1,613,565
Bank overdraft (Subsidiary)	22	(151,652)	(20,365)	-	-
Total cash and cash equivalents		8,477,382	1,593,629	8,628,052	1,613,565
12 Trade and other receivables					
Trade receivables		150,131	223,052	2,924	13,785
Accrued interest		9,305	382	9,305	382
Total Trade and other receivables		159,436	223,434	12,229	14,167
13 Other financial assets					
Available-for-sale financial assets					
Listed shares					
Ballance Agri Nutrients		31,323	27,686	14,864	14,864
Fonterra Co-op		1,077,130	1,435,300	374,894	529,720
LIC		1,202	952	-	-
Total Listed shares		1,109,654	1,463,938	389,757	544,584
Unlisted shares					
OTK Orchards		280,000	280,000	280,000	280,000
Total Available-for-sale financial assets		1,389,654	1,743,938	669,757	824,584
Financial assets at fair value through profit or loss					
Managed portfolio funds - Craigs Investment Partners		4,776,437	6,182,318	4,776,437	6,182,318
Total Financial assets at FVTPL		4,776,437	6,182,318	4,776,437	6,182,318
Total Other financial assets		6,166,092	7,926,256	5,446,195	7,006,902

Fair value measurement - listed shares and managed portfolio funds

The fair value of these investments is determined by reference to the published market prices at the reporting date.

Fair value measurement - unlisted shares

The above unlisted shares are not traded in an active market but are classified as available-for sale financial assets and stated at cost at the end of each reporting period. The Trustees have reviewed the value of the above shares and believe it represents the fair value of the shares.

14 Investments in joint ventures

Tuara Matata Geothermal Joint Venture

Balance at beginning of year	3,677	1,809	3,677	1,809
Prior period adjustment	-	5,000	-	5,000
Capital introduced	-	-	-	-
RWT Paid	(75)	(47)	(75)	(47)
Share of loss for the year	(854)	(3,085)	(854)	(3,085)
Balance at end of year	2,748	3,677	2,748	3,677

In July 2012 the Parent, along with Tautara Matawhaura Trust and Rotoma No 1 Incorporation, known as the Tuara Matata Joint Venture, entered into a Memorandum of Understanding (MOU) with Mighty River Power regarding a proposed development of the geothermal field located beneath the Trust's land and the adjoining land. The Parent has a 33.33% (2018: 33.33%) share of the revenue earned and expenditure incurred.

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2019

Note	Group		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Waiū Dairy Limited Partnership				
Balance at beginning of year	42,113	43,423	42,113	-
Capital introduced	206,576	(42)	206,576	43,423
RWT Paid	-	(2,731)	-	(42)
Share of loss for the year	-	1,463	-	(2,731)
Share of other comprehensive income	-	-	-	1,463
Balance at end of year	248,689	42,113	248,689	42,113

The Parent holds 0.99% shares in Waiū Dairy Limited Partnership.

Total Investment in joint ventures	251,437	45,790	251,437	45,790
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15 Investments in associates

New Zealand Premium Whitebait Limited (Liquidated)

Balance the beginning of year	-	1,261,849	-	-
Capital investment	-	872,000	-	-
Impairment loss	-	(2,133,849)	-	-
Balance at end of year	-	-	-	-

The Parent holds a 90% share in Rotoiti 15 and Ruahine & Kuharua Limited Partnership. In 2017, the LP purchased 25.01% or 54,387 shares in New Zealand Premium Whitebait Limited (Liquidated).

In 2018, an impairment adjustment has been recognised within the Group and the Parent for \$2,133,849 and \$2,047,434 respectively. This impairment adjustment has been determined based on the net asset value of NZ PWL as reported within its unaudited 31 March 2017 financial statements. More recent financial data relating to NZ PWL could not be obtained by the date of signing of these financial statements.

16 Significant subsidiaries

The Parent has the following significant subsidiaries:

	Country of Incorporation	Ownership interest	
		2019	2018
Otukawa Whenua Limited Partnership	New Zealand	60%	60%
Rotoiti 15 and Ruahine & Kuharua Limited Partnership	New Zealand	90%	90%

	Group		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Otukawa Whenua Limited Partnership				
Balance at beginning of year	-	-	653,528	592,972
Taxation paid	-	-	-	-
Share of profit for the year	-	-	(53,111)	114,872
Share of other comprehensive income for the year	-	-	(172,421)	(54,315)
Balance at end of year	-	-	427,996	653,528

Rotoiti 15 and Ruahine & Kuharua Limited Partnership

Capital investment	-	-	-	1,175,434
Funds advanced	-	-	-	872,000
Impairment loss	15	-	-	(2,047,434)
Balance at end of year	-	-	-	-

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2019

	Note	Group		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
17 Non-controlling interests					
Te Karangi A2 (40% in Otukawa Whenua LP)					
Balance at beginning of the year		435,686	395,315	-	-
Share of profit for the year		(35,407)	76,581	-	-
Share of Other Comprehensive Income for the year		(114,947)	(36,210)	-	-
Balance at end of year		285,332	435,686	-	-
Ruahine & Kuharua Incorporation (10% in Rotoiti 15 and Ruahine & Kuharua LP)					
Capital investment		-	159,400	-	-
Share of loss for the year		-	(213,385)	-	-
Balance at end of year		-	(53,985)	-	-

18 New Zealand Units

Pre-1990 units

297,900 New Zealand units

Balance at beginning of year	6,400,350	5,168,565	6,400,350	5,168,565
Change in fair value	415,800	1,231,785	415,800	1,231,785
Balance at end of year	6,816,150	6,400,350	6,816,150	6,400,350

During the 2011 year the Parent received 114,195 NZUs under the New Zealand Emission Trading Scheme from the Ministry of Agriculture and Forestry. Further 183,705 NZUs were allocated in 2013. The receipt of the NZUs was provided to compensate the Parent for restrictions on future land use that may affect the forestry land value.

19 Biological assets

Livestock

Livestock comprises dairy cattle. As at 30 June 2019 Subsidiary had 662 dairy cattle (2018: 680 dairy cattle).

Opening balance	992,425	959,925	-	-
Changes in fair value due to price	9,125	32,500	-	-
Closing balance	1,001,550	992,425	-	-

The fair value of livestock is determined by independent valuations as at 30 June 2019. The valuations were performed by an independent livestock agent. The independent valuation uses the quoted price in an active market as the appropriate basis for determining fair value. Where there is more than one active market that the company has access to, the most relevant market has been used.

Trees - pinus radiata

The Parent grows pinus radiata for harvest and sale. The Parent holds approximately 2,398 plantable hectares of pinus radiata as at 30 June 2019 (2018: 2,406 ha).

	Note	Group		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
Carrying amount at beginning of the year		12,344,000	10,050,000	12,344,000	10,050,000
Increase in fair value due to price		31,134	2,294,000	31,134	2,294,000
Carrying amount at end of the year		12,375,134	12,344,000	12,375,134	12,344,000

The value of the trees excludes the value of land and any improvements thereon.

The valuation is based on a valuation report prepared by Woodlands Pacific Consulting Limited. Fair value movement is recognised in the profit or loss for the year. The forest valuation used methodology approved by the New Zealand Institute of Forestry, involving liquidation values for the mature stands to determine what the value of the forest would be if it were to be fully harvested in one day and compounded costs for the recently replanted stands. The valuation is based on the costs and revenues associated with the current crop.

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2019

	Note	Group		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
19 Biological assets - continued					
<u>Trees - kiwifruit</u>					
Carrying amount at beginning of the year		309,751	58,154	309,751	58,154
Increase due to purchases		-	9,600	-	9,600
Increase due to revaluation		-	241,997	-	241,997
Decreases due to disposal		(309,751)	-	(309,751)	-
Carrying amount at end of the year		-	309,751	-	309,751

20 Trade and other payables

Trade payables		85,087	128,875	30,765	61,638
Accrued expenses		119,933	116,740	1,558	8,136
PAYE payable		2,906	4,172	2,906	4,172
Total Trade and other payables		207,926	249,787	35,229	73,946

Trade payables are unsecured and are usually paid within 30 days of recognition.

21 Deferred revenue

Arising from lease income		834,168	779,335	834,168	779,335
Total Deferred revenue		834,168	779,335	834,168	779,335

22 Borrowings

Secured - at amortised cost					
Bank overdraft		151,652	20,365	-	-
Bank loans		3,325,254	3,348,003	-	-
Total Borrowings		3,325,254	3,348,003	-	-

Summary of borrowing arrangements

Parent

The Parent has an unsecured overdraft facility with Westpac New Zealand up to a maximum of \$50,000 (2018: \$50,000). The interest for the overdraft is 10.10% (2018: 10.10%).

Subsidiary

At balance date, the Subsidiary had an overdraft facility with BNZ up to a maximum of \$175,000 (2018: \$175,000).

At balance date, the Subsidiary also had a \$3,325,254 (2018: \$3,348,003) debt facility with BNZ Limited. Debt facility is interest only and is repayable at maturity.

The loan of \$3,325,254 at 30 June 2019 comprises:

\$794,760 at 4.77% maturing on 22 September 2025

\$2,469,960 at 5.80% maturing on 20 September 2030

\$60,534 at 4.77% maturing on 21 January 2021

Both debt facilities of the Subsidiary are secured by a General Security Agreement over livestock and investment securities and an unlimited Guarantee and Indemnity by the General Partner.

23 Capital

The Capital of the Parent of \$1,331,805 is represented by the Special Government Valuations of the Land at Pt Rotoiti 15 on 1 July 1972 and on Land at Matahina on 3 March 1970, plus the Makatiti Dome value (also included as part of Property, Plant and Equipment).

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2019

Note	Group		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
24 Reserves				
<u>Capital reserve</u>				
Balance at beginning of the year	3,233	3,233	3,233	3,233
Balance at end of the year	3,233	3,233	3,233	3,233
<u>Property revaluation reserve</u>				
Balance at beginning of the year	10,553,770	9,202,068	10,553,770	9,202,068
Increase due to changes in fair value	-	1,351,702	-	1,351,702
Derecognition upon disposal of property	(1,226,575)	-	(1,226,575)	-
Deferred tax	-	-	-	-
Balance at end of the year	9,327,195	10,553,770	9,327,195	10,553,770
<u>Intangible assets revaluation reserve</u>				
Balance at beginning of the year	6,400,350	5,168,565	6,400,350	5,168,565
Increase due to changes in fair value	415,800	1,231,785	415,800	1,231,785
Balance at end of the year	6,816,150	6,400,350	6,816,150	6,400,350
<u>AFS assets revaluation reserve</u>				
Balance at beginning of the year	72,433	162,230	94,541	130,023
Increase/(decrease) due to changes in fair value	(327,247)	(108,845)	(154,826)	(54,530)
Deferred tax	27,095	19,048	27,095	19,048
Balance at end of the year	(227,719)	72,433	(33,190)	94,541
<u>Investment in subsidiaries</u>				
Balance at beginning of the year	-	-	(22,107)	32,208
Increase/(decrease) due to changes in fair value	-	-	(172,421)	(54,315)
Deferred tax	-	-	-	-
Balance at end of the year	-	-	(194,528)	(22,107)
<u>Investment in associates</u>				
Increase/(decrease) due to changes in fair value	1,463	1,463	1,463	1,463
Balance at end of the year	1,463	1,463	1,463	1,463
Total Reserves at beginning of the year	17,031,249	14,536,096	17,029,787	14,536,096
Total Reserves at end of the year	15,920,322	17,031,249	15,920,322	17,031,249

25 Operating lease commitments

The Group as a lessee

Operating leases relate to:

1. Lease of Rerewhakaaitu from Department of Conservation commencing 1 November 1983 and expiring on 31 October 2070.
2. Leases of 20 land blocks used for farming by Subsidiary with lease terms of 15 years.

Non-cancellable operating lease commitments

Not later than 1 year	91,091	91,091	17,000	17,000
Later than 1 year and not later than 5 years	455,453	455,453	85,000	85,000
Later than 5 years	1,004,271	1,095,362	782,000	799,000
	1,550,815	1,641,905	884,000	901,000

The Group as a lessor

Operating lease relates to forestry land lease (Rerewhakaaitu forest) to Department of Conservation commencing 1 November 1983 and expiring on 31 October 2070.

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2019

26 Deferred tax assets and liabilities

Group	01 July 2018	Recognised in Profit	Recognised in Equity	30 June 2019
Property, plant & equipment	(98,744)	98,744	-	-
Biological assets	(2,163,672)	41,334	-	(2,122,338)
Other provisions	-	507	-	507
AFS assets	(15,365)	-	27,095	11,730
Total deferred tax assets/ (liabilities)	(2,277,781)	140,585	27,095	(2,110,101)

	01 July 2017	Recognised in Profit	Recognised in Equity	30 June 2018
Property, plant & equipment	(100,319)	1,575	-	(98,744)
Biological assets	(1,724,068)	(439,604)	-	(2,163,672)
AFS assets	(34,413)	-	19,048	(15,365)
Total deferred tax assets/ (liabilities)	(1,858,800)	(438,029)	19,048	(2,277,781)

Parent	01 July 2018	Recognised in Profit	Recognised in Equity	30 June 2019
Property, plant & equipment	(98,744)	98,744	-	-
Biological assets	(2,163,672)	41,334	-	(2,122,338)
Other provisions	-	507	-	507
AFS assets	(15,365)	-	27,095	11,730
Total deferred tax assets/ (liabilities)	(2,277,781)	140,585	27,095	(2,110,101)

	01 July 2017	Recognised in Profit	Recognised in Equity	30 June 2018
Property, plant & equipment	(100,319)	1,575	-	(98,744)
Biological assets	(1,724,068)	(439,604)	-	(2,163,672)
AFS assets	(34,413)	-	19,048	(15,365)
Total deferred tax assets/ (liabilities)	(1,858,800)	(438,029)	19,048	(2,277,781)

27 Related party transactions

	2019		2018	
	Revenue/ (Expense)	Receivable/ (Payable)	Revenue/ (Expense)	Receivable/ (Payable)
Group and Parent				
Rotoiti 15 Charitable Trust				
Related party advance	-	-	-	8,400
Rotoiti 15 Holdings Limited				
Related party advance	-	13,029	-	11,785

Rotoiti 15 Charitable Trust

Rotoiti 15 Charitable Trust was established to facilitate charitable donations of Rotoiti 15 Trust. The Parent is the settlor of the Charitable Trust. Trustees of the Parent are also trustees of the Charitable Trust.

Rotoiti 15 Holdings Limited

Rotoiti 15 Holdings Limited was established to facilitate commercial operations of Rotoiti 15 Trust. Two of the trustees of the Parent are also the shareholders and the directors of the Company.

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2019

27 Related party transactions - continued

	2019		2018	
	Revenue/ (Expense)	Receivable/ (Payable)	Revenue/ (Expense)	Receivable/ (Payable)
<u>Trustee and director fees - Group and Parent</u>				
<i>Trustee fees - Parent only</i>				
Tina Ngatai	21,935	-	20,100	-
Arapeta Tahana Jnr	18,265	-	20,099	(1,117)
Fred Whata	7,817	-	13,400	-
Katie Paul	2,233	-	-	-
Piki Thomas	13,400	-	13,400	-
Joe Tahana	13,400	-	13,400	-
Merehira Savage	13,400	-	7,817	-
<i>Director fees - subsidiary only</i>				
	-	-	(2,487)	-
Total Trustee and Director fees paid	90,450	-	85,729	(1,117)

28 Contingent liabilities

New Zealand Units

The Parent has a future obligation to return the NZUs (refer to Note 18) if there is a change in land use and/or if the area is not replanted within four years of harvest. The financial effect of this obligation is not able to be quantified.

Other than the above, there are no other known material contingent liabilities.

29 Capital commitments

Te Puia Tapapa Limited Partnership

In July 2018 the Parent entered into an agreement to invest into the Partnership which is a collective iwi investment fund. The Parent's total commitment is \$2,500,000.

30 Events after the balance date

There have been no other events subsequent to balance date that would have material impact on these financial statements.

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ngā pūrongo pakihi
business reports

ngā pūrongo pakihi business reports

otukawa whenua jv

Otukawa Whenua JV is a joint venture Dairy farm at Waitangi, Te Puke, between Te Karangi A2 (40%) and Rotoiti 15 Trust (60%). This venture has completed its 7th year and have been a challenging investment due to volatile Industry conditions, weather and high debt.

Otukawa milk and pasture production summary 2013/14 to 2018/9

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Production	179,375	190,436	196,477	177,298	173,518	173,478
Per hectare	1,220	1,213	1,251	1,129	1,105	1,105
Per cow	382	363	379	338	330	336
Annual pasture harvested (kg Dmha)	12,604	12,666	13,457	12,076	12,083	12,080
Annual milking platform	147	157	157	157	157	157
Cows peak milked	470	525	518	524	526	517

OTK – investment in kiwifruit

Rotoiti 15 Trust along with Kiwinui, Paehinahina Mourea and Haparangi A2 invested and are collectively the 3rd largest investor (of which Rotoiti 15 has the largest portion) and are entitled to a Director's position on the OTK board.

The 7 orchards comprising the OTK (Omaio/Te Kaha) venture have now all started producing results although not all are at full capacity. The 2018 season was variable due to weather and bird strike. The orchards produced collectively approximately 294,424 trays with an average \$9.72 per tray. This is below the Industry standard for SunGold so there is plenty of 'up-side' to be found as the orchards begin to hit peak production.



pūrongo taiao environmental report

pest management

We have been fortunate to have Tame Malcolm continuing to participate in this kaupapa and as at September this year, Tame left some rat and stoat traps up at the Makatiti Dome as a passive sentinel device. Upon monitoring these traps there were rats in all of them. Tame is actively keen and very passionate and will continue to leave them up and check them once a month just to see how many rats he can get over the spring period.

1080 aerial drop

From the last AGM held at Ruaihona Marae, Te Teko, our owners made a decision not to participate in a 1080 Aerial drop. Your Trustees have honoured that decision.

A suggestion was put to the floor to hold a wānanga for our owners to get a better understanding of 1080. This wānanga will be held in the new year and we will notify you in advance.

makatiti dome – memorandum of understanding (mou)

The continuing relationship with DOC over Makititi Dome is consistent. This is underpinned by our MOU with our objectives being:

- kia mau tonu ki ngā whenua tupuna me ōna tikanga
- kia tuputupu ngā rawa
- kia hāpai te whaioranga o te tangata, ngā taonga tuku iho me te taiao

DOC's responsibility refers to Section 4 of the Conservation Act when applying to the Management activity and we meet annually or as required to:

- identify projects;
- consider concessions; and
- monitor compliance, regulations and the wellbeing of Makatiti Dome.

There is the potential to investigate into other funding options for Makititi Dome pest control and these options will be explored in the new year.

kaitiaki taiao policy

Trustees have identified the need to establish and implement Kaitiaki Taiao policies that will include an approach to pest management; a wai māori strategy and other strategies relevant to our whenua and to our people.

The world is changing and the trustees are mindful of the potential future impact of climate change, biodiversity, global warming, pollution and much more. We need to be aware of how these types of environmental problems will impact our taonga tuku iho through attending local, regional, and national forums on these issues. We need to become better informed on these issues so we are prepared to protect our whenua.



our tohu

The Trust had a tohu (logo) developed in 2013. The tohu was designed by Ngāti Pikiao artist, Richard Francis. Below is an explanation of the meaning of various elements that make up our tohu.

3 Tapatoru Represents The Brand Promise

Preserving Our Past
Enabling Our Present
Ensuring Our Future

3 Mango Head Taniwha Represents The Rotoiti 15 Brand Values

Tikanga Tūturu
Te Arawa
Tikanga Tiaki Tangata
Tikanga Tiaki Rawa

Te Ara Poutama Design Represents Tikanga Tiaki Taiao Brand Value

Brand Strapline Ngā rawa E Tupu

Ngā Rawa E Tupu
Accentuates the Trust's Commitment to nurture & grow Rotoiti 15 Tāonga, Resources, Pūtea and People.



Manaia Design Represents Te Mana Kaitiaka

Reflective of the Rotoiti 15 Board of Governors and their role as Kaitiaki on behalf of Trust Landowners

Maunga Design Represents the Maunga of the Rotoiti 15 Hapu

Haroharo; Makatiti Pukerima; Tuahu Whakakana; Rangitoto Hingarae; Matawhaura

Roto Design Represents the Moana of the Rotoiti 15 Hapu

Rotoiti; Okataina; Rotongata; Rotoahua

ROTOITI 15
Ngā Rawa E Tupu



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