

# SPECIAL GENERAL MEETING

24 March 2018

**Omapere Taraire E &  
Rangihamama X3A Ahu Whenua**

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# Nau Mai, Haere Mai

## Welcome to the 2018 Special General Meeting

On 24<sup>th</sup> March 2018 at Kohewhata Marae, Mangakahia Road, Kaikohe

Held in order to report on the progress of Omapere Taraire E and Rangihamama X3A Ahu Whenua Trust.

This report will proceed as follows:

## AGENDA

09.00 Registrations, Karakia, Welcome

09.30 Bus Trip

10.30 Morning Tea

11.00 SGM Proper Commences

2017 AGM Minutes (14<sup>th</sup> October 2017)

Chairman's Report

Community Portfolio

Omapere Farm Report

Rangihamama Dairy Farm Report

Forestry Report

Honey Report

Housing Report

Financial Report

General Business

Board Meeting Overpayments

1.00pm Closing karakia and Lunch

# Minutes of 2017 AGM

Omapere Taraire E and Rangihamama X3A Ahu Whenua Trust Minutes of the Annual General Meeting held on 14 October 2017 at Parihaka Marae, Te Irirangi Road, Kaikohe	
Karakia/Mihimihi	Wati Erueti/Sonny Tau
Meeting Commences	9.35am
Present	As per the Shareholder/Beneficiary Attendance Register
Opening Statement	<p>Mr Raniera Tau, in his capacity as the Chairman, introduced the proceedings of the AGM as per the advertised agenda and advised:</p> <ol style="list-style-type: none"> <li>1. That the meeting and all subsequent Special General Meetings and Annual General Meetings would be recorded for accuracy and to mitigate challenges on what was said;</li> <li>2. Confirmed that the first matter on the agenda was his reappointment as directed by the Maori Land Court, dated 16 August 2017; and</li> <li>3. That the Deputy Chair, Dr. Te Tuhi Robust would chair the first sessions proceedings as Raniera Tau obviously had a conflict of interest.</li> </ol>
Reappointment of Raniera Sonny Tau	<p>Prior to handing the proceedings to the Deputy Chair, Mr Tau read the agenda item to the AGM as directed by Judge Armstrong:</p> <p><b><i>“Whether the beneficial owners support Raniera Sonny Tau being reappointed as a trustee despite his conviction for attempting to pervert the course of justice”.</i></b></p> <p>Mr Tau then handed the meeting over to the Deputy Chair, Dr Te Tuhi Robust who proceeded to chair this session. Dr Robust advised the AGM that the trustees would be abiding by the direction of Judge Armstrong and will provide the opportunity for those who wish to speak on the matter of the reappointment of Mr Tau as a Trustee to this Trust. Dr Robust also advised that:</p> <ol style="list-style-type: none"> <li>a) The Maori Land Court had two advisors present at the meeting to observe proceedings – Arta Pita and Francene Beckham, who were asked to identify themselves;</li> <li>b) This session related to the specific agenda item set by Judge Armstrong;</li> <li>c) Within the confines of Parihaka Marae, all attendees had speaking rights, anyone could speak --- whether a beneficial owner/shareholder, beneficiary or a member of the public.</li> <li>d) To allow everyone the opportunity to speak people were asked to speak only once;</li> </ol>

- e) Once discussions were exhausted, Raniera Tau would be given a right of reply;
- f) Voting would commence thereafter; and
- g) Only those beneficial owners/shareholders who registered within the registration timeframe could vote. That included proxy votes registered before the AGM through the Trust office and those registered within the timeframe today.

Trustees wish it noted that a concern was raised about the presence of Mr Tau during discussions on his reappointment. The majority of attendees agreed that Mr Tau was to remain in the whare while these discussions were taking place.

The following is a list of people who stood to speak to the reappointment of Mr Tau. To avoid misrepresenting speakers, individual discussion points are not recorded in this memorandum. In any event, the voting following discussions was considered by trustees to be the priority.

- a) Ron Dixon
- b) Rose Dudley representing the Ngatote Eruera Pirini and Ngawai Erica Akuhata Whanau Trust
- c) Geoff Rakete
- d) Te Aroha McIntyre
- e) Toko Tahere
- f) Kuini Matene
- g) Anne Rakete
- h) Josephine Hetaraka Farthing
- i) Ngahuia Cassidy
- j) Sunny Edwards
- k) Eruera Ruwhiu
- l) Vance Andrews
- m) Hirahira Tahere
- n) Raewyn Kapa
- o) Wati Erueti
- p) Irihapeti Pou (Aunty Eli)
- q) Tihi Herewini
- r) Rachel Witana
- s) Liz Lonergan

**NOTE: Dr Te Tuhi Robust advised the AGM:**

- I. That Rachel Witana spoke in her personal capacity; and
- II. Late arrivals were advised that to avoid future litigation on the process, they had the opportunity to speak to the issue but were unable to register or vote as the allocated time for registration had expired.

### **Raniera Tau – Right of Reply**

After discussions concluded, Dr. Te Tuhi Robust invited Raniera Tau to give his right of reply. For clarity Mr Tau again read the Maori Land Court agenda item out and advised the AGM that he was happy to leave it with the beneficial owners/shareholders to decide if he was to remain as a trustee on this Trust or not.

### **Voting Process**

1. The trustees confirmed they had approved John Parmenter and Lisa Inverarity as scrutineers for the voting process.
2. John Parmenter described the voting process allowed under the Trust Order and gave examples by way of PowerPoint presentation how these options would work.

### **Who can vote**

- i. that beneficial owners/shareholders who had registered prior to the meeting, including proxies were able to vote;
- ii. that beneficial owners/shareholders were one and the same. That there was no difference other than language used by the Maori Land Court;
- iii. Beneficial owners/shareholder registrations taken before the meeting commenced totalled 69 valid beneficial owners/shareholders. This included proxies.
- iv. Those who did not have a voting card were not eligible to vote.

### **Voting Options**

**Show of hands:** if by show of hands, beneficial owners/shareholders simply held up their allocated voting cards issued during registrations. Due to the special requirements by the Court that a list of names be provided to the Judge of who voted for and against the motion. Beneficial owners/shareholders were advised that they would need to complete the voting slip attached to their voting cards for their vote to be counted.

These slips would be collected after they had voted by show of hands and their one vote for or against would be recorded.

**Poll voting:** if by poll, a beneficial owner/shareholder needs to put the motion to the floor to vote that way. The Motion is then voted on by a show of hands.

- 21 or more votes were required for the motion to be carried to vote by Poll for the resolution to reappoint Raniera Tau as a Trustee or not. This being 30% of the registered voters at the meeting;

- If voting by Poll, the number of shares held by each voting beneficial owner/shareholder are counted;
- The number of shares held are as recorded by the Maori Land Court.

3. John Parmenter reconfirmed that Judge MP Armstrong wanted a record of votes, who voted and whether the vote was in support of Raniera Tau being reappointed as a Trustee on ORT or not in support of Raniera Tau being reappointed as a trustee.

Queries taken from the floor before the vote was taken	Response
The Trust order 4.6.6 has one option to vote.	John Parmenter clarified that there were two options given as per the Trust Deed.
Who checks the process of voting?	Judge Armstrong appointed two Maori Land Court (MLC) staff to observe the registration process and counting of votes. John Parmenter and Lisa Inverarity will count the votes with the MLC staff observing. The MLC observers will not count the votes.
Beneficial owners/shareholders were told the process was to be by tikanga	The MLC has given a clear directive which the Trust must abide by.
Feeling unsafe if voting is by show of hands	If shareholders want their vote to be confidential, the only way to do that is by Poll voting which requires a motion from a beneficial owner/shareholder to the floor.
How will the shares per vote be counted?	Slips attached to the voting cards to be used to vote for the MLC motion. The number of shares counted for each vote will be as per the beneficial owners/shareholders schedule held by the MLC and recorded on each slip; The MLC staff will observe the full process.
When will we know the result of the voting?	The result will be announced at the end of the AGM meeting today.

<p>Apologies Motion [1]</p>	<p><b><i>That apologies as tabled be accepted</i></b>  <b>Moved:</b> Moe Smith      <b>Seconded:</b> Te Aroha Reihana Ruka</p> <p>Wiremu Marupo Pou, Martha McKeever, Percy Pou, Taoko Wihongi, Ada Noho, Tania Beckingsale, Peter Sofa, Claire Sofa, Barney Thompson, Kato Tahere, Kaharau Waiata Tahere, Paia kahuhu Maru, Te Huatahi Komene, Julie Andrews, Murupaenga Edmonds, Kairingi Edmonds, Lehi Tahere, Tui Tahere.</p>	<p><b><i>Carried Unanimously</i></b></p>
<p>Voting by Poll Motion [2]</p>	<p><b><i>That voting be by poll</i></b>  <b>Moved:</b> Rev Kuini Matene      <b>Seconded:</b> Steve Paki</p> <p><b>1. Trustees want it noted that for the purposes of Motion two:</b></p> <ul style="list-style-type: none"> <li>a) 69 shareholders registered before the meeting commenced;</li> <li>b) Beneficial owners/shareholders were the only ones to vote;</li> <li>c) 21 votes in favour were required for the vote to be carried, being 30% of those beneficial owners/shareholders present today;</li> <li>d) 57 voted in favour of voting by poll vote.</li> </ul> <p><b>Outcome of Poll Vote of Shareholders</b></p> <p><b>2. The beneficial owners/shareholders of the Omapere Taraire E and Rangihamama X3A Ahu Whenua Trust resolved to vote by Poll on the following matter:</b></p> <p>“Whether the beneficial owners support Raniera Sonny Tau being reappointed as a trustee despite his conviction for attempting to pervert the course of justice”.</p>	<p><b><i>Carried</i></b></p>
<p>Voting Result for the Reappointment of Raniera Sonny Tau Motion [3]</p>	<p><b><i>“That this AGM meeting of the Omapere Taraire E and Rangihamama X3A Ahu Whenua Trust supports Raniera Sonny Tau being reappointed as a trustee on this Trust”.</i></b>  <b>Moved:</b> Carol Jordon      <b>Seconded:</b> Moe Smith</p> <p>For completeness, the results of the voting are noted immediately below this motion, even though the results were not announced until just prior to the conclusion of the AGM.</p> <p><b>Shares in favour of reappointed as a trustee:</b> 18,891.303  <b>Shares against being reappointed as a trustee:</b> 6,067.104  <b>The resolution carried in favour, by a majority:</b> 12,824.199</p>	<p><b><i>Carried</i></b></p>

Refreshment Break	Motion 3 voting concluded the first part of the Trust AGM and attendees were invited for a cup of tea, before the annual bus tour of the farm operations.	
Bus Tour	Due to the full AGM agenda this year, the attendees decided to visit the Papakainga Housing site on Rangihamama Road this year.	
	<b>AGM Reconvenes</b>	
Previous Minutes Motion [4]	<p><b><i>That minutes of the Annual General Meeting of Omapere Taraire E &amp; Rangihamama X3A Ahu Whenua Trust for 2016 be accepted and approved</i></b></p> <p><b>Moved:</b> Meri Pera      <b>Seconded:</b> Wati Erueti</p> <p><b>Against:</b> Rose Dudley (for the Ngatote Eruera Pirini &amp; Ngawai Erika Akuhata Whanau Trust), Taukiri Dudley, Toko Tahere</p> <p><b>Discussion point to note:</b> Rose Dudley: The minutes are incorrect, the trustees who moved and seconded are not shareholders?</p> <p><b>Response:</b> The authors/writers of the reports move their own report, that is standard practice for this Trust. Those who seconded the motions are beneficial owners.</p>	<b>Carried</b>
Chairman's Report Raniera Tau Motion [5]	<p><b><i>That this Annual General Meeting (AGM) of Omapere Taraire E &amp; Rangihamama X3A Ahu Whenua Trust receives this report and endorses the following recommendations.</i></b></p> <p><b>Moved:</b> Raniera Tau      <b>Seconded:</b> Ngaire Pera Carried</p> <p><b>Against:</b> Rose Dudley (for the Ngatote Eruera Pirini &amp; Ngawai Erika Akuhata Whanau Trust), Taukiri Dudley, Toko Tahere, Caroline Nicolas Josephine Nicolas, Vance Andrews, Pauline Bishop Whanau Trust, Elisabeth Sofa &amp; Valda Tahere</p>	<b>Carried</b>
Community Report Motion [6]	<p><b><i>That the Community Report as presented by Colleen Bermingham-Brown be accepted</i></b></p> <p><b>Moved:</b> Colleen Bermingham-Brown <b>Seconded:</b> Te Aroha Reihana Ruka</p> <p><b>Against:</b> Rose Dudley (for the Ngatote Eruera Pirini &amp; Ngawai Erika Akuhata Whanau Trust), Taukiri Dudley &amp; Toko Tahere</p> <p><b>Discussion point to note:</b> The development of policy ORT Housing policies is reliant on feedback and comment from shareholders</p>	<b>Carried</b>

<p>Omapere Farm Report</p> <p>Motion [7]</p>	<p><b><i>That the Omapere Farm Report as presented by Bruce Cutforth be accepted</i></b></p> <p><b>Moved:</b> Bruce Cutforth      <b>Seconded:</b> David Parsons</p> <p><b>Against:</b> Rose Dudley (for the Ngatote Eruera Pirini &amp; Ngawai Erika Akuhata Whanau Trust), Toko Tahere, Vance Andrews, Elizabeth Sofa &amp; Grant Tahere</p> <p><b><i>Discussion points to note:</i></b> Was consent given by the Lake Omapere Trust to take water. The council has no jurisdiction because Ngāpuhi own it.</p> <p><b>Response</b> We held two meetings with the Lake Omapere Trust. The first meeting ORT offered \$2000.00 to assist LOT to run their operations At the second meeting and by letter, ORT was told to remove the water supply pipes from the lake. We have not broken any law and we offered continue to take water from the same place that the FNDC did for years as the Kaikohe water supply at no cost to the Council. Beneficial owners are all descendants from Hapu who own Lake Omapere.</p>	<p><b><i>Carried</i></b></p>
<p>Rangihamama Dairy Farm Report</p> <p>Motion [8]</p>	<p><b><i>That the Rangihamama Dairy Farm Report as presented by Bruce Cutforth be accepted</i></b></p> <p><b>Moved:</b> Bruce Cutforth      <b>Seconded:</b> Te Aroha Reihana Ruka</p> <p><b>Against:</b> Rose Dudley (for the Ngatote Eruera Pirini &amp; Ngawai Erika Akuhata Whanau Trust), Toko Tahere &amp; Ropata Tahere</p> <p><b><i>Discussion points to note:</i></b> The Limited Partnership with Te Tumu Paeroa and the Trust The Trust is leasing its land to itself.</p> <p><b>Response</b> ORT did not have sufficient capital to fund infrastructure for the dairy farm conversion as well as the purchase of cattle, Fonterra shares and machinery. ORT entered into a 50/50 Joint Venture with Te Tumu Paeroa, the Rangihamama Dairy Limited Partnership (RDLP) which owns the cows, shares and machinery. RDLP pays a lease to the Trust for the use of the land. The intention is to buy out Te Tumu Paeroa's share of RDLP in the fullness of time and ORT can own this operation outright</p>	

Forestry Report Motion [9]	<b><i>That the Forestry Report as presented by Dr Te Tuhi Robust be accepted</i></b> <b>Moved:</b> Te Tuhi Robust <b>Seconded:</b> David Parson	<b><i>Carried Unanimously</i></b>
Honey Report Motion [10]	<b><i>That the Honey Report as presented by Dr Te Tuhi Robust be accepted</i></b> <b>Moved:</b> Te Tuhi Robust <b>Seconded:</b> David Parson	<b><i>Carried Unanimously</i></b>
Financial Report Motion [11]	<b><i>That the Financial Report as presented by John Parmenter be accepted.</i></b> <b>Moved:</b> John Parmenter <b>Seconded:</b> Taari Nicholas  <b>Against:</b> 1 x shareholder (was unable to hear the name)	<b><i>Carried</i></b>
Scholarship Recipient Presentation	Introduced by Colleen Bermingham-Brown as the Portfolio holder for the distribution of the Trust scholarships.  Anne Tau and Heidi Tau then presented to the meeting on how the ORT scholarships had assisted them into tertiary studies and their aspirations for the future.	
Early Departures	Bruce Cutforth (Trustee) and Rose Dudley (beneficiary) notified of their departure. This was before the financial report was presented and prior to the end of the meeting. Despite some attendees leaving the meeting early, a quorum was maintained throughout the meeting. This is evidenced by the number of beneficial owners/ shareholders who were physically handed beneficial owners/shareholders vouchers (koha) at the end of the meeting. There were 50 beneficial owners/ shareholders vouchers issued on the day.	
Closing Mihi/Karakia	Rev Kuini Matene	
Meeting Closed	6.25pm	
Confirmed		
Date		

# Chairman's Report

## EXECUTIVE SUMMARY

That this Special General Meeting (SGM) of the Omapere Taraire E and Rangihamama X3A Ahu Whenua Trust (ORT) receives this report and endorses its content.

### *Tena koutou katoa*

E nga kai pupuri hea, me nga uri whai panga ki Te Omapere Taraire E and Rangihamama X3A Ahu Whenua Trust, kua huihui mai nei ki raro i te tahuu o te tupuna whare o Puhimoanariki e hakamaru nei i a tatou, tena koutou katoa. E mihi ana ki te whenua e tangi ana ki nga tangata katoa, nau mai, ahu mai, haere mai, haere mai, haere mai ra. Haere mai ki runga i te karanga kia huihui tahi ai tatou ki te hakarongo ki nga kaihakahaere o tenei whenua, e ripoata atu ana kia koutou mo nga mahi kua oti ia matou i te ono marama kua pahure atu nei.

Ki te hunga kua riro i te ha kore, i te kiri matao, haere mai haere atu ki te ao o nga kapua e koreroia nei, ko Te Ranginui, Te Rangituhaha, ko Tikitikiorangi. Hoki wairua mai ki tenei hui a o koutou tamariki, mokopuna, e pupuri tonu nei i nga taurahere ki enei whenua – Mauri Ora

## INTRODUCTION

The Board are honoured to present these reports to this SGM of the Omapere Taraire E and Rangihamama X3A Ahu Whenua Trust 2018, as we account for the Governance and Operations activities of this business.

My fellow Trustees join with me in thanking you, one and all for the opportunity to manage this magnificent whenua and lead its recovery to produce returns never realised in the history of this whenua. We continue to look for avenues to improve our performance against strategic commitments, while at the same time remaining alert to our Tikanga Maori obligations.

For me personally, I am privileged to present my tenth consecutive Chairman's report to you all. I am mindful of the challenges we face, as individuals and as a board. I personally, faced some allegations at the 2017 AGM and I am humbled by the outcome of the overwhelming vote in favour of retaining my skills sets on this Trust, nga mihi nui rawa atu ki nga kai tautoko i ahau kia noho hei tarahiti ki runga i tenei poari. As agreed, the 2017 AGM outcome has been filed with the Maori Land Court and as I write this report, we continue to await the outcome of that court case.

I want to welcome aboard Rachel Witana. Although appointed early last year by shareholders, another legal challenge to our processes delayed her official appointment through the Maori Land Court. This legal challenge was dismissed outright, with the Court finding that there was no substance to accusations of process manipulation. We also welcome back Taoko Wihongi and Bruce Cutforth, also challenged and again dismissed by the court.

I am buoyed by the fact that ORT shareholders, by way of resolution at the 2017 SGM, have seen fit to instruct this Trust to legally defend our organisation when confronted. The Board has certainly been stress tested going through these challenges that make us more aware of what needs to be done to keep ahead of the game.

I do not want this morbid message to spoil the wairua of our hui but shareholders and beneficiaries are entitled to know what is going on within Trust processes. You are entitled to know that we will take any challenge to our legal existence as a Trust very seriously and defend all assets that belong to the collective. What we are mindful of is that it does not become the reason for our existence, that we give priority to the continued development and productivity of this whenua on your behalf.

## **HUMAN RESOURCES**

In the past six (6) months we have had some issues around staff health and have seen Isobel Naera resign as she turns her full attention to nursing herself back to health after a long battle with cancer. I am very happy to report that she is well and truly on the mend. We have also lost Sam Wihongi as he too battles with asbestos invasion of his lungs and will be taking on a heavy course of chemotherapy in the next two months.

Our Office hours are now Monday, Tuesday & Friday 8.30am - 5pm, which is more than enough to cater for enquiries from shareholders and beneficiaries. We have extended the hours of Lisa Inverarity as well as her days in Office. That fills the gap created by the departure of Isobel and we have employed the services of Heidi Tau to fill the one-day per week gap left by Sam Wihongi's departure. Colleen Bermingham-Brown is constantly reviewing the situation to ensure we have all bases covered.

On the Rangihamama farm we have three (3) fulltime equivalents and one (1) Farm Manager/Consultant. These workers have settled in well and are managing the farm workload adequately. Jalal Beckham has stepped up and is now leading the on-farm work organisation.

On the Omapere farm we have one (1) Manager and two (2) fulltime shepherds. We also have a casual who comes in on an as needs basis. This is the farm that won the Ahu Whenua Trophy for us last year. They are very capable staff led by Lloyd Brennan.

In total we have 22 personnel employed across our suite of businesses. This includes the two farm committees set up to advise on each farm operations. The two committees have different personnel as we have a beef and lamb as well as a dairy operation under the Trust.

#### **PAPAKAINGA HOUSING UPDATE**

This project is proving to be an exceptional challenge to the trust as we push to meet contractual deadlines for the completion of this build. It is two (2) years since we signed the contract with Te Puni Kokiri (TPK) and at the moment we are reviewing the numbers to see whether we are still on track financially.

I need to report that our project manager, Iain Carruthers, has resigned after health issues and we have employed the services of AECOM Limited, a company out of Hamilton doing work for TPK and specialising in building project management. It will take some time to pick up the pieces and complete building these houses.

We are currently in the middle of negotiations with TPK over cost overruns and how that might be mitigated. We have met with TPK and are working through some very serious financial issues around that shortfall. Because the project was mooted some two and a half years ago, the uplift in building costs and some costs that were never considered during the initial application, have caught up with the project and is hampering its progress.

However, this is not the time to push the panic button but a time to consolidate around this project and work progressively toward a positive result for both TPK and the Trust. I will be able to report more verbally, at this SGM meeting, as I need to submit this report for printing before our meeting with TPK takes place.

#### **TAHERE WHANAU LAND OCCUPATION**

It is very disappointing to report that although the Tahere whanau were informed of the Court order decisions to vacate the land, we observe continued occupation of a number of sites. We also see animals grazing at will across the land. This is in contravention of the Court order, provocative and dictates an action from the Trust that we can very well do without.

The Trust is duty bound to enforce the Court order and is something that we were hoping would not be necessary after the visit by Police last year. We cannot sit back and let that happen when there was so much effort put in to try and accommodate all parties.

In saying that, the Trust has sown a crop of maize on a section of that whenua and will expand operations on to other parcels of land down Browns Road in due course. It is hoped that our workers continue with their mahi unimpeded. I will speak with the Tahere Whanau as we progressively bring that whenua up to full production.

The Trust also notice a number of fences going up around that area that is not the mahi of the Tahere Whanau and we will be investigating who erected those fences and if they are working of the right boundaries. The intension is to bring some order to how this piece of whenua is managed and that everyone understands the legal position the Trust must take.

## **REPORT AGAINST OUR STRATEGIC PLAN 2016 – 2021**

I wish to report against our strategic plan endorsed in 2016 and current until 2021. I will report fleetingly against each strategy and do an in-depth analysis at the Annual General Meeting scheduled for October this year.

<b>1</b>	<b>100% OWNERSHIP OF TRUSTEES WHENUA SHARES</b>			
	<b>Key Strategic Goal</b>	<b>Key Result Area</b>	<b>Deadline</b>	<b>Responsible</b>
	Obtain majority shareholding by 2016	1. Maori Trustee shareholding less than 50%	November 2016	Board
	Obtain full ownership by 2025	2. Majority shareholding by 2016	November 2016	Board

1. We are pleased to report that the Trust is well on task to achieve this goal.
2. The Trust continues to purchase these shares at \$50, 000 per annum. The Trust is on task and has reduced the number of shares owned by Te Tumu Paeroa to less than 50%.
3. Following the MLC cancellation of 307,364.3944 shares, the Maori Trustee's shareholding has now been reduced to 729,468 shares out of a new (reduced) total shares of 1,740,726 shares = 41.90% to the total shareholding.
4. This compares to the Maori Trustee holding 55.12% of the total shares before the loan repayments started.
5. To note, is that although the Court order has been issued, Maori Land Online is still showing the old figures for the total number of shares in the block and the shares held by the Maori Trustee. We will get that corrected.

2	FINANCIAL STABILITY AND VIABILITY			
	Key Strategic Goal	Key Result Area	Deadline	Responsible
	Good financial systems maintained	1. Financial systems reviewed annually 2. Financial systems amended as recommended by the review 3. Budgets prepared and approved annually	June Annually	Colleen
	All financial investments to be well researched & considered	1. Trustees to formulate a template for decision making guidance in future investment decisions 2. Review performance of all financial diversification investments quarterly	April 2017  Quarterly	Te Tuhi  Colleen
	Assets Protected	1. Write up a risk management profile	December 2016	Te Tuhi

### Good financial systems maintained

6. The Trust demonstrates this by having unqualified financial audits annually and receiving unanimous endorsements at AGM meetings. Financial systems are always stress tested by Trustees and where applicable adjustments made.
7. Any business venture contemplated by the Trust is always put through a due diligence process and robustly interrogated before a decision is made to either pursue or abandon the initiative. The development of a Due Diligence process template is currently being established and should be available at the AGM.
8. The Trust is constantly reviewing diversification of financial opportunities and where applicable following them to fruition.
9. Asset protection is an important part of our business and the Trust has a very low risk profile when it comes to protecting Trust assets. A good example of that was when money was borrowed to convert Rangihamama to a dairy unit. The money was borrowed against buildings, machinery and stock, thereby protecting this whenua from exposure.

<b>3 ECONOMIC GROWTH</b>				
<b>Key Strategic Goal</b>	<b>Key Result Area</b>	<b>Deadline</b>	<b>Responsible</b>	
Realisable investment growth by \$200k per annum	1. Return to be 3% above the cost of borrowing 2. Farms investment growth averages \$200,000 per annum	Annually Annually	All Trustees Bruce	
Maintain effective relationships with key partners	1. Review key partners 2. Maintain regular communications with key partners	June Annually	All Trustees	
Optimal returns from all Operations	1. Farms will deliver profit as budgeted 2. Housing will deliver profit as budgeted 3. Forestry will deliver profit as budgeted – Manage, plan and budget for 2 <sup>nd</sup> planting	Annually Annually Annually May 2016  Sept 2016 Annually	Bruce Sonny Te Tuhi Te Tuhi  Te Tuhi Te Tuhi	
	rotation – 100% of harvested area to be replanted 4. New areas for diversification to be investigated			
Establishment & maintenance of due diligence policies and procedures	1. Due diligence policy and procedure to be scoped and agreed by trustees 2. Policy and process to be mapped and implemented into operational structure 3. Review policies every 3 years or as required	June 2013  June 2016	Colleen  Colleen	
One opportunity for diversification scoped annually	1. Full proposal tabled as opportunity is presented 2. Identify and develop strategy partnerships associated with new opportunities		All Trustees	

### **Realisable investment growth by \$200k per annum**

10. This strategic goal will be reviewed to ensure clarity on the measurement.
11. Taken from the audited financial statements, for the past two years ended 30 June, the Trust's Total Assets grew by \$97,990 in 2016 and \$401,971 in 2017, an average of \$249,980 per year (excluding the grant money received in advance which is under an on call deposit arrangement).

### **Or is it supposed to mean growth in equity? Not the same things.**

12. Taken from the audited financial statements, for the past two years ended 30 June, the Trust's equity grew by \$193,399 in 2016 and \$344,238 in 2017, an average of \$268,818 per year.
13. Both of these measures on average exceed the \$200,000 per year target.
14. The two key result areas then refer to 1. Return to be 3% above cost of borrowing and 2. Farms investment growth averages \$200,000 per annum.

### **Return 3% above cost of borrowing.**

15. This has a very specific meaning: if you borrow some money to invest you then aim to earn 3% more profit than the cost of the interest on that loan. So it would be on a loan-by-loan basis.
16. An example would be to compare the net profit from the Rangihamama enterprise against the interest expense on the conversion loan. It depends upon which profit number you use. The net profit (after depreciation is deducted) is not covering the interest expense. But if you add in the return from the JV, which ORT would not be getting unless it had converted to dairying, then for the 2017 year, the combined return was \$198,274 or 12.95%, well above the 5.19% bank loan interest rate. BUT that is only for one year. We should really be tracking that over time because when RDLP was losing money, the returns to ORT were negative for 2 years.
17. I hope that helps but will add more depth and clarification of desired outcome to this section of the Strategic Plan at AGM 2018.

### **Maintain effective relationships with key partners**

18. The Trust works very hard to maintain good relationships across all fronts of our business. With our suppliers we have constant contact through our farm managers. The main relationship for us is you, our shareholders and beneficiaries. We have

established communications tools across many platforms, including social media and through our website.

19. We are buoyed by the number of electronic hits across these platforms. This tells us there is great interest in how our business is performing and what are on offer in the form of scholarships, firewood and food vouchers etc. How we create other avenue of return on shares for our shareholders is always a work in progress.

#### **Optimal returns from all Operations**

20. All farms are on track to meet their budgeted targets and currently tracking well against budget for this financial year. We will not know the totals until the end of our financial year.
21. Housing as usual is delivering to budget and on track to exceed its planned forecast. Maintenance is always a test and this last six months is no exception.
22. In terms of the forestry portfolio we have achieved 100% replanting of the harvested area with another 100 acres of new forestry ready for planting within 12 months. Please refer to the Forestry report.

#### **Establishment & maintenance of due diligence policies and procedures**

23. As mentioned earlier in my report the due diligence policy is still being developed. Policies have been mapped and put into relevant operational sectors. This is work in progress. All Trust policies will be reviewed in 2019.

#### **One opportunity for diversification scoped annually**

24. The Trust is constantly on the lookout for opportunities to expand our business. There have been many proposals put to the board in this last six months with only one proposal being explored more fully.
25. That is the Totara extraction project developed by the Forestry portfolio. This is planned to get underway anytime now. It involves extracting fallen totara and those that can be sustainably harvested. The relevant legislative requirements have been met with MPI involved in this initiative.

4 ADVANCE POSITIVE SOCIAL CHANGE FOR WHANAU & COMMUNITY			
Key Strategic Goal	Key Result Area	Deadline	Responsible
Disbursements of 10% of net profit after tax to shareholders/beneficiaries	1. Identification and establishment of priorities reviewed annually	Annually	Taoko
	2. Maintain and review selection criteria for Scholarship recipients	February Annually	Colleen
	3. Continue to award annual scholarships at \$50,000 per year	April Annually	Colleen
	4. Future proof/develop the scholarship policy	March Annually	Colleen
	5. Maintain meat voucher procedure and process		Taoko
Establish employment programme opportunities for Trust Members Establish employment programme opportunities for shareholders/beneficiaries	1. Maintain and review Employment policy 2. Scope opportunities within new business	June 2017 Annually	Colleen Sonny
Define area for social development	1. Review and designate areas for Papakainga 2. Establish policy for Papakainga and tenancy around trust housing 3. Implement recommendations for Papakainga	Annually Annually	Colleen Colleen Sonny
Leadership and Succession Planning	1. Increase number of trustees from five (5) to seven (7)	December 2016	All Trustees
	2. Make application to the Maori Land Court to appoint an additional two (2) additional trustees to	September 2016	All Trustees
	3. An annual training budget for confirmed Trustees to be included in annual budgets	Annually	Colleen

### **Disbursements of 10% of net profit after tax to shareholders/beneficiaries**

26. As reported at the last AGM, 25% of profits were returned to shareholders and beneficiaries and we don't envisage any change this year.
27. Colleen Bermingham-Brown and Dr. Te Tuhi Robust have streamlined the scholarships application and awarding system to reflect the type of study applicants are doing and aligning them to our core business. The Trust will again award \$50,000 worth of scholarships this year.
28. Meat vouchers will continue to be handed out at AGM and SGM meetings as planned.

### **Establish employment programme opportunities for Trust Members, Establish employment programme opportunities for shareholders/beneficiaries**

29. Our employees are performance reviewed annually and where appropriate, applicable salary increases are provided. Employment policies are constantly reviewed, updated and strictly adhere to.
30. We are constantly looking at opportunities for employing our people who have commensurate skills sets for the job. Across the Trust we have 22 people employed, including farm committees. When this current Board took over this Trust there were three (3) staff on the Omapere farm, one (1) on Rangihamama and one (1) in the office. We are proud of the Trust employment expansion to date.

### **Define area for social development**

31. As reported over the years we have reviewed and designated a place for Papakainga. This project is well underway. Policies have been developed for Papakainga occupation and general renting of our other four houses.
32. Workshops have been run by Colleen Bermingham-Brown with potential whare occupants outlining as to what is expected of them if they are interested in occupying those houses. All these recommendations are expected to be introduced to the Trust through an SGM or AGM hui.

### **Leadership and Succession Planning**

33. The Trust has increased the number of Trustees from five to six with the addition of Rachel Witana. The Trust has taken the position that we have enough Trustees with the commensurate skills sets to carry this mahi at this point. As the workload increases, we will ask for another Trustee. There is a training budget for new Trustees and this is being utilised, albeit sparingly.

34. We have an observer Trustee in Heidi Tau who is also the one day a week worker for the Trust. We view that as succession planning.

5 NATURAL RESOURCE MANAGEMENT			
Key Strategic Goal	Key Result Area	Deadline	Responsible
Ensure the Trust environment footprint is not compromised	1. Identify the Trust environmental footprint through a LUC assessment	June 2014	Sonny
	2. LUC environmental footprint reviewed	June 2017	Sonny

#### Ensure the Trust environment footprint is not compromised

35. A comprehensive Land Use Classification (LUC) report was commissioned by the Trust in July 2016, produced by AgFirst, and prepared by Ian Hanmore and Bob Cathcart. This has allowed the Trust to understand all our land mass including what soil types overlay every area of our farms and what those soils are good at producing.

36. This report is being used to great effect by our two farms and the results are stunning.

37. People have asked to see this report but we are reluctant to let this report out as it shows what we consider to be commercially sensitive information to do with our farms and our operations so please do not be offended if you are refused copies of this report. This also prevents the erosion of any competitive edge the Trust may have.

6 SITES OF CULTURAL SIGNIFICANCE			
Key Strategic Goal	Key Result Area	Deadline	Responsible
Ensure the Trust cultural footprint is not compromised	1. Identify, protect and maintain the Trust's sites of cultural significance	Ongoing	Taoko
	2. Scope identifiable public access boundaries to Putahi	June 2017	Taoko
	3. Map cultural sites and sites of significance	June 2017	Taoko

## **Ensure the Trust cultural footprint is not compromised**

38. This would have to be the most important area of our business where there is a consciousness right across Trustees. We are yet to document our Trust areas of Wahi Tapu and cultural significance. This mahi is yet to commence.
39. With regard to Putahi maunga, public access is through the Farm manager as there are many Health and Safety legalities that the Trust is liable for. We allow people through Trust land but they must sign that the Trust is not responsible for any accidents that might occur whilst they are visiting.
40. For funerals at Putahi wahi tapu, permission is granted through the farm by arrangement with the Farm manager.
41. Maps of site of significance and wahi tapu are yet to be developed.
42. This is viewed as a very important piece of mahi that needs the co-operation of some of our Kaumatua and Kuia who are familiar with areas on the whenua, which are areas of interest for wahi tapu and/or sites of significance.

## **CONCLUSION**

A reminder to us all that this Board was put in place through a democratic election process and given responsibility for the Trusts direction and control of its activities. We also recognise the need for a high standard of corporate governance to ensure we get the best out of our assets and investments, which can only grow our ability to open up more opportunities for our shareholders and beneficiaries.

This responsibility includes areas of stewardship such as the identification and control of business risk, the integrity of management systems and quality of reporting to constituents. Business imperatives often clash with our Tikanga Maori systems and need a balanced approach to achieve a good outcome for all. ORT take these responsibilities very seriously.

As a board we are finding some testing situations when trying to work together in a cohesive and professional manner. Some Trustees need to get training in meeting protocol, especially around decision-making. For example, if the majority of Trustees make a decision, the whole Board then owns that decision even though one might not have agreed with it.

In saying that, I want to sincerely thank my fellow Trustees for their hard work put in on your behalf. I am certain that they get frustrated when we set tasks and at reporting time I tell them we are only interested in positive results. Anything that has arisen as a problem must

be resolved by those responsible for overseeing projects as near as possible to its origin.

All in all I believe we have made great progress over the six months being reported across. There have been some huge decisions taken as you will see from the portfolio reports tabled today.

In closing I want to first of all thank our very capable team, operations and governance, for translating shareholder directed desires into reality.

On behalf of the Trust board, I wish to thank all our staff, including our Office Manager and kaimahi, farm Managers and workers, accountant, farm consultants, various farm committees and those Trustees in charge of different portfolios, nga mihi nui ki a koutou katoa. Please know that your commitment and dedication in these testing times is greatly appreciated by this board.

To our Kaumatua and Kuia, shareholders and beneficiaries, your support of the Omapere E and Rangihamama X3A Ahu Whenua Trust and its direction is very much treasured and appreciated. Ki te iwi o Omapere/Rangihamama, tena koutou e tautoko kaha ana i te huarahi kua oti nei te hakarite hei arumanga mo tatou katoa ki a hakatutuki ai te moemoea, *“kia huri te whenua hei oranga mo te iwi.”*

Mauri Ora

A handwritten signature in dark ink, appearing to be 'Raniera T' followed by a stylized flourish.

Raniera T (Sonny) Tau

CHAIRMAN

# Community Portfolio Report

*Colleen Bermingham-Brown*

*Community Portfolio holder*

The Community Portfolio is focussed on supporting the wellbeing and future development of our ORT beneficial owners and their whanau.

As ORT's various enterprises continue to grow from strength to strength, so does our community portfolio. With the implementation of the new initiatives introduced in 2017, namely the expansion of the ORT education scholarship programme, to include a specific agricultural scholarship, ORT discretionary fund and educational workshops These initiatives will continue to build the skill set and knowledge within our whanau and the broader communities into the future.

## **Education Scholarships 2018**

Our educational scholarship portfolio embeds, we continue to see the number of beneficial owners and their whanau applying increasing each year. As our SGM being held earlier this year, due to the

Easter break, and the closing date of our educational scholarships being March 31<sup>st</sup>, we are unable to present the scholarship recipients for 2018. We plan to announce the successful recipients via the Trust website and Facebook page by end of April 2018. Payments via direct debit will be paid as usual in May 2018.

As a reminder of the selection process, all completed applications received by the 31<sup>st</sup> March are reviewed by the two Trustees responsible for the Community portfolio, namely Dr Te Tuhi Robust and myself and once selected, our recommendations are presented to the Board for their approval and endorsement.

## **Discretionary Fund**

The ORT discretionary fund was created to provide limited financial assistance for initiatives that, promote and enhances the social, economic and cultural advancement of ORT beneficial owners and their whanau.

Since the launch of the ORT discretionary fund in October 2017:

**Applications received - 10**

**Approved applications – 2**

The Trustee Board allocates \$5000.00 annually to this fund, with the maximum grant of \$200.00 per application. Distribution is at the Board's total discretion and will be assessed on a case-by-case basis. Applications are to be submitted either online or hardcopy into the Trust Office.

Once received these will be reviewed by the two Trustees responsible for the Community portfolio, and presented for consideration and approval at each Board meeting. The Boards decision will be final and no further correspondence will be entered into.

### **Papakainga education workshops**

We have always had the aspiration to facilitate educational workshops for our beneficial owners and their whanau, and I'm pleased to report that our inaugural workshop was held on the 10<sup>th</sup> March.

The focus of this first workshop, "Let's get started", as to enable beneficial owners to feedback on the draft Papakainga rental housing and the owner occupier policies presented at the AGM in October. On the day we had between 27 – 30 attendees present in person and via zoom video conference.

The second workshop in the Papakainga series called "Are you rental ready" facilitated by the BNZ community team and is due to be held on 17<sup>th</sup> March. Currently we have 12 x people registered to attend.

### **ORT Website & Online Channel Development**

Our two communication channels, the Trust office and the ORT website have experienced increased printing. We plan to continue to develop the ORT website platform, which ensures all our ORT beneficial owners, their whanau and those living outside Kaikohe, are kept updated on all ORT businesses and any future developments.

While increasing the quality and frequency of our communications, we plan to build our online profile and further develop our website.

### **SGM & AGM Presentations**

These annual scholarship presentations are always a highlight of our meetings and a great way for the scholarship recipients to outline how they have utilised our financial support and share with us, their aspirations for the future.

At this years AGM in October, I hope to invite one of our wahine entrepreneurs, who received one of our scholarships many years ago, and has gone on to launch her own business within Aotearoa.

As always, it's an absolute privilege and honour to be the lead Trustee responsible for the management of the Community Portfolio. There is so much more for us to do, and as the ORT business continues to thrive, I look forward to strengthening and expanding initiatives within this portfolio, to enable and support all ORT shareholders, beneficiaries and their whanau to achieve their dreams and be the best they can be.

# Omapere Farm Report

*Lloyd Brennan*  
*Farm Manager*

Both spring and summer so far have been great, with consistent heavy rainfall and good grass growing conditions. Stock have produced well and markets and schedules have been good with a shortage of stock to eat the extra grass.

On Omapere, we contracted 650 bull calves at 100kg to arrive between October and December, this meant we did not need to chase the open market which reached a high during December. The open market has not come down as yet, mainly because of a shortage of stock.

Sheep prices are up this year, surprising most people, but the wool market is in a poor state, with costs being recovered with sales but with not too much change at the end. Lamb kill weights are up at 18kg average, with most of the lambs gone before we need to shear them.



Bulls weights this year average around the 318 kg average with over 600 sent to the works this year so far. We are carrying over 800 R1 bulls which we hope to start selling at required weights in May-June. Last year we bought 230 Autumn calves in July, to extend our revenue-making with Bulls twelve months of the year.



The water system and new yards built last year have proved their worth, with water capacity out stripping demand, and a further extension into developed areas intended for this year. The new stock yards at Papakauri are saving time and eliminating stress on the animals and staff, and a lot more efficient.

Omapere is increasing its production every year, development is increasing production. We still have a way to go, and with continually fighting back the gorse threat, but we are winning.



# Rangihamama Dairy Farm Report

*Bruce Cutforth*

*Rangihamama Portfolio Holder*

In reviewing the first six months of the dairy season our scorecard is positive on most counts.

## **Production:**

Currently we are on target for a record production year. Our projections are for a season end total milk production ranging from 215,000 to 220,000 kgs of milk solids as against last years 182,000 kgs. A number of reasons for this lift in farm performance;

- A favourable grass growing season. Rainfall has been consistent through summer. We have a record maize harvest to come in.
- Higher milk price has meant when feed is short it has been profitable to import feed.
- A stable work force that work as a team.
- A maturing farm which is steadily improving. The improvement in soil fertility, the clearing of gorse and improved drainage.

The biggest challenge on farm would be some stock health issues. Currently all stock on farm are in excellent condition. Particularly the young stock but we do experience higher stock losses than the average Northland farm.



## **Financial:**

The projected milk price of \$6.40 plus the share dividend plus the winter milk premium ensures that we have achieved our budget predictions showing a profit for the limited partnership. The partnership continues to buy Fonterra shares, which are a capital cost, but the dividend return covers the cost of capital. The lease monies received from the partnership by the Trust continues to pay interest and repayment of the development loan, which ORT took on when the dairy conversion took place. There is a further \$35,000 from that lease income which is spent on capital improvement on Rangihamama. This money was primarily spent on farm race extension, waterways fencing and gorse eradication.



## **Operational Review:**

RDF1 Board have done a review of the milk production system. Primary drivers for the review was to simplify the system to match the available staffing skills to minimise the use of Palm Kernel Extract and to optimise the winter milk prices offered by Fonterra. The system, which has been used, is split calving with cows calving in both the spring and the autumn. The review process has been thorough with data gathered over the previous three years of monthly pasture production and matching that to feed demand using a one calving season model. The conclusion come to approved by the RDF1 Board is that we should move to a single calving in the autumn. The modeling shows that we should milk slightly less cows that will do more milk per cow giving us similar milk production but earning more per kg of milk solids produced. A side benefit of the changes will be that demand for PK will be halved which fits well with the RDF1 policy. The plan is to introduce the system over two dairy seasons.

## **Summary:**

The farm is delivering on its promise of a sustainable/profitable land use for this amazing whenua. Can we do be better? Certainly but the trend is in the right direction.

# Forestry Report

*Dr. Te Tuhi Robust*  
*Forestry Portfolio Holder*

A number of matters have been raised since the last report. Within the context of this report I intend to address key issues as follows:

## **Replanting**

Field data collected at the time of planting indicated that the remaining planted area of 23 hectares in Toia Rd was actually overplanted at a rate of 3800 extra stems over the whole area or 165 stems per hectare. Unfortunately for the contractor, this contravened his maximum allowable tolerance and hence forfeited payment for the extra's they planted. 2.2 hectares or 2200 stems were accounted for from planting up a bit from last year's area. That amount calculates exactly to the 6000 extra seedlings planted. It should also be noted that the initial Contractor was summarily dismissed last year for failing audits and also for the unauthorised taking of firewood without first seeking Trust approval. Jacky Johnsons Recruit Me Services was appointed as the planting contractor.



## **Waste Logs/ Timber**

The Bergman whanau have sought permission to access and use the waste logs for their firewood supply business. A meeting to discuss this matter has been brokered and a formal proposal has been presented to the trust for consideration. Whanau needing firewood will also be able to apply to the trust office for permission to access some of this resource accordingly as part of the proposal. Whanau will need to collect it from the site.

## **Boundary Fence – FNDC**

We are nearing completion of this matter between the Trust and the FNDC. Documentation is still to be completed but the council are supportive of paying for half of the fencing costs. An invoice has been generated and work will begin as soon as the contracts have been let. Whanau interested in this work can contact the office for further details.

## **Pest/ Weeds**

On my most recent visit (December) the roadside within the forest area are clear and in very good condition. A maintenance plan is to be completed with Ben Paraha and Lloyd to ensure that Weeds and Pests are kept at bay.

## **Sustainable Forest Harvest Plan**

As reported earlier this has now advanced and near complete. When this is completed the Trust will be able to harvest on a planned basis up to 50m<sup>3</sup> per year over the next 10yrs. Financial returns his would realise up to \$60,000 per year. Also part of this planning is the ability of the trust to remove 'deadfall trees' immediately. These trees do not have to be included in the annual harvest tally. Murray Ferris, Contractor, Native Species has been assisting me in the preparation of contracts directed toward forestry activity. He is able to move toward harvesting the 'deadfall trees' asap.

# Honey Report

*Dr. Te Tuhi Robust*  
*Honey Portfolio Holder*

The last meeting with Peter Ferris, Westerveld was held in December 2017. It was reported that a number of hives had gone missing from some sites which is extremely disappointing. Peter Ferris confirmed that indications were persons known to the organisation. Codes etc. have been changed on all locks within Trust lands.



# Residential Rental Report

*Sandra Robinson – AREINZ*

*Rental Property Manager – Mid North Real Estate Ltd - MREINZ*

I am pleased to report to your Special General Meeting covering the period October 2017 to March 2018.

## **Market Overview:**

“Chronic Shortage” are the two words that spring to mind when talking about the current rental market. The market is so tight there is nothing really available to rent. This pushes the rents up high and stresses the people that cannot find houses. Other influences on rent are increasing costs such as rates and insurance. We are regularly looking at your rent levels and recommending changes where necessary. We do not believe in hiking rates for the hell of it. Rather we like to keep the tenants stable and happy and able to continue living in their homes.

## **Tenant Movement:**

Demand in the market means that current tenants are staying put. This is generally because there is nothing to move to in the area. Your portfolio is no exception and everyone seems stable and settled. Rent arrears are becoming a thing of the past as tenants know landlords are not hesitating to move people on if they are not paying. It's pretty tough out there.

## **Repairs & Maintenance:**

We conduct three monthly inspections for you to assess how the homes are being looked after and identify any maintenance needs. Any urgent repairs are organised immediately with non-urgent work reported to the Trust for consideration.

## **Technology & Systems:**

We believe that investment in up to date systems is critical for maintaining our client's investments and meeting their needs. Our inspections are all electronically completed and stored for easy reference. Our electronic filing system allows the landlord to log on and retrieve any documents of interest. We are always looking to maintain and upgrade our own systems for you to keep pace with the market.

**Insurance & Methamphetamine:**

We cannot emphasise enough the importance of up to date insurance in this current climate. It is imperative that landlords are covered for meth contamination which is very prevalent in our area. It is so disappointing when our homes come back testing positive for meth and to remedy this, it can be very expensive. We advocate between tenant testing to try to pinpoint the culprits to recover costs. This topic needs to be brought out into the open and freely discussed as Northland has the second highest positive test result rates in NZ. We also highly recommend all landlords check that they have loss of rent cover as the time taken to turn the house around can be lengthy.

We appreciate the on-going support of the Trustee's and the tenants which helps us to keep things running smoothly for you.

**Sandra Robinson**  
**Principal Officer/Rental Property Manager**  
**021401895**

**Mid North Real Estate Ltd**

MRENTZ - Lic. Real Estate Agent (REAA 2008)

# Financial Report

*John Parmenter, BCom*  
*Northland Corporate Accounting Limited*  
*(Accountant)*

## Cash Summary for the 8 months ended 28 February 2018

	Actual	Budget	Better / (Worse) than Budget
	\$	\$	\$
Omapere	417,675	410,190	7,485
Rangihamama	126,571	127,901	(1,330)
Housing	22,086	(3,092)	25,178
Forestry	(24,131)	(75,869)	51,738
Trading Surplus	542,201	459,130	83,071
Administration expenses	(94,211)	(100,989)	6,778
Governance costs	(32,844)	(26,290)	(6,554)
Interest paid	(90,559)	(90,848)	289
<b>Net Operating Surplus</b>	<b>324,587</b>	<b>241,003</b>	<b>83,584</b>
Papakainga Housing Project	1,557	(3,024)	4,581
Dairy Conversion Project	(28,939)	(16,000)	(12,939)
Capital Expenditure	(35,323)	(70,145)	34,822
Loan repayments	(72,003)	(71,040)	(963)
Other net cash movements	(3,617)	(7,842)	4,225
			0
<b>Net Cash Surplus/(Deficit) for 8 months</b>	<b>186,262</b>	<b>72,952</b>	<b>113,310</b>

## **Omapere Farm**

Farm is basically on budget:

- Although 2 year Bull sale numbers are down season to date, we are holding some longer to eat the explosion of grass growth following lots of summer rain.
- Very good selling prices for sheep and a lot more lambs born than allowed for, has been offset by no wool sales yet while we waited for a lift in prices which unfortunately will not be happening.
- Good buying means the replacement cost of R1yr bulls has been \$73/head less.
- Some of these gains have been offset by higher farm working expenses than planned.

## **Rangihamama Farm:**

Actual rates increase is slightly more than budget.

## **Housing:**

Is above budget due to the delay of the refurbishment of the Browns Road house.

## **Forestry:**

Work to plant 40ha of new pines have been deferred until next year.

## **Administration Expenses:**

Are less than budget due to reduced office hours and much less stationery cost.

## **Governance Costs:**

More than budget due to extra costs associated with the October 2017 AGM.

## **Papakainga Housing Project:**

Interest income on funds held in Solicitors Trust account has been more than expenses. Capital Expenditure of \$664,688 was met from TPK grant funding.

## **Dairy Conversion Project:**

Annual budget on continuing development of the dairy farm was spent earlier than planned.

## **Capital Expenditure:**

Less than budget due to the development programme on the Omapere Farm being slower than planned but it will catch up by the end of the financial year.

## **Loan Repayments:**

Are being made monthly on the Rangihamama Dairy conversion loan as well as the loan to stock up and develop the drystock area at Rangihamama.

## **Other Net Cash movements:**

Mostly GST and PAYE so the difference is just due to the timing of deductions, receipts and payments.



PAPAKAINGA

## NOTES

A scenic landscape photograph of a rocky coastline. In the foreground, dark, jagged rocks are scattered across the shore. A body of water, possibly a bay or lake, stretches across the middle ground, with numerous smaller rocks protruding from its surface. The background features a distant shoreline with low hills under a bright blue sky filled with fluffy white clouds. The overall mood is peaceful and natural.

“Kia huri te whenua hei orange mo te iwi”

The land will sustain its people