



ROTOITI 15
Ngā Rawa E Tupu







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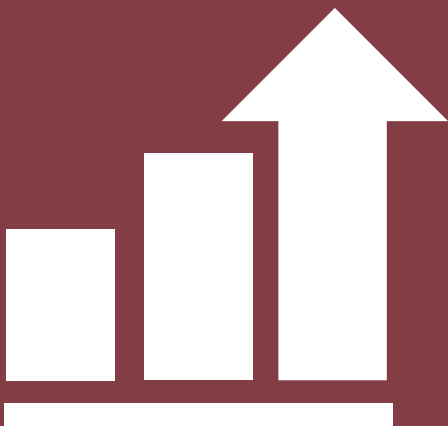
15,224

Rotoiti 15
Beneficial
Owners



\$187,798

Grants paid
for the year



\$47,951,337

Total Asset Base

kaupapataka agenda

2018 ANNUAL GENERAL MEETING

RUAIHONA MARAE, TE TEKO

SATURDAY 9TH OF FEBRUARY at 10.00am

Registrations commence at 9.00am

1. ELECTION OF THREE TRUSTEES

2. MINUTES

3. CHAIRMAN'S REPORT

4. GENERAL MANAGERS REPORT

5. FINANCIAL REPORT

6. BUSINESS REPORTS

7. APPOINTMENT OF AUDITOR

8. GENERAL BUSINESS

KO RANGITIHI
CARVED & PRESENTED BY ROBERT RIKA
TO THE ROTOITI 15 TRUST

ngā mīneti minutes

ANNUAL GENERAL MEETING OF OWNERS

HELD AT WAIKOHATU MARAE

ROTOITI

ON SAT, 25 NOVEMBER 2017

AT 10:00AM

The meeting of 110 owners was opened with a karakia by Arapeta Tahana.

present

See attached Attendance Register (110)

apologies

See attached Apologies Register (47)

RESOLVED "To accept the apologies"
(Arapeta Tahana/ John Fenwick)
Carried

election

Glenn Hawkins introduced himself and explained the election process. Owners were given till 10 minutes after the meeting to lodge their vote. He introduced the nominees as follows:

John Fenwick
Tame Malcolm
Raina Meha
Merehira Savage
Piki Thomas

Each nominee stood, introduced themselves and provided details of their background. Glenn then requested nominations from the floor for scrutineers. Discussion ensued, Airini Hepi and Robyn Skerrett were selected. It was decided that provisional results will be announced during lunch and confirmed results will be advertised in the paper on Wednesday 29 November 2017.

opening

The Chairman, Arapeta Tahana, extended a mihi to everyone and thanked the owners for their attendance.

minutes

Owners were invited to read the minutes. No feedback was received.

RESOLVED "To accept the AGM minutes of 26 November 2016 as a correct record of that meeting"
(John Fenwick/John Treanor) Carried

chairmans report

Arapeta explained that the Trust had commissioned a shareholder to capture drone footage of the trust's assets. The footage was shown before Arapeta began his report.

kaitiakitanga

Arapeta made mentioned a memorandum of understanding that was signed by both Rotoiti 15 and the Department of Conservation. He explained that a working group has been created who are working on a sustainable strategy to ensure kaitiakitanga over the land is being exercised. It was noted that Tame Malcolm has drafted a plan for this group to consider and this will be looked into in the new year.

distributions

Arapeta explained the challenges with the Trust's current distributions policy. He referred to the lack of uptake on the grants and noted that these were issues the current trustees were looking at mitigating in the next policy review. Discussion ensued around categories. Merehira Savage said she would like to see hauora grants considered and the environmental category taken care of differently. Te Ohu Wikingi thanked the Trust for their Marae grant and asked that older koeke receive more. Maru Tapsell said he would like to see the Trust invest more funds in schools. Colleen Skerrett asked if the Trust

would consider assisting residents of Rotoiti with the new sewage scheme costs. Arapeta said the Trust would consider a collective approach to helping Rotoiti residents.

RESOLVED "The Chairman's Report be accepted"
(Colleen Skerrett/Ngaroma Tahana)
Carried

rerewhakaitu forest

Arapeta explained the Trustees decision to adopt a 50/50 approach with pruning. He mentioned that the intent is to create employment opportunities for shareholders. Huhana Church asked why the Trustees have not provided a response to her request to hunt in Rerewhakaitu. Arapeta apologized and explained that that Trust is still tidying up the current process for hunting in the main block before these rights are extended to Rerewhakaitu.

maniatutu farm

Brad explained that the farm was hit last year by a parasite which affected reproduction and impacted production. He acknowledged Glen and Yvette and mentioned we have signed another contract with them for a further three years. He noted the farm is currently on track to produce a significantly higher return with Fonterra prices forecasted to move up to \$6.75.

kiwifruit

Tina Ngatai provided the Rotoiti 15 kiwifruit orchard report. She explained that this orchard was also recovering from PSA. She confirmed that OTK investment have paid their first dividend of \$25,000. He acknowledged both Hingatu Marsh and Glen Amoamo for their hard work for the trust throughout the year

otukawa

Tina also provided the Otukawa report. She reminded the owners that last year this investment reported

a loss. Due to hard work this year, the investment made a profit of over \$300,000. While the investment still has a \$2.5M debt they are currently investigating strategies to reduce this.

new zealand premium whitebait

Arapeta explained the concept that was delivered at last AGM. He further explained that the business is in dire need of further funds to expand as currently they cannot produce enough to keep it afloat. The current figure is \$8M to expand. Discussion ensued, Raewyn Bennett asked if part of it could be salvaged and established in Maketu? Arapeta explained the process of voluntary liquidation and that the trust may be able to make an offer after the liquidation process has taken place.. Currently the annual costs for the business to run are \$1.5M but it is currently only making \$300,000. Fred Whata broke down the costs and estimated that the Company would require \$4M to move to Nelson, he invited the owners to make a resolution if they wish the Trustees to commit to investing further funds. Merehira Savage indicated her support, Isobel Morehu said it would be an opportunity for the Trust to provide cadetships. Te Ohu Wikingi put forward the notion that the trust further invest in the whitebait venture, Merehira Savage said she would support further investment subject to due diligence being undertaken.

RESOLVED: "Owners support further investment in the NZPWL Whitebait subject to due diligence"
(Te Ohu Wikingi/ Merehira Savage)
Against: John Lawless, Rihi Vercoe
Carried by majority

John Lawless asked if other trusts had considered something similar. He explained he would like the trustees to cut their losses and invest in something where the trust will profit. Rihi Vercoe cautioned the Trustees and owners because of the people

involved in the business. She agreed that a forensic report be undertaken on the business. Helen Crawford said that if the Trust was wanting to commit to this that it should be with the intention of taking a majority shareholding.

RESOLVED: "To accept and approve the business reports"
(Merehira Savage/ Raewyn Bennett)
Carried

financial report

Glenn Hawkins presented the financial reports and highlighted key points. He noted an increase in income from farming activities and less from forestry. It was noted investment income due to increased direct investment. He noted majority of expenses are associated with the Dairy Farm and the recruitment of new staff. He turned to the group accounts and highlighted these points:

- Total income has changed to under \$2.8M
- Farm expenses have increased from \$1.1M to just under \$1.3M
- Kiwifruit costs have increased from \$34,000 to \$49,000
- Administration costs have increased from \$480,000 to \$665,000
- Due diligence costs are higher which included a one off cost for Tuara Matata for \$134,000.

Maru Tapsell asked what the return on our Craigs portfolios were. Glen explained the trust has three portfolios all with different goals. Their percentage of returns are 9%, 12% and 8%.

RESOLVED: "To accept the financial reports and appoint Cookson Forbes as the Auditor"
(Caroline Jones/Gini Tuhakaraina)
Carried

general business AGM date

Arapeta asked the owners for feedback on the timing of the AGM. He mentioned the trustees are

considering a change to February to avoid clashes with other hui. Isobel Morehu asked if the trust hold a special general meeting to update the owners on the status of the whitebait venture as it will be 15 months till the next AGM.

RESOLVED: "Owners support to move the AGM date to February"
(Caroline Jones/Glenys Tierny)
Carried

Robyn Skerrett would like notice to be sent out via email in future. Tane Lawless thanked the Trustees for working with him and the Hunting Club this year. Arapeta mentioned that Tane has been given access to the block by the Trustees in order to monitor our native birds.

John Fenwick put forward the motion to approve the koha for the Marae.

RESOLVED: "To pay Waikohatu \$10,000 for hosting the AGM"
(John Fenwick/ Nora Clements)
Carried

hunting club

Dennis Waiti asked if the Rotoiti Hunting Club still had access to Sunvalley. Arapeta mentioned that the arrangement came about with Dennis Curtis. He explained that the Hunting Club formally withdrew from there. Dennis mentioned that he has heard that the current security firm has been taking non-shareholders into the block to hunt. Arapeta said that this would be followed up with PF Olsen.

There being no further business, the Chairman declared the meeting closed at 1.16pm.

Signed as a correct record

**Arapeta Tahana
Chairman**

ngā mīneti

minutes continued...

SPECIAL GENERAL MEETING OF OWNERS

HELD AT TE TAKINGA MARAE

MOUREA

ON SAT, 21 JULY 2018

AT 10:00AM

present

See attached Attendance Register
(168 owners)

apologies

See attached Apologies Register (29
owners)

karakia

Te Ariki Morehu

opening

Piki Thomas extended a mihi to
everyone and thanked them for their
attendance. He gave a brief summary
of the kaupapa in te reo Maori.

introduction and housekeeping

The Chair Tina Ngatai introduced
herself and extended a mihi to the
owners. She acknowledged those
owners who consistently attended
the Trust's AGMs and welcomed
those who are new she expressed her
disappointment in the performance
of this investment. She explained
the agenda and advised that only
advertised agenda items would be
discussed. She advised that the
Trustees will allocate ample time for
questions, however she requested
that people wait until the allocated
times to ask their questions. Arapeta
Tahana was then introduced to

present the Trust's strategy and
explain why the trust chose to invest
in NZPWL.

strategy overview

Arapeta introduced himself and
proceeded to provide an overview of
the Trust, its strategy and the Trust's
performance over the last decade
for the benefit of those who are not
regular attenders of Rotoiti 15 AGM's.
\$6M in distributions, 65% growth in
assets. He explained the investment
strategy to allocate 15% of the Trust
assets to High Growth investments
which was approved at the 2016
AGM.

He continued and explained that
Rotoiti 15 chose to invest in NZPWL
as it met many strategic objectives
of the Trust:

1. A high growth, high risk
investment to diversify R15s
investment portfolio;
2. There was a possibility of high
returns;
3. It provided an opportunity to save
a taonga species;
4. It had the opportunity to provide
employment in future;
5. It differed to the Trust's current
investments which are weather
prone;
6. The opportunity to partner with
other Maori Organizations

new zealand premium whitebait investment - timeline of events

Tina presented the timeline of
events that occurred throughout this
investment:

1. The initial investment was made
in 2016 of \$1.6m, Rotoiti 15 created
a limited partnership with Ruahine
and Kuahua Incorporation
2. Rotoiti's share of the partnership
was 90%, Ruahine and Kuahua's
share was 10%
3. The partnership purchased 23%
stake of the company which entitled
the LP to a director's position, a

deliberate move as Rotoiti 15 wanted
to protect their interests

4. The investment was presented at
the 2016 AGM by the CEO

Tina paused to clarify, that Rotoiti
15's investment in NZPWL has no
association to the issues faced by
TARIT. She carried on to 2017 when
issues began:

1. KaOra, the largest shareholder, had
a loan which enabled them the option
to redeem it for shares which they did
due to the company not being in a
financial position to repay the loan.

2. Rotoiti 15 and Ruahine Kuahua
LP had to consider putting more
money in to maintain equity and their
director position

3. Further investment of \$1m was
made, subject to milestones, to
maintain 25% shareholding and
directors position

4. Milestones were not met, however
there was threat that the business
would fold and they made a decision
to reinvest.

5. An information memorandum
was received prior to the SGM
from Deloitte which satisfied the
confidence of some of the Trustees,
others were not so satisfied.

6. In October there was growing
concern, Trustees could not agree so
they took it to the 2017 AGM to seek
guidance.

7. An information memorandum
was received prior to the AGM
from Deloitte which satisfied the
confidence of some of the Trustees,
others were still not satisfied.

8. At the AGM the owners resolved by
majority to support the investment
further, subject to further due
diligence, John Lawless and Rihi
Vercoe were opposed to this
resolution.

9. The Monday following the AGM,
the company advised they urgently
required funds to operate. The
Trustees resolved by majority to put
further \$2.4M into the company. This
was to be paid in instalments.

10. Post AGM, Tina had attended her
first meeting where she uncovered

that the fish stock and the IP was not secured by the company. Discussions with our legal team had discovered that the Trust had been misrepresented.

11. When this became clear, Rotoiti 15 withdrew. The major shareholder refused to put further funds into the company. Therefore the company went to receivership.

12. One of the shareholders had a secured loan which entitled them to appoint a receiver and take over the company.

In summary, the total loss for R15 was \$3.5M as Ruahine and Kuharua Incorporation owned part. Last year R15 wrote off \$1.4M and will be writing off just over \$2M this financial year. Moving forward, trustees anticipate no further losses, it has made no impact on other assets, distributions will still continue. The Trustees have placed a six month moratorium on investments to review and implement a strategy moving forward.

questions

In response to the Trust being misrepresented, Helen Crawford asked if R15 was in a position to sue? Kiri Tahana of Kahui legal advised that the Trust could, however they would need to pursue individuals as the company has no assets.

Maramena Vercoe thanked the Trustees for fronting the owners face to face. She found the presentation informative and acknowledges that the Trustees intention to take the learnings and move forward. Pare Aratema said she was impressed with the presentation but is disappointed that this is the second time Rotoiti 15 has lost so much money. Trustees in the past were removed and found personally liable. Teddyboy Kameta said that the Trust needs to find out where they went wrong

myfiduciary findings of review

Merehira Savage introduced Aaron Drew of Myfiduciary to present his report a review of the investment process. Aaron provided a mihi and gave a brief explanation of what Myfiduciary does. He explained that the scope of the report was to examine the process and policy not the investment itself and referred to his findings and recommendations as per his report.

1. Reviewed initial trusts investment strategy document. It was very well debated and took two years to sign the dotted line on the strategy. A lot of effort went in to choosing the main investment buckets to pursue. Growth, Income and Strategic.

2. NZPWL fitted into strategic bucket with potential to move locally to improve whitebait fisheries.

3. Well aligned to the policy however time and resourcing requirements were underestimated. This is common with direct investments as they incur more hands on effort.

4. Strongly recommends pursuing some type of investment committee or commercial entity so there is core expertise and designated resource to manage.

5. The Investment Policy itself did have shortfalls in terms of a policy guiding the investment decision making process for trustees. For example there was nothing specifying prudential limits. This is a recommendation moving forward.

6. Another shortfall was the absence of an exit strategy. Essentially that meant the policy didn't provide the handbrake as much as it could have.

7. The strategy did include a framework but no detail behind things like strategic fit, trustee capacity, financial lead on operational risk and due diligence.

8. In speaking to the trustees it was partly due to the policy being so new that it had never been tested and the Trustees felt pressured at times by the whitebait company.

9. There was due diligence done by the Trustees in terms of visits to the site, meeting with managers. Financial due diligence wasn't taken on investment, that was done by EY and their findings were limited in depth and scope. It focused more on cost of production, facility and returns.

10. The report (Myfiduciary report) acknowledged a limitation analysis that said this (EY Due Diligence) is purely financial sensitivity analysis.

11. Trustees acknowledged there should have been a more thorough due diligence process taken at the beginning and engaged a firm, partner or principle who was be willing to put their name to recommendations.

12. The Trustees were influenced by other investors who had good reputations that gave them a sense of confidence.

13. An important point to mention is that Rotoiti 15 Trust were not the only ones caught out by this.

14. A more thorough DD process should have included operational due diligence and legal due diligence. Which would have cost much more money.

Following a question from the audience, Aaron Drew gave context to the amount of money that is usually spent on due diligence being upward of \$30,000.00.

Discussion ensued. Aaron explained that alarm bells weren't ringing initially as the due diligence wasn't thorough however, once the Trustees read in to it they were definitely ringing and they made efforts to gather information from the NZPWL management and gave considerable amount of time with their own director to get to the bottom of things when the company started to underperform.

What really went wrong was the company didn't have the right operational expertise and staff to execute what they promised.

ngā mīneti

minutes continued...

Aaron explained that the position of a director on a company is still not of operational level and the isn't enough for a venture type business as it is incredibly hands on and resource intense. Trustees continued to support the company even when it was clear it wasn't meeting targets. The advice from the General Manager was not to put more money in. We know that support wasn't unanimous and there was much debate. The decision to continue was driven by the vision that related to environmental and social employment benefits and partly relying on company assurances, believing there were further investors lined up. Also, probably a too big to fail mentality having invested so much already.

recommendations

Aron Drew speaks to his recommendations from the report.

1. Governance structure, establish an investment decision-making body made up of people who have more background expertise in the world they are investing in.
2. Strategy, reconsider direct investments and align with the trusts time, expertise and capacity to oversee elements of the Trusts' investment strategy. Perhaps delegating to decision-making body.
3. Policy, Make sure to follow processes and policies
4. Adding further content into policy such as prudential limits.
5. Capacity and development, conduct a gaps analysis to look at the current skills and experiences within Rotoiti 15 Trustees and Management. Then meet those gaps by training or eventually hiring external expertise or moving to a similar investment strategy.

Piki Thomas thanked Aron Drew for his report and advised those present that he would now introduce the accountant Glen Hawkins before opening the floor for questions.

financial update

Glenn Hawkins addressed the meeting and noted that the figures he is about to present are still subject to audit, and may change slightly. He referred to the power point presentation and reported on interim 2018 results and a three year snap shot was provided.

P&L – Overall income of \$2.4m that is likely to increase with the inclusion of Otukawa accounts so down on previous year \$2.8m. Overall Expenses of 2.2m, very similar to last year with a surplus of \$217,000 we expect to increase once accounts are finalized. Investments – Craigs has had a stellar year increase in value of \$532,000. Kiwifruit vines have had a small increase in value \$2.5m. Geothermal \$1,900. Not a lot going on there.

NZPWL – Glenn gave a summary of 2017 AGM where we accounted for a loss of \$367,000.00. Following this an impairment or drop in value of that investment of \$1,000,090.00 so a total write down of \$1.4m in that investment for last FY. Glenn advised it has been difficult to get accounts for NZPWL for this financial year and as a first step they have written off everything that has been invested. That is \$2.133m in this financial year which brings us to a total of \$3.5m. He expressed that eventually they hope to get all of the accounts from NZPWL and have the numbers finalized. Glenn explained the years results has produced a small trading profit in the value of Craig's portfolio and the value of the trees giving a profit of \$1.1m after the write down from NZPWL. Glenn explains the Profit and Loss prior to write down was an increase to \$3.2m profit. He explained that the Trust is still in a strong financial position with all investments trending positively, and no debt.

Glenn explains the performance of the property and asset growth from \$44m to \$48m subject to final accounting valuations. He doesn't anticipate it

changing too much from there.

Current Liabilities – The trust has no direct debt only as parent to Otukawa LP which has a loan of \$3.3m.

Non-current Liabilities - \$2m in deferred tax.

Equity of \$41.5m that has increased by 10% compared to last year.

Glenn states that yes, it has been a difficult year in terms of the investment and that other assets should offset that. Final Audited Financials will be presented at the following AGM.

questions

Before Piki opened up the floor for questions, he explained that Rihi Vercoe has written a letter that she wished to be tabled at the meeting as she could not attend. Piki read contents of the letter which commended the Trustees for fronting up and made recommendations to create an audit and risk committee.

Tony Wihapi asked Aaron Drew questions around the definition of fiduciary and whether in his view the Trustees exercised prudence in this case? Aaron replied that the Trustees followed due diligence, however the due diligence was not sufficient. It had a limited scope and didn't look into operational capability. There also wasn't any scientific due diligence conducted. Tony asked if in Aaron's view the Trustees were prudent and reckless. Aaron replied that he felt the trustees weren't reckless as there was good analysis, however there were still shortfalls. Tony asked if the board were aware of Roger Pikia's involvement. Tina addressed Tony and explained that the Trust had explicitly made it a requirement that Roger be removed from the board before Rotoiti 15 would engage with NZPWL.

Tina explained that the trustees had entered into this investment with excitement and thought that they had invested wisely. Tony Wihapi

listed shortfalls of the past trustees. He asked why the beneficial owners should not seek the resignation of the board? Discussion ensued, Tina explained that the information provided has been factual and was necessary to show the whole picture, it was not intended to window dress. The intention of the Trustees is to front the owners.

Sir Toby Curtis referred to the Trustee split and asked whether the trustees who voted in favor need to re-apply for their positions. Tina explained that Joe, Fred and herself voted in favor, Piki and Arapeta voted against.

Geoff Rice stood and commended the trustees for standing and being honest. He referred to the financial position pointing out that there is a huge loss but the trust has also made a lot. For the Trust to move forward we must understand risk. He suggested the Trustees provide Brad with a team and give him a budget and allow him to get on with it.

Helen Crawford asked why the owners have not heard from the General Manager as from an operational perspective he would be involved? Tina replied that Brad wasn't involved when the Trust initially invested. Aaron Drew interjected and explained that Brad had provided a paper to the Trustees in March 2017 advising them against further investment into NZPWL.

Tony Wihapi placed a motion on the floor that all Trustees be asked to resign. Tina addressed the owners and thanked them for attending and hearing what the Trustees have to say. She said that if it is the will of the owners that the Trustees not serve as their representatives, that they remove them via the election process rather than leave the Trust without a board.

Fred addressed the owners and

expressed his disappointment with where the trust is today. He tendered his resignation and requested that the rest of the trustees be allowed to stay and let the election process sort it out.

Maramena Vercoe said that she does not support the motion as there is already a process of natural selection in place. She does not agree that the people should react so abruptly and suggested the owners consider other measures such as a cap on investments. Geoff Rice supported these comments. He said no one will stand because our young ones will be too scared to make a mistake. Te Ariki Morehu expressed his disagreement and asked who will stand if we treat our people this way? Willie Emery disagreed with the motion and felt that the owners had given our young people the green light. He also would like Fred to re-consider as he is needed.

Motion

"All Trustees be asked to resign"
(Tony Wihapi/Cissy Whata)

For:26

Against: 97

Motion rejected

Rangi Anderson stood and put the motion on the floor that the matter be filed with the Maori land Court by the Trustees. Kiri Tahana stood and advised that everyone has rights and that anyone can file with the Maori Land Court however the Trustees cannot take themselves to court. Geoff Rice asked what the Trustees are going to ask the Maori Land Court? The owners have voted that the trustees remain.

Motion

"Be taken to the Maori Land Court to determine if there is any trustee liability"

Rangi Anderson/ Te Ohu Wikingi)

For:19

Against: 81



Motion rejected

Lana Ngawhika acknowledged the Trustees and said that this mahi is a huge responsibility. If people think this is easy work they need to reconsider. There are massive learnings in this for all. She asked if the report could be shared. Trustees agreed that there are massive learnings and will be in touch regarding sharing the report.

Meeting closed at 2.40pm with a karakia from Te Ariki Morehu

signed as a correct record

Tina Ngatai
Chairperson

ngā kaitiaki

trustees



Tina Ngatai
chairman | trustee since 2007

iwi 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 – Maori Development from Auckland University. She has held several senior positions within the Maori Land Court and the Maori Trustee.

Tina has been a trustee of Rotoiti 15 Trust for 11 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 and is currently working with Trusts in Te Whanau-A-Apanui and Ngāti Pukenga and the Te Arawa rohe. 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 a trustee role on Pukeroa Oruawhata Group and Onuku Maori lands trust.

He Tangata: He Whenua.



Arapeta Tahana jnr
trustee since 2010

iwi affiliations

Ngāti Pikiao, Ngāti Makino, Tapuika

Arapeta was raised at Tawhakarere Bay, Rotoiti amongst his Ngati Pikiao whanau. 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 Maori iwi and organisations.

He brings a wealth of experience as a business owner, consultant, community development advisor and governance roles across a range of sectors. He is currently a self-employed management consultant assisting Maori organisations with strategic and business planning, iwi engagement and governance advice. Arapeta is also a Councillor of Bay of Plenty Regional Council representing Maori in the Okurei ward (Rotorua/ South BOP district).



Frederick Whata jnr
trustee since 2012

iwi affiliations

Te Arawa, Ngāti Pikiao

Fred was born and raised in Okere Falls. He attended Whangamarino Primary School, Mokoia Intermediate and Rotorua Lakes High School. Following school Fred graduated from Hamilton Teachers College and the University of Waikato.

Fred is happily married to Ngaro Moana with five beautiful children all of whom are realising their potential and following their dreams.

Fred is a friendly and approachable person who communicates and works well with a wide range of people. Fred is career orientated and will continue in a Senior Management position within secondary school education system.

Fred has strong leadership skills, with the ability to provide unity and direction in implementing goals, just like his father. Rotoiti 15 is an organisation he is totally committed to intellectually, emotionally, spiritually and or course culturally. He genuinely believes in Rotoiti 15 and he wants to continue to add value, contribute and move things forward.



Piki Thomas
trustee since 2014

iwi 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 27 years in the New Zealand Fire Service 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. He is particularly proud of his part to execute the last Pikiao ahurei at Taheke which came shortly after his role as the operations manager of Te Matatini 2013 ki Te Arawa. Piki has been an active member Okere Inc's geothermal development team across the Taheke geothermal field working with both iwi & commercial partners. He considers himself as an enabler that provides the right opportunities at the right time for people with the right attitude.



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 whānau 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 Waiiti Marae and the Ngāti Pikiao Environmental Society.



Merehira Savage
trustee since 2017

iwi affiliations

Ngāti Pikiao, Ngāti Rongomai, Ngāti Tarawhai, Ngāti Tūwharetoa, Ngāti Whakaue, Ngai Tuhoe, Te Whakatohea, Ngāti Kahungunu, Ngāti Toa Rangitira

Merehira was born in Rotorua and raised at Ruato Bay and attended to Rotoiti Primary School and completed the rest of her schooling in Kawerau. She is a respected, hardworking and committed whānau member working unconditionally behind the scenes of her whānau, her hapu, our iwi and our marae. She is married to Ngahana Savage (Ngāti Tūwharetoa, Ngāti Whakaue, Ngāti Rangitiri) and they have 3 tamariki and 1 beautiful mokopuna with another mokopuna on the way. She was privileged to be the first incumbent Maori 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 is the newest trustee elected at the AGM held on November 2017 and she is currently a Contractor providing governance and project management services to different Māori entities. She is currently the Chair of Waione 2B 3E Trust, Chair of Waione Forest GP Ltd and holds trustee roles on Te Pūmāutanga o Te Arawa (Settlement) Trust, Ngāti Rongomai Iwi Trust, and Te Kotahitanga o Ngāti Tūwharetoa (Settlement) Trust.

Merehira is about a collective vision to provide employment to our whānau; to increase our revenue by making smart decisions; to protect

and maintain our wahi tapu; to learn and retain our cultural heritage; and have a succession plan in place to nurture our future

ngā kaimahi

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 Ngati Pikiao decent and has whakapapa through his tipuna wahine, Te Muri Ahipene, daughter of Ahipene Hoete. Brad also whakapapa's to Ngati Whakaue, Ngati 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.



Huiarau Stewart
Executive Administrator

iwi affiliations

Ngāti Awa, Te Arawa, Te Whakatohea

Huiarau was raised in her whanau homestead at Pupuaruhe, Whakatane. She is of Ngāti Awa (Pahipoto, Te Patuwai, Warahoe) Te Arawa (Tūhourangi, Ngāti Tarāwhai), Tūwharetoa (Ngāti Turangitukua) and Whakatōhea (Ngai Tamahaua, Ngāti Ruatakena) descent. She is Māmā to two girls Rauōtehuia Jayla(6) and Kahu-ō-Te-Rangi Te Taiawatea (19months).

She officially joined Rotoiti 15 as the Executive Administrator in February 2017 after spending six years in various roles within the Maori land sector. She takes care of the day-to-day functions of Rotoiti 15 and is often the first point of contact for the Trust. Huiarau has an Administration, Customer Service and legal background. She currently holds a BA in Maori and Psychology and is in her final year of completing her MBA through the University of Waikato.

As a beneficiary of Rotoiti 15, Huiarau is committed to assisting in the development of our people and providing opportunities for future generations.



Holly Wharewera
Project Co-ordinator

iwi affiliations

Ngāti Whakaue, Ngāti Kahungunu, Te Whanau a Apanui

Holly comes from a large whanau raised in Ngongotaha, is of Te Arawa decent (Ngāti Whakaue, Ngāti Whāoa and Ngāti Pikiao) Ngāti Kahungunu ki Wairarapa, Te Whanau a Apanui and Ngāti Porou

Holly was brought in to our team as maternity cover for the Executive Administrator in 2017. She has a background in administration, accounts and project management. In 2018 she was appointed Project Co-ordinator for the Trust, focusing on our Pest Management and Taiao objectives as well as providing general support to the management team.

As a beneficiary of Rotoiti 15 Trust, Holly is passionate in her role and driven to meet deliverables to a high standard. She is approachable and whānau oriented and hopes to see the future of Rototi 15 thrive ā wairua, ā whenua, ā pūtea hoki.

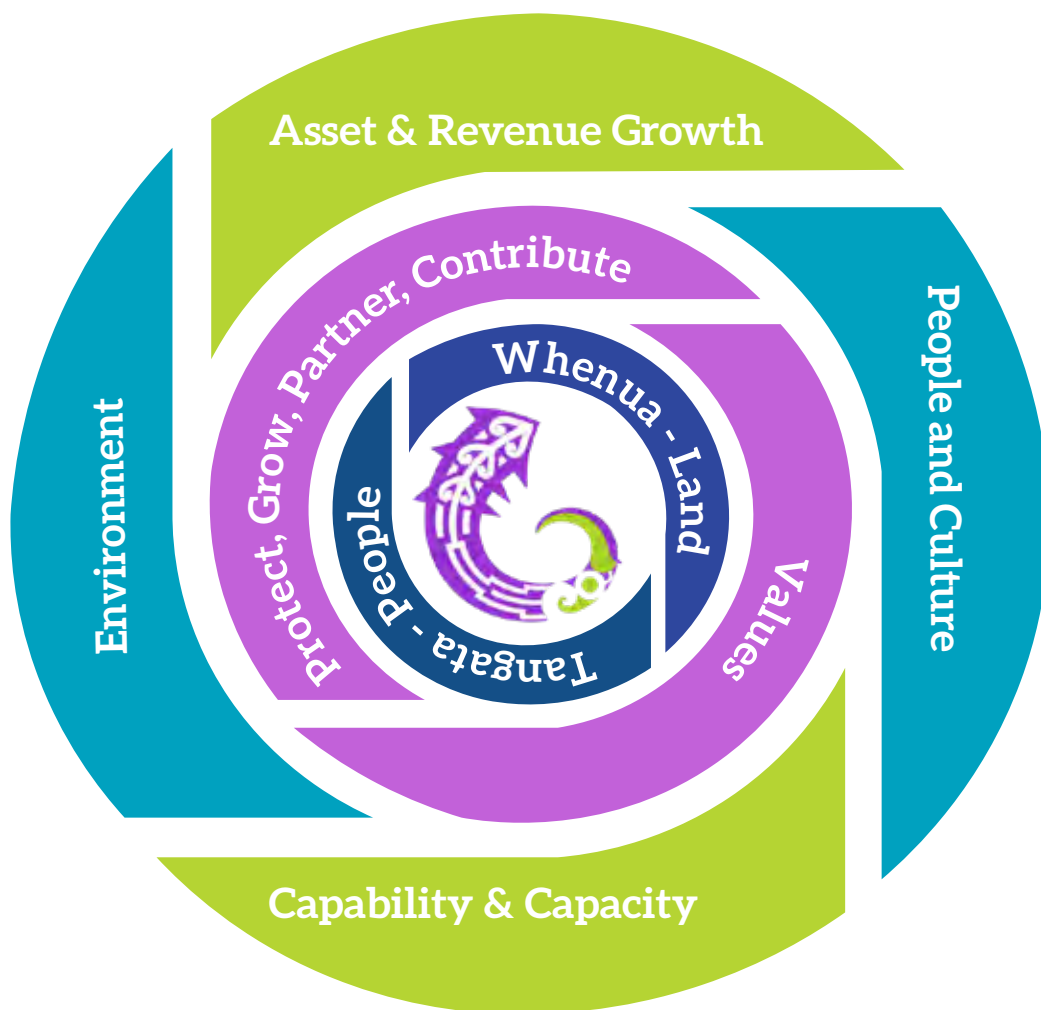
Married to Kaperiere Wharewera (Ngāti Awa, Ngai Tūhoe, Te Whanau a Apanui) and has two tamāhine.

strategic directions

our vision

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

"We aspire to protect and grow the well-being of our tangata and whenua, enabling both to thrive"



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

Tihei mauri ora

E ngā mana, e ngā reo, e ngā karangatanga maha.

Naumai, haere mai ki tēnei hui-a-tau mo tō tātou whenua – ko Rotoiti 15.

No reira tēnā koutou, tēnā koutou, tēnā tātou katoa.

This is my first Chairman's report I have had the responsibility for delivering to the owners since becoming the Chair after the last AGM. 2018 has been a challenging year for myself and my fellow Trustees as we accept that with a sizable trust comes a requirement for extensive skills and experienced as well as being Culturally sensitive to the needs of our owners. The more complex the business and the larger the ownership creates its own unique set of circumstances that Non-Māori do not face. Rotoiti 15 trust now has over 15,000 owners making us the biggest land trust in Aotearoa.

new zealand premium whitebait (NZPW)

At our last AGM in November 2017 we raised our concerns about the NZPW investment and when we realised that we could not continue to invest further funds into this we held a Special General Meeting (SGM) at Te Takinga Marae in July 2018 to explain what occurred. The Trustees appreciated the in-depth korero and the more than 80% support for your Trustees to continue. As those of you who attended that SGM are aware, an Independent report reviewing our Investment process and our role in that was provided by MyFiduciary. This organisation Audits Investment Governance globally and their report uncovered a number of weaknesses within our investment process and provided recommendations to improve our processes. The Trustees have been working hard to address these – in essence these were to:

- strengthen how we invest;
- setting parameters and limits around investment;
- undertaking training in the investment sector.

MyFiduciary also identified a number of strengths within the Trust and in particular, our diversified portfolio that enabled us to withstand failure without affecting any other assets within the Trust and corpus land assets. All assets remain safe and fully intact as does the corpus land and in fact the Trust improved the overall financial position of the trust during the 18/19 year.

Following the SGM, an application to the Māori Land Court was made by an owner to enforce the obligations of the Trust and to seek a forensic investigation. The hearing was held in October, and the outcome was that the Court dismissed this case. This decision from the Court provided further evidence to you, our owners, that we have not been reckless or received any personal gain. A copy of the

judgement is included at the end of this report.

Unfortunately in late November 18, a further application to remove the trustees, has been lodged and accepted by the court. This is now in the hands of the Judge but we don't expect a hearing for some time and have yet to receive directions in this matter.

Whilst the NZPW investment has taken up a considerable amount of time and commitment we have not been idle in driving our normal business activities. I provide a brief report on several key areas of the business.

highlights for 2018 year

The distribution pool increased in the 17/18 year and the value of our Balance sheet also increased. As those of you who attend our meetings regularly are aware, 40% of net profit is placed in the distribution pool for the owners and our various grants. This level was set a number of years ago as part of our long-term planning to meet our responsibilities to the owners and our community when the trees stopped harvesting and the need for other assets to provide an income. The trust will be engaging with owners over the next few months to undertake our regular review of the distributions policy, an overview of the review process will be provided at the AGM.

rerewhakaaitu forest of approximately 2,500 hectares was returned to the trust from 2010 and planting was completed in 2016. We took the stance of having a 50/50 unpruned and pruned regime but due to the high costs involved we have now revised this plan to 75/25.

rotoiti 15 forest is in its 2nd rotation of the lease arrangement with OTPP forest. We have received notification that they will start harvesting in 7 years time and have realised that the 3rd rotation will not have time to reach harvest before the trees mature. They have sought an extension to the lease, which we are not in favour of and are currently seeking legal advice on the lease and our options. Potentially we could see this forest begin to return to us in 7 years rather than the 26 years we thought was left on the lease.

Whilst we are proud to be the owner of the trees as well as the land there is considerable cost in planting, silver-culture and maintenance. We are currently undertaking a review of our forestry strategy.

Both these forests have the potential to make the Trust extremely wealthy when we own them outright and we are modelling this in order to predict where the highs and lows are within our economic strategy. The graph shown illustrates where the high and low income areas will be over a 40 year timeline and demonstrates where we need to make good investments in order to maintain a good level

of profit for distribution. This modelling underpins our economic strategy and enables us to focus on key areas and providing more sustainable profits into the future.

strategic plan

The Trustees reviewed the Strategic Plan early in 2018 to ensure that the outcomes sought from the Management Team were aligned with the future focus of the Trust. Of importance has been the distribution policies; our engagement with our owners; and our kaitiakitanga obligations to our whenua. The Trustees have worked diligently to improve in these areas and has established various committees/entities to ensure we are as efficient as possible. These are based on -

1. Te Taiao – our whenua and waterways both within and beyond our boundaries
2. People and Capability – providing employment and opportunities to upskill
3. Distributions – more owner engagement and ensuring distributions are relevant
4. Asset growth – this is establishing an Audit & Risk committee as well as a Commercial company with Independent Directors to manage our Investment portfolio.

The Strategic framework is included on page 15.

te taiao – makatiti dome

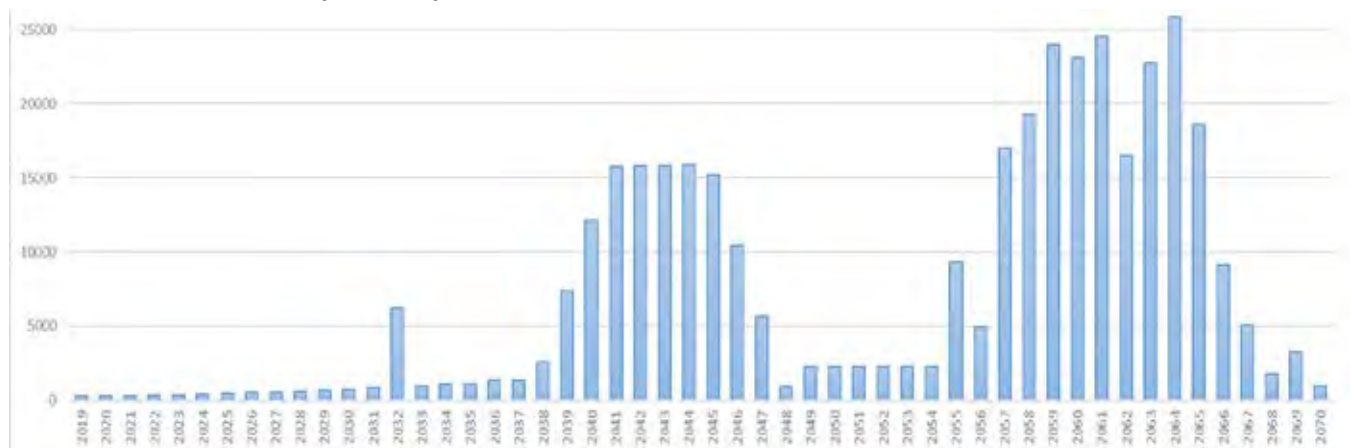
In the arly 80's it was agreed to lease Makatiti Dome to the Department of Conservation (DOC) to prevent this whenua from being logged. In exchange, the Trust received a lease of the Rerewhakaitu whenua. The lease allowed the Trust to have co-management rights with DOC and in 2016, both DOC and the Trust began working together to improve the Flora, Fauna and native wildlife. In 2018, the Trust committed \$30,000 per annum for three years toward this kaupapa and one of our Management team member, Holly Wharewera (nee Rika) was seconded to work with Tame Malcom of Puna Consultancy for 1 day a week. Year one

has been about pest monitoring so that we understand the extent of the problem and we will be presenting the findings to you today. The results are sobering and if we want Makatiti Dome, our central land area, restored to its former glory, then we need to make some very serious decisions.

hunting club We have been working closely with the Hunting club to assist them to have the administrative tools they need to meet all their obligations, both legal and otherwise. This has had a reciprocal benefit for our trust as the Hunting club executive members keep us aware of any issues on the land and they have also assisted with the pest monitoring on the Dome. This has also meant that the Trust is far more engaged with the management of all our land and now take full responsibility for non-forestry activity including who is authorised to be in our forests.

maniatutu dairy farm and kiwifruit orchard

In October, it was notified that our ShareMilkers, Glenn & Yvette Mokomoko will be finishing up at the end of this season (31st May 2019). Glenn & Yvette were pivotal in making our farm profitable and we were reluctant to go back to an owner manager arrangement or to purchase stock. The farm was purchased as an investment approximately 9 years ago and the Trust has been considering a sale of the property in recent years as returns from the farm were lower than our investment targets required. As such, we decided to test the market and put it up for sale. In mid December we received a favourable offer and entered a sale and purchase agreement that will go unconditional on the 4th February 2019. This sale will be finalised at the end of the season. We wish Glenn and Yvette every success with their future.



te rīpoata o te tiamana chairman's report continued...

otukawa dairy farm

The Trust owns 60% of Otukawa JV dairy farm with Te Karangi 2B Trust at Te Puke. The farm is doing well physically but financially it is not as robust as we would have liked. A separate report is provided and the Directors are considering all options in order to improve our financial position. This includes Kawerau Dairy Processing factory which would enable the farm to divest itself of Fonterra shares and therefore debt.

kawerau dairy processing - waiū

Rotoiti 15 has a small share in the Dairy factory which will begin operation on 1 June 2019. We are shareholders along with Poutama Trust, Māori Investments Ltd, Putauaki Trust, Te Manawa o Tūhoe Trust, Ngāti Makino Assets Trust, Rotoma No.1 Incorporation, Tapuika Holdings Ltd, Wharepi Whanau Trust, Omataroa Rangitaiki No.2 Trust who collectively own 67% of the venture. A Japanese partner Cedenco are the overseas partner (Cedenco also run a Mussell factory at Tauranga and a Vegetable factory at Gisborne). Through our overseas partner we have provided internships and employment for our owners. We would strongly recommend that owners visit our website and FaceBook pages regularly as that is where we advertise these opportunities.

rotoiti 15 tourism venture

In 2008 former Trustees looked into Residential and Tourism on land above Waikohatu Marae and overlooking Rotoiti. We are currently having these high level plans reviewed as an opportunity may exist under the Provincial Growth Fund to undertake feasibility for a Tourism development (e.g. accommodation and tours). This is very much in its infancy but is an area that could have wide ranging benefits which include employment and training for our own whanau.

tuara matata

This collective which includes Rotoiti 15 trust, Rotoma No. 1 Incorporation and Tautara Matawhaura Trust originally began as a Geothermal collective. We are currently looking into how to strengthen this collective to look at other

joint initiative and in particular Forestry. The Geothermal Agreement with Mercury Energy is still in abeyance as they wait for the Energy market to move. Rotoiti 15 Trust has still to identify sites of significance which we need excluded from the agreement and our Management team are working on this.

financial report

The 17/18 year was a good year for the Trust with some good profits and an increase in the Balance Sheet. The Trust is pleased with the Audit report which showed that the financial affairs of the Trust are in good order. As already advised we have had an increase in the value of our assets and in particular the Trust's decision to hold all of our NZUs has proven to be a good one as these have risen considerably in value over the last year.

conclusion

In looking forward to the current year we have a number of key responsibilities that will need commitment and drive. These include a surplus of funds that we will need to invest wisely for the future, the establishment of the Commercial company and the review of our distribution policy as well as the restoration of Makatiti Dome. A lot to do and only possible to manage due to our Management team - General Manager, Brad Tatere and staff Huiarau Stewart and Holly Wharewera - they are doing a very good job.

The trustees as a team have worked very well together and I wish to thank my fellow trustees Arapeta, Joe, Piki, Fred and Merehira for their robust discussion throughout the year. We endeavour to do our best to deliver benefits to the owners and with such a big ownership and a large variety of needs across a number of Iwi and Marae we strive to do better each year, financially, socially, environmentally and culturally.

Tina Ngatai
Chairperson

EXTRACT FROM MAORI LAND COURT RECORD DATED 9 OCTOBER 2018
MINUTE BOOK REFERENCE 199 WAIARIKI MB 1

ORAL DECISION

The Court: As this is an oral decision, I reserve the right to amend grammatical issues, but the substance of the decision will remain the same.

The application is brought by Mr Rangi Anderson. He seeks orders under sections 238 and 237. He asks the Maori Land Court issues an order for a full and comprehensive forensic investigation into the accounting files (computer and otherwise) of the Rotoiti 15 Trust.

The reasons for the application are:

- He personally presented a motion at the AGM of the Rotoiti 15 Trust to have the matter of the loss of \$3 million plus investigated. The motion was defeated.
- Secondly, in view of a similar loss of money, \$2 million, a number of years ago, he would have thought that the shareholders would agree to his motion. He now seeks the Maori Land Court adjudicate the issue.
- Thirdly, that the trustees' liability and accountability for the unbelievable loss of revenue (\$3 million) be assessed and ascertained.
- Lastly, no hard copy of the accounts for the accounting period referred from the trustees or the accounting firm GHA administrators for Rotoiti 15 Trust.

In regard to that last matter, I had confirmed by Mr Anderson that he has now received that information so that issue is now at an end.

Mr Tony Wihapi supports the application. Mr Wihapi submits amongst other things:

- a. That the beneficial owners received a report from the trustees on the investment but those reports were verbal and insufficient in significant respects and were totally self-serving and lacking any proper and appropriate detail upon which a properly informed beneficial owner might have been able to form a proper conclusion.
- b. It is imperative that the beneficial owners receive an independent analysis into the background to this failed investment and that the only means by which such an independent analysis might be obtained is through the appointment of a special investigator to examine this investment and to trace its history and to conduct a forensic examination of all records of the trust in relation to this failed investment.
- c. To enable the forensic investigator to discharge, the responsibilities to the Court and the beneficiaries of the Rotoiti 15 Trust, the special investigator must have open and clear access to all trust records and then the sealing of those records is necessary to preserve the integrity of the investment.

He therefore supports the application and seeks an order for the immediate appointment of an investigating officer to carry out a forensic investigation of the accounts, minutes and also direction that all records information, financial information of Rotoiti 15 pertaining to its investment in New Zealand Premier Whitebait Limited be sealed.

There are some outstanding issues in terms of the request including:

- d. Who will pay for such a report; and
- e. The scope and focus of the report.

Rotoiti 15

The trustees have filed a response.

The Trust response outlines the process undertaken by the trust including:

- A report by EY Tahi reviewed and performed a financial analysis of the forecast provided by the investment company.
- EY Tahi provided an interim report to trustees during a trustee meeting.
- EY Tahi carried out further analysis.
- An adoption of an investment strategy. Investment strategy provided guidance as to how investments were to be undertaken.

- EY Tahi provided a report.
- Legal advice recommended the establishment of a limited liability partnership.
- GHA (the trust accountant) was instructed to undertake further analysis the offer and evaluation.
- GHA carried out an investment analysis on behalf of the trust.
- The trustees had a number of presentations from Jeremy Gardiner and Sir Wira Gardiner
- There was 12 months of discussions, negotiations and due diligence before a decision was made to enter the investment.
- Further, the trustees say advice was taken from Kahui Legal.
- Trust had input into the investment company board in terms of board representation in that one of the trustees was a company board director.
- The trustees received advice from the auditor - in terms of writing down the investment when it was clear that the value of the investment had deteriorated. This was reported to the owners in the 2017 AGM.
- A second director was then appointed to the limited liability partnership.
- Urgent meetings of the trustees took place.

An independent review of the investment was carried out by MyFiduciary. Their review identified:

- Shortfalls in the investment policy operated by the trust
- Influence by other shareholders with good investment reputations
- Two greater consideration being given to non-commercial benefits of the investment
- The main cause of failure being operational issues and an under estimate by the company of the capital required to scale the business
- That legal due diligence would have identified that the IP was not owned by the Company.

The trustees also say that:

- The Independent review was presented to the owners at the SGM.
- The trustees believed that they had followed a robust process to make the investment and did not individually or severally gain from this investment.
- The trustees have been fully transparent with owners and sought to learn from this failure. The independent review has been thorough and identified further areas which will improve further investment decisions.

The issue

Putting aside who will pay for a report and the scope of the report the issue for determination is whether the Court should order a report to be undertaken.

Discussion

- The Courts position is that it is not for the Court to say whether the investment was a good venture or not. It is not for the Court to assess the commercial viability of the investment.
- The prudence of entering into investments is a matter for the trustees to decide after they have obtained the appropriate professional advice.
- It is clear that this situation is not one where the trustees are being accused of fraud, reckless behaviour or conflict of interest positions where they were to personally profited from the investment.
- This was a business position where trustees have made an investment and despite taking significant advice from accountants and lawyers the investment has gone bad.
- The Trustees have agreed with Mr Anderson in that they have thought that a report was required given the significant loss. Where they disagree is that Mr Anderson now seeks a further report while the Trustees say that one report, that being the MyFiduciary report, is enough.
- It is clear that the trustees thought a report was required as I say and therefore engaged MyFiduciary to undertake a report.

- Mr Wihapi has submitted that MyFiduciary report is not independent. MyFiduciary has expertise across investment governance, asset management and investment advice. They do not appear to have been involved in this investment and were not associated in advising the trustees or not involved in advising the trustees involved in this investment. I consider that their report is independent.
- The independent reviewer was brought in obviously to pick apart what has happened
 - and by the report they have done, they have just that. They have not looked to cover over anything and have made clear recommendations.
- Not only did the independent reviewer provide a report but he attended the Special Meeting and answered various questions from owners as noted in the trustee's report regarding the trustees' decision to invest, the process followed and whether the trustees were reckless.
- The trustees have been open in seeking to assess what went wrong with this investment and have provided that information to the owners. It is noted that the special meeting where the independent reviewer was available, lasted almost 5 hours.
- This is not a situation where a loss has been made and nothing has been done. The trustees have not looked to sweep this under the carpet and hope that no one notices. In fact, quite the opposite. The trustees as I say undertaken an independent review and they've presented that review to the owners for discussion and critique.
- It is not surprising though, that given the significance of the loss, there are still owners who have questions, as to what has happened.
- From the Court's point of view, if I was to order a report, it would be focused on process which it appears has already been covered in the MyFiduciary report.
- I get a sense that the investigation sought seeks to go further than just process and as Mr Wihapi has stated, should look at the culpability of the trustees. That would not be the point of a Court report.
- Besides uncovering what the MyFiduciary investigation has already uncovered and matters that the auditors have noted, a further report in my view, would disclose very little besides what is already known.
- It is difficult to see what another review, forensic investigation would reveal other than what MyFiduciary report has uncovered and the fact that this trust has made a loss which everyone knows about.
- This does not stop Mr Anderson or Mr Wihapi undertaking their own investigations and report. There may be other owners who feel the same as Mr Anderson and Mr Wihapi, although they have not come forward.
- In my view, while this application seeks for a further report to undertake a forensic examination, this Court is not satisfied that such a report in these circumstances, is needed.
- The application is dismissed.

This application is dismissed pursuant to rule 6.28 of Maori Land Court rules 2011

te rīpoata o te kaihautū

general manager's report

I am pleased to present my report on behalf of the Management Team and Board of Trustees of Rotoiti 15 Trust on our activities for the financial year ending 30 June 2018.

This year has been one that has seen us review our strategy to ensure we are moving towards our strategic goals. A number of amendments have been made which are outline further in my report.

Our financial results report a year end profit after tax of \$0.895m (FY16/17 \$1.73m) and \$0.905m (FY16/17 \$1.70m) at the group and parent level respectively. The result is down on the previous year and reflects the impairment loss in New Zealand Premium Whitebait Limited incurred by the Trust.

Please note, the financials are reported as 'Group' and 'Parent'. Group represents the interest of both Rotoiti 15 Trust and Otukawa Whenua Limited Partnership, of which Rotoiti 15 Trust owns 60%. Because of the 60% ownership, Rotoiti 15 Trust must report in this manner. Parent represents the interests of Rotoiti 15 Trust only.

Revenue

Total group revenue increased \$137,000 to \$2.93m and \$90,000 to \$1.61m for the parent. This was supported by:

- A buoyant milk price at \$6.75 per kilo milk solid
- Improved dividends from our OTK kiwifruit investment, and
- Stable forest rents

Other items to note is the fair value increase of:

- Investment portfolio, up \$384,000 to \$6.2m
- Trees up \$2.23m to \$12.35m

Expenses

Both group and parent expenditure remained relatively consistent with last year at \$2.5m (FY16/17 \$2.65m) and \$1.37m (FY16/17 \$1.45m) respectively. The slight decrease between FY17 and FY18 for the parent was due to lesser forestry costs. Management are focused on minimising administration costs where possible. Other costs such as those associated with forestry and farming are subject to continual increase as labour shortages and minimum wage increases impact the industry.

Operational Overview

Rotoiti 15 Trust had a modest performance in the 2018 Financial Year, improving both operating profit (cash) and net asset growth on the previous year, at the group and parent level.

A focus for the year was to review the Trusts current position against its long-term objectives. This included a review of the Strategic Plan which led Management and the Board to make some amendments. In doing this it is believed the Trust has greater alignment between the long-term objectives and strategic plan.

Through this process the Investment Strategy or 'SIPO' was reviewed and a new Investment Strategy and Policy was developed to better meet the long-term investment needs of the Trust. The key focus of this strategy is to ensure future investment assets achieve the required level of free cash for current owners and growth for to meet the needs of our future generations of owners.

In addition, out of this review came the necessity to review the Trust's Distribution Strategy and Policy. This is an important document because it sets out the proportion of money set aside for grants. To achieve the best outcome this review will be conducted in conjunction with owners to ensure alignment with owner's needs.

Investments

Te Pūia Tāpapa

The launch of this brand new investment fund saw Rotoiti 15 make a \$2m commitment. It is expected to be drawn down over the next few years and offers the Trust exciting possibilities within our long-term growth portfolio. Bringing together 26 Māori entities into a single co-investment vehicle means the Trust can access large scale investment opportunities not otherwise available to us.

Te Pūia Tāpapa represents a positive step forward for Rotoiti 15, working collaboratively and utilising the expertise of others to ensure the future growth and success of our business.

Investment Focus

The review of the Investment Strategy sharpened our focus, and this led to a review of the performance of our current investment assets. Where necessary, specific strategies were developed and the redistribution of capital modelled.

Given the value of our forest and corpus assets, over 50% of the portfolio, we are overweight in Long-term Growth Assets. This means our balance sheet experiences healthy annual growth however we are not generating the level of free cash as we'd like to. The answer therefor is to balance this out by investing in assets which are 'income focused' and generate a higher level of free cash rather than balance sheet growth.

People

As a Māori organisation, our cultural values are critically important to our future success, and central to our tikanga is our people. I would like to acknowledge the commitment, resilience and determination shown by our kaimahi, in particular, Huirau, Holly, and governance team, during this challenging year. Rotoiti 15 employs only a small team and the progress we have made in the past year is due to the passion, focus and belief in our goals and values.

Looking Ahead

Slowing global growth and escalating trade tension between the US and China, in particular, was the catalyst for the volatility experienced in global equity markets this year. The impact to the Trusts equity portfolio was minor although this is likely to continue into 2019.

On the flipside, commodity prices for goods such as dairy remain strong, this was evident in the strong milk price the Trust received this year. Although a softening in commodity prices towards the end of 2018 was experienced which is likely to continue into 2019.

These events are cyclical and not unexpected.

Brad Tatere
General Manager

summary of distributions paid



Education
\$26,900



Trade
\$7,951



Discretionary
\$11,200



Total distributions paid in 17/18
\$187,798



Koeke
\$71,347



Environmental
\$1000



Cultural
\$23,400



Marae
\$46,000

te pūtea tautoko

distributions report

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 \$187,798 to beneficiaries, Marae and Community Organisations. We would like to congratulate our owners and beneficiaries on their achievements this year. We thank you for sharing your stories and journeys with the trust and appreciate the positive impact you continue to make in the wider community.

distributions policy

The trust has a proud history of distributions with over \$6million distributed to its beneficiaries since 2005. As reported last year, we are in the process of reviewing the distributions policy and can expect to start engaging with owners to better understand where we can make more of a positive impact. We want to ensure that we are meeting the needs of our owners to the best of our ability. We invite you all to provide feedback and share with us your aspirations for the future.



2019 position

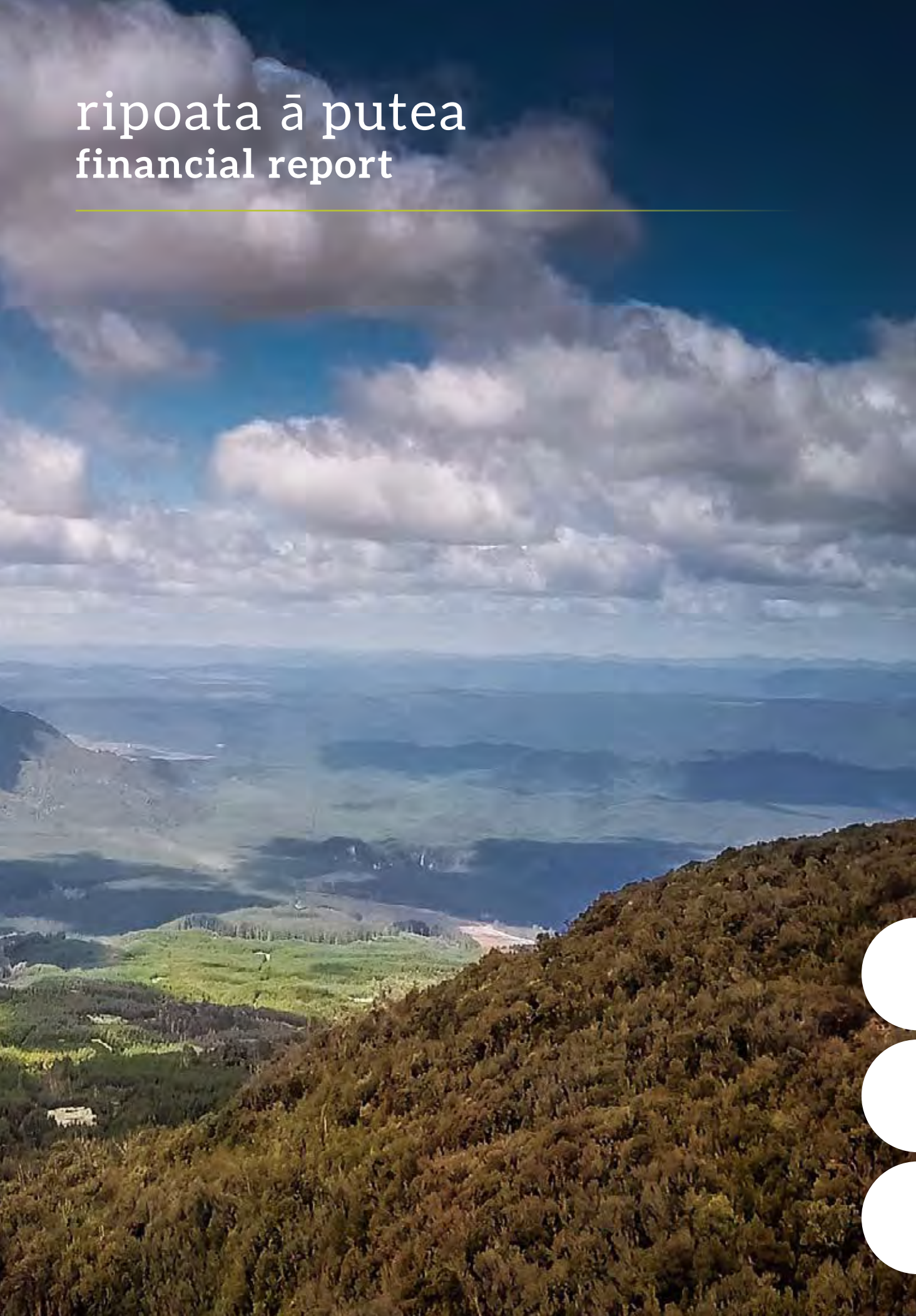
The total funds for distribution in 2018/19 year is \$547886. In alignment with the current distributions policy, the allocation is made up of 40% of the Trusts net profit of \$278,815 (inclusive of \$150,000 from the Rotoiti 15 Charitable Trust) and the carry over from 2017/18 year of \$269,071. The trust is struggling to distribute all the funds available each year as shown in the table below.

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

Grant Category	Allocation 17/18	Carry Over 16/17	Total Allocation 17/18	Distributed
Koeke	\$62,135	\$13,267	\$75,402	\$71,347
Environmental	\$1,775	\$5,182	\$6,255	\$1,000
Discretionary	\$11,539	\$15,382	\$26,921	\$11,200
Cultural Activities	\$8,876	\$32,459	\$32,459	\$23,400
Marae	\$60,000	\$8,000	\$68,000	\$46,000
Tertiary	\$20,000	\$15,000	\$35,000	\$26,900
Trade Training	\$20,000	\$37,000	\$57,000	\$7,951



ripoata ā putea financial report



ripoata ā putea financial report

The consolidated financial statements presented are for the year ended

30 June 2018.

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 2017/18 year. The full financial statements are available on pages 29-53 of this report. The financial statements were audited by Cookson Forbes & Associates.

Financial performance

For the 2017/18 year, the Group delivered an improved financial result with operating revenue up 5% compared to last year, while operating expenses were down 4%.

An overall net profit of \$895,446 was achieved this year, with this result a reduction of 48% compared to last year (\$1,727,622). A smaller increase in the value of the trees and a further impairment to the investment in NZ Premium Whitebait were the main contributing factors.

	This year	Last year	Change
Revenue	2,934,901	2,797,295	↑ 5%
Expenses	(2,528,151)	(2,640,466)	↓ 4%
Operating profit	406,750	156,829	↑ 159%
Other gains/(losses)	961,541	2,119,303	↓ 55%
Tax	(472,844)	(548,511)	↓ 14%
Net profit	895,446	1,727,622	↓ 48%

Significant revaluation gains with respect to the land holdings and the NZ Units contributed to an additional increase in equity of \$2.5m, bringing total Comprehensive income for the year to \$3.4m (\$1.7m last year).

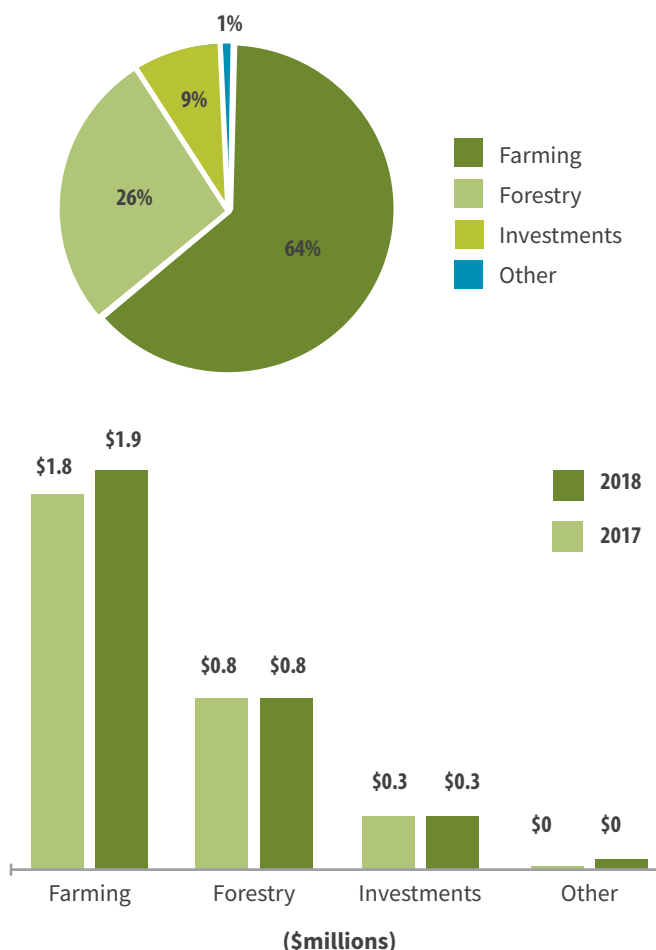
Revenue

For the year ended 30 June 2018, the Group had total revenue of \$2.9m (up 5% on last year). The bulk of this income was generated from its core activities being farming, forestry and investments.

Farming income was up 7% and continues to be the major source of revenue for the Group. Milk proceeds from the Maniatutu Road farm and the Otukawa joint venture farm both increased compared to last year.

Income from **forestry rent** remained unchanged at \$0.8m.

Investment income received from portfolios, term deposits and shares reduced by 1%.



Expenses

Total expenditure for the Group was \$2.5m, a 4% decrease compared to last year.

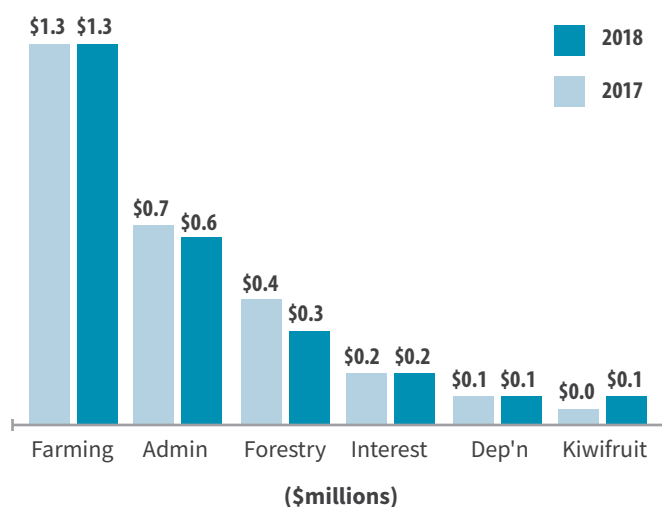
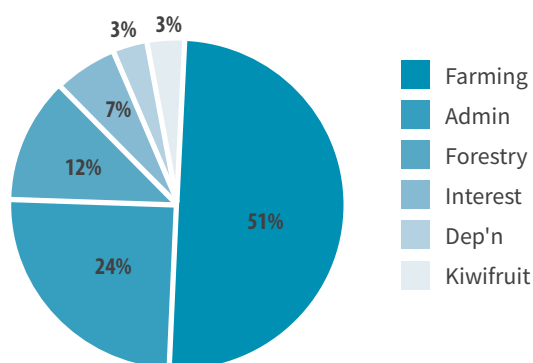
Dairy farm expenditure was again the biggest cost, accounting for 51% or \$1.3m of expenses. The largest cost is the sharemilkers' portion of milk proceeds (\$531,232). Other major costs include the purchases of feed (\$168,900) and lease expenses (\$121,111). Overall, dairy expenditure has increased by \$33,594 compared to the last financial year.

Administration expenses totalling \$606,505 represent 24% of total expenses. Administration expenses are made up of management and governance costs, staff salaries, AGM expenses, accountancy fees, legal fees, insurance, investment management fees, consultancy, and other administration costs. These expenses have decreased by \$58,169 in 2017.

Forestry expenses made up 12% or \$299,016 of the total expenditure. This has decreased by \$111,060 compared to 2017 and is due to the completion of the re-planting programme.

Interest expenses for the year were \$167,793 or 7% of total expenses. Interest paid relates to the loan facility that Otukawa has with BNZ. Interest expenses reduced by \$6,002 or 3% compared to last year.

Kiwifruit expenses are 3% of total expenses with a balance at year-end of \$75,706. This is an increase compared to last year's costs of \$26,319.



Other gains/(losses)

Other gains/(losses) include increases in the value of the investment portfolios, trees and livestock, as well as the loss made on the investment in NZ Premium Whitebait and ongoing costs for Tuara Matata. During the year, the Group made an overall net gain on these assets of \$961,541, \$1.2m less than last year.

The gains on portfolio investments were \$532,709 which is considerably higher than the year before (\$148,475).

An increase in the value of biological assets of \$2.6m includes an increase in the value of livestock, kiwifruit, and most significantly, pine trees. Although this is \$875,228 lower than last year, the uplift represents a 23% increase in asset value.

There is also an impairment adjustment of \$2.1m in relation to the NZ Premium Whitebait investment which recognises the balance of the funds invested into this company.

Financial position

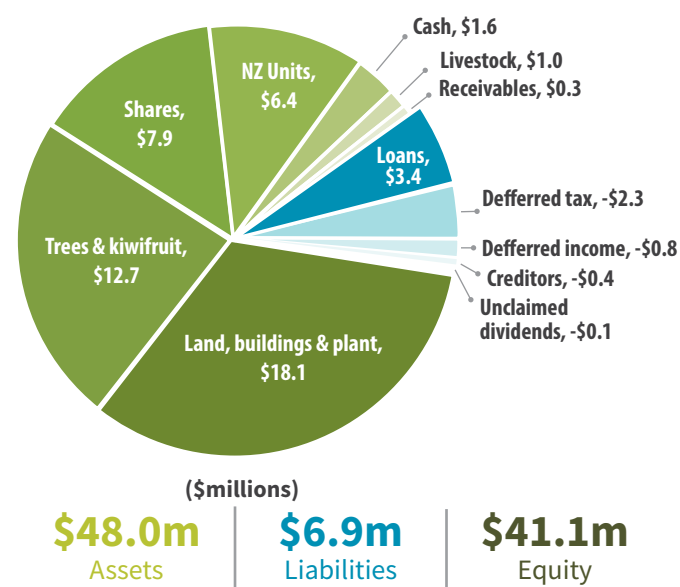
At the end of each year, the financial statements represent the current financial position of the Group. This reflects the overall value of the Parent and its subsidiaries.

	This year	Last year	Change
Total assets	47,951,337	44,373,006	↑ 8%
Total liabilities	6,864,664	6,533,771	↑ 5%
Equity	41,086,674	37,839,234	↑ 9%

As at 30 June 2018, total assets were just under \$48m. Of this, land, buildings and plant accounted for \$18m or 37.7%.

Total liabilities were \$6.9m, with 49% or \$3.9m of this being long-term borrowings from BNZ for Otukawa.

The difference between total assets and total liabilities means that owners' equity in the Group is \$41.1m.



Assets

The Group's Current Assets were \$1.9m and consist of bank funds, term deposits, receivables and an Income tax refund. Non-current assets of \$46m 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 \$3.6m or 8% compared to 2017. An uplift in property, plant & equipment of \$1.4m and increases in the value of livestock and tree crops of \$2.6m were the main contributing factors.

The total value of the Group's two investment portfolios with Craigs Investment Partners was \$7.9m which has increased significantly compared to 2017, by \$522,327 (7%).

Liabilities

Total liabilities amount to \$6.9m for 2018, an increase of \$330,893 or 5% 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 (\$5.7m) are predominantly made up of the Otukawa BNZ borrowings of \$3.3m as well as historic unclaimed dividends and deferred tax.

Equity

The Group's equity is the net difference between assets and liabilities, which represents the overall value of the Group. Closing Equity as at 30 June 2018 was \$41,086,674 with \$235,941 representing Te Karangi A2 Trust's share in closing equity of Otukawa Whenua Limited Partnership.

Substantial increases in the value of the land holdings and New Zealand Units (carbon credits) and a decrease in the value of the Fonterra shares resulted in a net increase in the Group's Reserves of \$2.5m.

Distributions made in 2018 are explained in detail in the Distributions section of this report.

Rotoiti 15 Charitable Trust

Income

Total revenue for the year was \$291,121.

The Trust received \$120,722 from its investments which is a decrease of \$7,243 on the previous year. Interest income accounts for \$45,880 of the total investment income. Dividends and income from shares in overseas companies make up the balance of \$74,842.

Other revenue of \$170,399 has largely increased compared to last year's balance of \$91,163.

Expenses

The Trust's total expenditure for the year was \$96,236.

The difference on last year of \$6,975 is made up of an increase in grants paid (2018: \$64,851, 2017: \$44,000), and a decrease in other expenses of \$13,259 from losses on sale of investments.

Grants paid in the 2017/18 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 2018 was \$194,885, an increase on last year's surplus of \$129,867.

Balance Sheet

The Trust's Current Assets are predominantly bank funds which have increased by over \$1m compared to last year. This is due to the maturity of the ANZ perpetual bond which was paid out in 2018. 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 by 7% or \$203,638 compared to 2017.

The Trust's only liabilities are creditors due for payment and a loan from Rotoiti 15 Trust, for \$8,400. Total liabilities are \$11,580.

The Trust's Equity at 30 June 2018 was \$3,117,204 which is \$194,885 (7%) up on last year.

Statement of Financial Performance

	2018	2017
Investment income	120,722	127,965
Other revenue	170,399	91,163
	291,121	219,128
Administration	2,560	4,014
Grants paid	64,851	44,000
Investment expenses	11,824	10,989
Other expenses	17,000	30,259
	96,236	89,261
Surplus	194,885	129,867

Statement of Financial Position

	2018	2017
Current Assets	1,188,196	139,902
Investments	1,940,589	2,785,245
	3,128,785	2,925,147
Creditors	3,180	2,828
Rotoiti 15 Trust	8,400	-
	11,580	2,828
EQUITY	3,117,204	2,922,319

An aerial photograph of a vast, dense forest covering rolling hills. In the far distance, a prominent, isolated mountain peak rises above the horizon under a clear blue sky. The foreground shows a road and a power line tower cutting through the trees.

Annual Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2018

Contents

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35	Statement of Financial Position
37	Statement of Changes in Equity
38	Statement of Cash Flows
39	Notes to the Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Trustees and Owners of Rotoiti 15 Trust & Subsidiaries

Report on the Consolidated Financial Statements

Parent Entity: Rotoiti 15 Trust

Subsidiaries: Otukawa Whenua Limited Partnership and Ruahine & Kuharua Limited Partnership

Qualified Opinion

We have audited the consolidated financial statements of Rotoiti 15 Trust & Subsidiaries on pages 6 to 25, which comprise the statement of financial position as at 30 June 2018 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 2018 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 valuations. This is a departure from NZ IAS 16 which requires a fair value valuation.

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.

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/audit-report-8/>



Cookson Forbes & Associates

Chartered Accounts
96 Waioweka Road
Opotiki, New Zealand

17th December 2018

Entity Information

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2018

Nature of business

Forestry, Dairy Farming, Kiwifruit, Investments

Postal address

PO Box 1712, Rotorua

Trustees

Tina Ngatai (Chairman)

Arapeta Tahana Jnr

Fred Whata

Joe Tahana

Merehira Savage

Piki Thomas

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:

Fred Whata

Tina Ngatai

Statement of Profit or Loss and Other Comprehensive Income

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2018

	Note	Group		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
Revenue					
Forestry income	5	779,335	779,335	779,335	779,335
Farm income	6	1,877,997	1,754,621	580,315	484,815
Investment income	7	255,936	258,959	255,929	258,910
Other income		21,633	4,379	1,250	3,573
Total Revenue		2,934,901	2,797,295	1,616,829	1,526,634
Expenses					
Forestry expenses	5	299,016	410,076	299,016	410,076
Farm expenses	6	1,298,304	1,264,710	379,203	325,620
Kiwifruit orchard working expenses		75,706	49,387	75,706	49,387
Administration expenses	8	606,505	664,674	563,288	616,078
Interest paid		167,793	173,795	-	-
Depreciation of property, plant and equipment	10	80,827	77,824	51,818	51,747
Total Expenses		2,528,151	2,640,466	1,369,031	1,452,908
Operating Profit		406,750	156,829	247,798	73,726
Other items					
Changes in fair value of managed portfolio funds		532,709	148,475	532,709	148,475
Changes in fair value of biological assets	19	2,568,497	3,443,725	2,535,997	3,266,000
Share of loss in joint ventures	14	(5,816)	(15,296)	(5,816)	(15,296)
Share of profit/(loss) in associate	15	-	(367,246)	-	-
Share of profit in subsidiary	16	-	-	114,872	156,497
Impairment loss	15, 16	(2,133,849)	(1,090,355)	(2,047,434)	(1,384,616)
Profit before tax		1,368,291	2,276,132	1,378,125	2,244,786
Less Income tax expense	9	(472,844)	(548,511)	(472,844)	(548,511)
Net profit for the year		895,446	1,727,622	905,280	1,696,275
Other comprehensive income, net of income tax					
Changes in fair value of available-for-sale financial assets		(145,055)	135,884	(54,530)	48,845
Share of movement in reserves of equity accounted associates		-	-	(54,315)	52,223
Changes in fair value of intangible assets	18	1,231,785	(110,223)	1,231,785	(110,223)
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	19,048	(17,687)	19,048	(17,687)
Total Other comprehensive income, net of income tax		2,458,943	7,974	2,495,153	(26,842)
Total Comprehensive income for the year		3,354,389	1,735,595	3,400,433	1,669,433
Profit for the year attributable to:					
Owners of the Trust		1,032,250	1,769,050	905,280	1,696,275
Non-controlling interests	17	(136,804)	(41,429)	-	-
		895,446	1,727,622	905,280	1,696,275
Total comprehensive income for the year attributable to:					
Owners of the Trust		3,527,403	1,742,208	3,400,433	1,669,433
Non-controlling interests	17	(173,014)	(6,613)	-	-
		3,354,389	1,735,595	3,400,433	1,669,433

CF
Audit

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

6/25

Statement of Financial Position

Rotoiti 15 Trust and Subsidiaries

As at 30 June 2018

	Note	Group		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
Assets					
Current assets					
Cash and cash equivalents	11	1,613,994	2,465,460	1,613,565	2,465,035
Trade and other receivables	12	223,434	211,705	14,167	16,198
Related party advances	27	20,185	10,785	20,185	10,785
Income tax refund due	9	4,823	67,362	4,823	67,362
Total Current assets		1,862,436	2,755,311	1,652,740	2,559,379
Non-current assets					
Property, plant and equipment	10	18,064,133	16,713,464	15,565,453	14,258,016
Other financial assets	13	7,926,256	7,403,929	7,006,902	6,397,547
Investments in subsidiaries	16	-	-	653,529	1,768,408
Investments in joint ventures	14	45,790	1,809	45,790	1,809
Investments in associates	15	-	1,261,849	-	-
Intangible assets	18	6,400,350	5,168,565	6,400,350	5,168,565
Biological assets	19	13,646,176	11,068,079	12,653,751	10,108,154
Other non-current assets		6,196	-	-	-
Total Non-current assets		46,088,901	41,617,695	42,325,775	37,702,499
Total Assets		47,951,337	44,373,006	43,978,515	40,261,877
Liabilities					
Current liabilities					
Cash and cash equivalents	11	20,365	16,619	-	-
Trade and other payables	20	249,787	233,159	73,946	72,085
Deferred revenue	21	779,335	779,335	779,335	779,335
Employee entitlements		5,635	1,951	5,635	1,951
Goods and services tax		96,953	105,719	104,024	105,397
Total Current liabilities		1,152,075	1,136,784	962,940	958,769
Non-current liabilities					
Borrowings	22	3,348,003	3,451,383	-	-
Unclaimed dividends		86,805	86,804	86,805	86,804
Deferred tax liabilities	26	2,277,781	1,858,800	2,277,781	1,858,800
Total Non-current liabilities		5,712,589	5,396,987	2,364,586	1,945,604
Total Liabilities		6,864,664	6,533,771	3,327,526	2,904,373
Net assets		41,086,674	37,839,234	40,650,990	37,357,504

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

7/25

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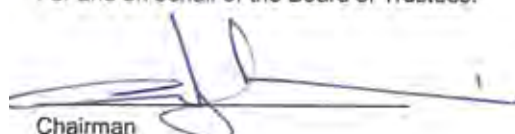
Statement of Financial Position (CONTINUED)

Rotoiti 15 Trust and Subsidiaries

As at 30 June 2018

	Note	Group		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
Equity					
Capital	23	1,331,805	1,331,805	1,331,805	1,331,805
Reserves	24	17,031,249	14,536,096	17,031,249	14,536,096
Retained earnings		22,487,679	21,562,377	22,287,936	21,489,603
Equity attributable to owners of the Trust		40,850,733	37,430,278	40,650,990	37,357,504
Non-controlling interests	17	235,941	408,955	-	-
Total Equity		41,086,674	37,839,234	40,650,990	37,357,504

For and on behalf of the Board of Trustees:


Chairman


Trustee

Date: 17 December 2018

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

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Statement of Changes in Equity

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2018

	Note	Contributed Share Capital	Reserves	Retained Earnings	Non- controlling Interests	Total Equity
Group		\$	\$	\$	\$	\$
Opening balance 1 July 2017		1,331,805	14,536,096	21,562,376	408,955	37,839,234
Net Profit for the year		-	-	1,032,250	(136,804)	895,446
Other comprehensive income		-	2,495,153	-	(36,210)	2,458,943
Share capital		-	-	-	-	-
Shareholder grants paid		-	-	(106,947)	-	(106,947)
Other	17	-	-	-	-	-
Closing equity 30 June 2018		1,331,805	17,031,249	22,487,679	235,941	41,086,675

Opening balance 1 July 2016		1,331,805	14,562,938	19,934,904	256,334	36,085,981
Net Profit for the year		-	-	1,769,050	(41,429)	1,727,621
Other comprehensive income		-	(26,842)	-	34,816	7,974
Share capital		-	-	-	159,400	159,400
Shareholder grants paid		-	-	(141,577)	-	(141,577)
Other	17	-	-	-	(166)	(166)
Closing equity 30 June 2017		1,331,805	14,536,096	21,562,376	408,955	37,839,234

Parent

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

Opening balance 1 July 2016		1,331,805	14,562,938	19,934,905	-	35,829,648
Net Profit for the year		-	-	1,696,275	-	1,696,275
Other comprehensive income		-	(26,842)	-	-	(26,842)
Shareholder grants paid		-	-	(141,577)	-	(141,577)
Closing equity 30 June 2017		1,331,805	14,536,096	21,489,603	-	37,357,504

CF
Audit

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

9/25

Consolidated Statement of Cash Flows

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2018

	Note	Group		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from customers		2,639,251	2,144,777	1,356,657	1,038,343
Payments to suppliers and employees		(2,352,588)	(957,309)	(1,311,667)	(1,002,013)
Investment income		181,611	343,356	131,664	293,367
Interest paid		(167,793)	(173,795)	-	-
Grants paid		(106,947)	(141,577)	(106,947)	(141,577)
Income tax		22,812	(17,408)	22,812	(16,997)
Net GST		(8,477)	12,835	(2,012)	10,253
Total Cash flows from operating activities		207,869	1,210,879	90,507	181,376
Cash flows from investing activities					
Payments to acquire property, plant and equipment		(31,376)	(1,061,504)	(17,153)	(42,297)
Net payments to acquire investments		(875,498)	(2,675,590)	(872,000)	(2,673,350)
Advances to related parties	27	(9,400)	(10,785)	(9,400)	(10,785)
Payments for investment in joint venture		(43,424)	(15,000)	(43,424)	(15,000)
Total Cash flows from investing activities		(959,698)	(3,762,879)	(941,977)	(2,741,432)
Cash flows from financing activities					
Dividends paid		-	(456)	-	(456)
Proceeds from borrowings	22	(103,382)	25,883	-	-
Total Cash flows from financing activities		(103,382)	25,427	0	(456)
Net Increase/ (Decrease) in Cash and Cash Equivalents		(855,212)	(2,526,573)	(851,470)	(2,560,512)
Cash Balances					
Cash and cash equivalents at beginning of the year		2,448,841	4,975,414	2,465,035	5,025,547
Cash and cash equivalents at end of the year	11	1,593,629	2,448,841	1,613,565	2,465,035
Net change in cash for the year		(855,212)	(2,526,573)	(851,470)	(2,560,512)

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

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2018

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 2018 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 17 December 2018.

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 2018

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 2018

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.

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2018

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 2018

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.

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2018

	Note	Group		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
5 Forestry income					
Revenue					
Forestry land rentals		779,335	779,335	779,335	779,335
Stumpage income		-	-	-	-
		779,335	779,335	779,335	779,335
Expenses					
Forest health and maintenance		49,812	54,250	49,812	54,250
Insurance		14,321	-	14,321	-
Management		44,228	53,488	44,228	53,488
Planting		13,777	283,074	13,777	283,074
Pruning		151,698	-	151,698	-
Rates		24,954	24,070	24,954	24,070
Rent		-	(8,500)	-	(8,500)
Other expenses		225	3,695	225	3,695
		299,016	410,077	299,016	410,077
Net Forestry income		480,319	369,258	480,319	369,258
6 Farm income					
Revenue					
Milk proceeds		1,731,500	1,597,292	552,021	455,989
Livestock sales		63,529	75,635	-	-
Rebates		4,734	2,928	-	-
Fonterra dividends		78,234	78,766	28,294	28,826
		1,877,997	1,754,621	580,315	484,815
Expenses					
Animal health		39,131	42,254	-	-
Breeding		37,326	33,766	-	-
Feed		168,900	151,091	-	-
Fertiliser & lime		59,682	52,039	26,193	23,750
Grazing		55,522	57,740	12,415	13,151
Lease expenses	25	121,111	173,228	-	-
Livestock purchases		-	17,452	-	-
Maize/PKE purchases		27,363	17,100	27,363	17,100
Rates		75,335	73,898	7,225	7,886
Repairs & maintenance		96,455	56,508	10,751	159
Sharemilker payments		531,232	487,613	276,011	229,820
Supervision fees		24,916	29,363	175	7,322
Other farm expenses		61,332	72,658	19,071	26,432
		1,298,304	1,264,710	379,203	325,620
Net Farm income		579,693	489,911	201,112	159,195
7 Investment income					
Interest income		38,072	91,919	38,065	91,870
Dividends received		217,863	167,040	217,863	167,040
Total Investment income		255,936	258,959	255,929	258,910

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2018

	Note	Group		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
8 Administration expenses					
Accountancy & secretarial fees		57,514	91,337	34,217	66,264
AGM expenses		31,213	33,557	31,213	33,557
Audit fees		6,742	6,225	4,561	4,250
Consultancy		19,696	3,860	19,696	3,861
Due diligence		19,671	180,515	19,671	180,515
General manager		125,474	84,822	125,474	84,822
Grants and donations		17,100	31,260	17,100	31,260
Insurance		21,034	18,803	8,400	8,400
Investment management fees		29,083	29,920	29,083	29,920
Legal fees		37,963	18,661	37,963	13,753
Office rent		16,680	16,680	16,680	16,680
Printing, stamps & stationery		8,540	5,754	8,107	5,544
Salaries & wages		79,408	27,629	79,408	27,629
Share register		18,169	26,303	18,169	26,303
Trustee and director fees	27	90,696	63,186	88,209	59,412
Other administration expenses		27,522	26,162	25,337	23,908
Total administration expenses		606,505	664,674	563,288	616,078
9 Income tax expense					
Profit/(Loss) before income tax		1,368,291	2,276,132	1,378,125	2,244,786
<i>Plus/(less) adjustments</i>					
Non-assessable income		(3,172,899)	(242,284)	(3,124,506)	(150,475)
Non-deductible expenses		2,208,803	1,166,259	2,122,389	1,418,404
Other adjustments		2,513,764	68,486	2,503,070	(254,074)
Loss brought forward		(38,385)		(38,385)	-
Attributable to non-controlling interests		(38,883)	(9,953)	-	-
Taxable income		2,840,692	3,258,641	2,840,693	3,258,640
Income tax using Maori Authority tax rate of 17.5%		497,121	570,262	497,121	570,262
Less Imputation tax credits		(24,277)	(22,980)	(24,277)	(22,980)
Plus Imputation tax credits converted to loss		-	1,229	-	1,229
Tax expense		472,844	548,511	472,844	548,511
Less deferred tax	26	(438,029)	(555,493)	(438,029)	(555,493)
Plus opening balance		(67,362)	(43,122)	(67,362)	(43,122)
Less withholding tax paid		(28,363)	(43,732)	(28,363)	(43,732)
Less terminal tax (paid)/refunded		62,254	31,963	62,254	31,963
Less other tax credits		(6,168)	(5,489)	(6,168)	(5,489)
Total tax to be paid/(refunded)		(4,823)	(67,362)	(4,823)	(67,362)

Maori Authority Tax Credits available to the shareholders of the Parent were \$3,917,972 (2017: \$3,940,297).

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2018

10 Property, plant and equipment

Group	Land & improvements	Buildings	Plant & equipment	Motor vehicles	Office equipment	Total
Cost or valuation	\$	\$	\$	\$	\$	\$
Balance at 1 Jul 2016	15,822,026	747,175	204,400	115,260	10,633	16,899,494
Additions	39,507	-	59,282	-	2,790	101,579
Balance at 30 Jun 2017	15,861,533	747,175	263,682	115,260	13,423	17,001,073
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
Accumulated depreciation						
Balance at 1 Jul 2016	6,161	107,851	51,881	37,467	6,424	209,784
Depreciation expense	33,142	12,556	19,443	10,113	2,570	77,824
Balance at 30 Jun 2017	39,303	120,407	71,324	47,580	8,994	287,608
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
At 30 June 2017	15,822,230	626,768	192,358	67,680	4,429	16,713,464
At 30 June 2018	17,142,228	614,439	242,382	58,862	6,203	18,064,133
Parent	Land & improvements	Buildings	Plant & equipment	Motor vehicles	Office equipment	Total
Cost or valuation	\$	\$	\$	\$	\$	\$
Balance at 1 Jul 2016	13,547,026	747,175	110,465	-	10,633	14,415,299
Additions	39,507	-	-	-	2,790	42,297
Balance at 30 Jun 2017	13,586,533	747,175	110,465	-	13,423	14,457,596
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
Accumulated depreciation						
Balance at 1 Jul 2016	6,161	107,851	27,396	-	6,424	147,832
Depreciation expense	33,142	12,556	3,479	-	2,570	51,747
Balance at 30 Jun 2017	39,303	120,407	30,875	-	8,994	199,579
Balance at 1 Jul 2017	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 2018	71,007	132,736	33,968	-	13,686	251,397
At 30 June 2017	13,547,230	626,768	79,590	-	4,429	14,258,016
At 30 June 2018	14,867,228	614,439	77,584	-	6,203	15,565,453

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2018

	Note	Group		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
11 Cash and cash equivalents					
Cash at bank - NZD		313,994	1,065,460	313,565	1,065,035
Short-term deposits		1,300,000	1,400,000	1,300,000	1,400,000
		1,613,994	2,465,460	1,613,565	2,465,035
Bank overdraft (Subsidiary)	22	(20,365)	(16,619)	-	-
Total cash and cash equivalents		1,593,629	2,448,841	1,613,565	2,465,035
12 Trade and other receivables					
Trade receivables		223,052	162,412	13,785	8,905
Accrued interest		382	7,293	382	7,293
Prepayments		-	42,000	-	-
Total Trade and other receivables		223,434	211,705	14,167	16,198
13 Other financial assets					
Available-for-sale financial assets					
Listed shares					
Ballance Agri Nutrients		27,686	24,373	14,864	14,864
Fonterra Co-op		1,435,300	1,579,722	529,720	584,250
LIC		952	1,401	-	-
Total Listed shares		1,463,938	1,605,496	544,584	599,114
Unlisted shares					
OTK Orchards		280,000	280,000	280,000	280,000
Total Available-for-sale financial assets		1,743,938	1,885,496	824,584	879,114
Financial assets at fair value through profit or loss					
Managed portfolio funds - Craigs Investment Partners		6,182,318	5,518,433	6,182,318	5,518,433
Total Financial assets at FVTPL		6,182,318	5,518,433	6,182,318	5,518,433
Total Other financial assets		7,926,256	7,403,929	7,006,902	6,397,547

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	1,809	2,117	1,809	2,117
Prior period adjustment	5,000	-	5,000	-
Capital introduced	-	15,000	-	15,000
RWT Paid	(47)	(12)	(47)	(12)
Share of loss for the year	(3,085)	(15,296)	(3,085)	(15,296)
Balance at end of year	3,677	1,809	3,677	1,809

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% (2017: 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 2018

Note	Group		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
Kawerau Dairy Limited Partnership				
Balance at beginning of year	-	-	-	-
Capital introduced	43,423	-	43,423	-
RWT Paid	(42)	-	(42)	-
Share of loss for the year	(2,731)	-	(2,731)	-
Share of other comprehensive income	1,463	-	1,463	-
Balance at end of year	42,113	-	42,113	-
Total Investment in joint ventures	45,790	1,809	45,790	1,809

15 Investments in associates

New Zealand Premium Whitebait Limited (Liquidated)				
Balance the beginning of year	1,261,849	-	-	-
Capital Investment	872,000	2,719,450	-	-
Share of loss	-	(367,246)	-	-
Impairment loss	(2,133,849)	(1,090,355)	-	-
Balance at end of year	-	1,261,849	-	-

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).

The Group's and Parent's investment in NZPWL (Liquidated) and the Ruahine & Kuharua Limited Partnership has been recognised at deemed fair value based on the investors share of the investees net assets. As a result, an impairment adjustment has been recognised within the Group and the Parent for \$2,133,849 (2017: \$1,090,355) and \$2,047,434 (2017: \$1,384,616) 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	
		2018	2017
Otukawa Whenua Limited Partnership	New Zealand	60%	60%
Rotoiti 15 and Ruahine & Kuharua Limited Partnership	New Zealand	90%	90%

	Group		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
Otukawa Whenua Limited Partnership				
Balance at beginning of year	-	-	592,972	384,501
Taxation paid	-	-	-	(248)
Share of profit for the year	-	-	114,872	156,497
Share of other comprehensive income for the year	-	-	(54,315)	52,223
Balance at end of year	-	-	653,529	592,972
Rotoiti 15 and Ruahine & Kuharua Limited Partnership				
Capital investment	-	-	1,175,434	-
Funds advanced	-	-	872,000	1,434,600
Impairment loss	-	-	-	1,125,450
Balance at end of year	-	-	(2,047,434)	(1,384,616)

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Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2018

Note	Group		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
17 Non-controlling interests				
Te Karangi A2 (40% in Otukawa Whenua LP)				
Balance at beginning of the year	395,315	256,334	-	-
Share of profit for the year	76,581	104,331	-	-
Share of Other Comprehensive Income for the year	(36,210)	34,816	-	-
Other movements	-	(166)	-	-
Balance at end of year	435,687	395,315	-	-
Ruahine & Kuharua Incorporation (10% in Rotoiti 15 and Ruahine & Kuharua LP)				
Capital investment	159,400	159,400	-	-
Share of loss for the year	(213,385)	(145,760)	-	-
Balance at end of year	(53,985)	13,640	-	-

18 New Zealand Units

Pre-1990 units

297,900 New Zealand units

Balance at beginning of year	5,168,565	5,278,788	5,168,565	5,278,788
Change in fair value	1,231,785	(110,223)	1,231,785	(110,223)
Balance at end of year	6,400,350	5,168,565	6,400,350	5,168,565

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 2018 Subsidiary had 680 dairy cattle (2017: 653 dairy cattle).

Opening balance	959,925	782,200	-	-
Changes in fair value due to price	32,500	177,725	-	-
Closing balance	992,425	959,925	-	-

The fair value of livestock is determined by independent valuations as at 30 June 2018. 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 2,406 plantable hectares of pinus radiata as at 30 June 2018 (2017: 2,406 ha).

Note	Group		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
Carrying amount at beginning of the year	10,050,000	6,784,000	10,050,000	6,784,000
Increase in fair value due to price	2,294,000	3,266,000	2,294,000	3,266,000
Carrying amount at end of the year	12,344,000	10,050,000	12,344,000	10,050,000

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 2018

Note	Group		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
19 Biological assets - continued				
<u>Trees - kiwifruit</u>				
Carrying amount at beginning of the year	58,154	58,154	58,154	58,154
Increase due to purchases	9,600	-	9,600	-
Increase due to revaluation	241,997	-	241,997	-
Carrying amount at end of the year	309,751	58,154	309,751	58,154
20 Trade and other payables				
Trade payables	128,875	98,622	61,638	50,759
Accrued expenses	116,740	131,218	8,136	18,007
PAYE payable	4,172	3,320	4,172	3,320
Total Trade and other payables	249,787	233,159	73,946	72,085
Trade payables are unsecured and are usually paid within 30 days of recognition.				
21 Deferred revenue				
Arising from lease income	779,335	779,335	779,335	779,335
Total Deferred revenue	779,335	779,335	779,335	779,335
22 Borrowings				
Secured - at amortised cost				
Bank overdraft	20,365	16,619	-	-
Bank loans	3,348,003	3,451,383	-	-
Total Borrowings	3,348,003	3,451,383	-	-

Summary of borrowing arrangements

Parent

The Parent has an unsecured overdraft facility with Westpac New Zealand up to a maximum of \$50,000 (2017: \$50,000). The interest for the overdraft is 10.10% (2017: 10.10%).

Subsidiary

At balance date, the Subsidiary had an overdraft facility with BNZ up to a maximum of \$175,000 (2017: \$175,000).

At balance date, the Subsidiary also had a \$3,348,003 (2017: \$3,451,383) debt facility with BNZ Limited. Debt facility is interest only and is repayable at maturity.

The loan of \$3,348,003 at 30 June 2018 comprises:

- \$846,690 at 4.97% maturing on 22 September 2025
- \$2,500,000 at 4.97% maturing on 20 September 2030
- \$1,313 at 4.97% 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 2018

Note	Group		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
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	9,202,068	9,202,068	9,202,068	9,202,068
Increase due to changes in fair value	1,351,702	-	1,351,702	-
Deferred tax	-	-	-	-
Balance at end of the year	10,553,770	9,202,068	10,553,770	9,202,068
<u>Intangible assets revaluation reserve</u>				
Balance at beginning of the year	5,168,565	5,278,788	5,168,565	5,278,788
Increase due to changes in fair value	1,231,785	(110,223)	1,231,785	(110,223)
Balance at end of the year	6,400,350	5,168,565	6,400,350	5,168,565
<u>AFS assets revaluation reserve</u>				
Balance at beginning of the year	162,230	78,849	130,023	89,726
Increase/(decrease) due to changes in fair value	(108,845)	101,068	(54,530)	48,845
Deferred tax	19,048	(17,687)	19,048	(8,548)
Balance at end of the year	72,433	162,230	94,541	130,023
<u>Investment in subsidiaries</u>				
Balance at beginning of the year	-	-	32,208	(10,876)
Increase/(decrease) due to changes in fair value	-	-	(54,315)	52,223
Deferred tax	-	-	-	(9,139)
Balance at end of the year	-	-	(22,107)	32,208
<u>Investment in associates</u>				
Increase/(decrease) due to changes in fair value	1,463	-	1,463	-
Balance at end of the year	1,463	-	1,463	-
Total Reserves at beginning of the year	14,536,096	14,562,938	14,536,097	14,562,938
Total Reserves at end of the year	17,031,249	14,536,096	17,031,249	14,536,098

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	1,095,362	1,186,453	799,000	816,000
	1,641,905	1,732,996	901,000	918,000

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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Audit 23/25

Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2018

26 Deferred tax assets and liabilities

Group	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)
	01 July 2016	Recognised in Profit	Recognised in Equity	30 June 2017
Property, plant & equipment	(101,894)	1,575	-	(100,319)
Biological assets	(1,167,000)	(557,068)	-	(1,724,068)
AFS assets	(16,726)	-	(17,687)	(34,413)
Total deferred tax assets/ (liabilities)	(1,285,620)	(555,493)	(17,687)	(1,858,800)
Parent	01 July 2016	Recognised in Profit	Recognised in Equity	30 June 2017
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)
	01 July 2016	Recognised in Profit	Recognised in Equity	30 June 2017
Property, plant & equipment	(101,894)	1,575	-	(100,319)
Biological assets	(1,167,000)	(557,068)	-	(1,724,068)
AFS assets	(16,726)	-	(17,687)	(34,413)
Total deferred tax assets/ (liabilities)	(1,285,620)	(555,493)	(17,687)	(1,858,800)

27 Related party transactions

	2018		2017	
	Revenue/ (Expense)	Receivable/ (Payable)	Revenue/ (Expense)	Receivable/ (Payable)
<u>Group and Parent</u>				
Rotoiti 15 Charitable Trust				
Related party advance	-	8,400	-	-
Rotoiti 15 Holdings Limited				
Related party advance	-	11,785	-	(10,785)

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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Audit

Notes to the Financial Statements

Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2018

27 Related party transactions - continued

	2018		2017	
	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	20,100	-	(20,945)	-
Arapeta Tahana Jnr	20,099	(1,117)	(12,067)	-
Fred Whata	13,400	-	(8,517)	-
Piki Thomas	13,400	-	(10,317)	-
Joe Tahana	13,400	-	(7,567)	-
Merehira Savage	7,817	-	-	-
<i>Director fees - subsidiary only</i>				
Director fees - subsidiary only	(2,487)	-	(3,774)	-
Total Trustee and Director fees paid	85,729	(1,117)	(63,186)	-

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

Kawerau Dairy Limited Partnership

The Parent, together with 10 other iwi entities entered into an agreement to establish geothermal milk processing plant in Kawerau. Together, these entities hold 66.66% shares in the Partnership. The Parent's total commitment is \$250,000. As at 30 June 2018 \$207,888 remains unpaid.

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

After the balance date the trustees of the Parent resolved to put the Maniatutu Road dairy farm and orchard on the market.

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

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Performance Report

Rotoiti 15 Charitable Trust

For the year ended 30 June 2017

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of Rotoit 15 Charitable Trust

Opinion

We have audited the accompanying performance report of Rotoit 15 Charitable Trust on pages 7 to 14, which comprises the statement of financial position as at 30 June 2018, the statement of financial performance and statement of cash flows for the year then ended, the statement of accounting policies and other explanatory information.

In our opinion, the accompanying performance report presents fairly, in all material respects, the financial position of Rotoit 15 Charitable Trust as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with the requirements of Public Benefit Entity Simple Format Reporting Accrual (Not-For-Profit), issued in New Zealand by the New Zealand Accounting Standards Board, relevant to reporting financial position, financial performance and cash flows.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Performance Report section of our report. We are independent of Rotoit 15 Charitable Trust 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, Rotoit 15 Charitable Trust.

Other Information

The Trustees are responsible for the other information. The other information comprises the entity information and statement of service performance but does not include the performance report and our auditors report thereon.

Our opinion on the performance report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report 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.

Auditors Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is 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 decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Accountants
96 Waioweka Road
OPOTIKI

17th December 2018

Entity Information

Rotoiti 15 Charitable Trust

For the year ended 30 June 2018

Legal name of the entity

Rotoiti 15 Charitable Trust

Registration number

CC29985

Postal address

PO Box 1712

Rotorua 3040

Entity type and legal basis

Rotoiti 15 Charitable Trust is a charitable trust registered as a Charitable Entity under the Charities Act 2005. The Trust was established by a Trust Deed on 17 December 2007.

Entity's purpose

The Trust's purpose is to receive, administer and distribute funds on behalf of the beneficiaries of the Trust.

Entity structure

The Trust is governed by the Board of Trustees. The current trustees are as follows:

Arapeta Tahana Jnr

Piki Thomas

Tina Ngatai

Joe Tahana

Fred Whata

Main sources of the entity's cash and resources

Investment activities.

Main methods used by the entity to raise funds

The Trust does not raise any funds apart from revenue from its investment activities.

Entity's reliance on volunteers and donated goods or services

The Trust does not rely on volunteers, nor did it receive any donated goods or services.

Accountants

GHA Ltd

Chartered Accountants

PO Box 1712

Rotorua

Auditors

Cookson Forbes & Associates

Chartered Accountants

PO Box 541

Opoiki

Statement of Service Performance

Rotoiti 15 Charitable Trust

For the year ended 30 June 2018

Rotoiti 15 Charitable Trust was set up as a means to support the wellbeing of the Trust's shareholders, their whānau and community. Each year the trustees set aside a fixed amount of funds to contribute to areas that align with the Trust's strategic direction as set out by the owners. Those areas are:

1. Tertiary education
2. Trade training
3. Marae annual support
4. Marae capital works

Based on the above areas, the outcomes for the year ended 30 June 2017 were as follows:

Tertiary education

Amount: \$20,000 per annum, considered once a year.

Applications under this category are considered in the areas of Agribusiness, Business Management including Finance and Economics, Forestry, Iwi Environmental Management and Tikanga Maori. These areas are considered to be those related to the trust's business and the iwi/hapu needs.

	2018	2017
Number of successful applicants	20	5

Trade training

Amount: \$20,000 per annum, considered quarterly.

Applications under this category are considered for Agribusiness (lower than degree level), certification that enables entry into employment, Resources required to enter or maintain employment such as Health and Safety equipment, Forestry Industry, Apprentice type fees and subsidy support via government programmes or education authority. The goal of this category is to support the owners to attain trades that lead to employment and upskill the areas that support the Trust's business and hapu/iwi needs.

	2018	2017
Number of successful applicants	14	4

Marae annual support

Amount: \$60,000 per annum (\$5,000 per Marae).

	2018	2017
Number of marae paid	6	7

Marae capital works

Amount: \$50,000 per annum.

	2018	2017
Number of marae paid	-	-

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Statement of Financial Performance

Rotoiti 15 Charitable Trust

For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Revenue			
Interest, dividends and other investment revenue	1	120,722	127,965
Other revenue	2	170,399	91,163
Total Revenue		291,121	219,128
Expenses			
Administration expenses	3	2,560	4,014
Grants paid	4	64,851	44,000
Investment expenses		11,824	10,988
Other expenses	5	17,000	30,259
Total Expenses		96,236	89,261
Surplus for the year		194,885	129,867

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Statement of Financial Position

Rotoiti 15 Charitable Trust

For the year ended 30 June 2018

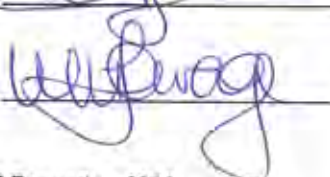
	Notes	2018 \$	2017 \$
Assets			
Current assets			
Bank accounts and cash	6	1,187,766	128,767
Debtors	7	430	11,135
Total Current assets		1,188,196	139,902
Non-current assets			
Investments	8	1,940,589	2,785,245
Total non-current assets		1,940,589	2,785,245
Total assets		3,128,785	2,925,147
Liabilities			
Current liabilities			
Creditors and accrued expenses		3,180	2,828
Rotoiti 15 Trust	11	8,400	-
Total current liabilities		11,580	2,828
Total liabilities		11,580	2,828
Total assets less total liabilities		3,117,204	2,922,319
Accumulated funds			
Funds settled	10	10	10
Accumulated surpluses	10	3,117,194	2,922,308
Total Accumulated funds		3,117,204	2,922,319

For and on behalf of the Trustees:

Trustee



Trustee



Date: 17 December 2018

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Statement of Cash Flows

Rotoiti 15 Charitable Trust

For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Cash receipts			
Interest, dividends and other investment receipts		131,427	127,965
Donations received		-	500
Total Cash receipts		131,427	128,465
Cash payments			
Payments to suppliers and employees		(15,976)	(15,838)
Grants and sponsorship paid		(64,851)	(44,000)
Total Cash payments		(80,827)	(59,838)
Net Cash flows from operating activities		50,600	68,627
Cash flows from investing activities			
Cash receipts			
Proceeds from sale of investments		1,000,000	-
Receipts from related parties		8,400	-
Total Cash receipts		1,008,400	-
Cash payments			
Payments to purchase investments		-	(61,536)
Total Cash payments		-	(61,536)
Net Cash flows from investing activities		1,008,400	(61,536)
Net increase/ (decrease) in cash for the year		1,058,999	7,091
Cash balances			
Cash and cash equivalents at beginning of period	6	128,767	121,676
Cash and cash equivalents at end of period	6	1,187,766	128,767
Net change in cash for period		1,058,999	7,091

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Audit

Statement of Accounting Policies

Rotoiti 15 Charitable Trust

For the year ended 30 June 2018

Basis of Preparation

The Trust has elected to apply Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) (PBE SFR-A (NFP)) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

The Trust is a Tier 3 reporting entity, but has elected to apply the following Tier 2 standards:

- PBE IPSAS 29 Financial Instruments: Recognition and Measurement
- PBE IPSAS 30 Financial Instruments: Disclosures
- PBE IPSAS 4 The Effects of Changes in Foreign Exchange Rates

Changes in accounting policies

There have been no changes in accounting policies of the Trust.

Goods and Services Tax (GST)

The Trust is not registered for GST. All amounts are inclusive of goods and services tax (GST).

Foreign currency transactions

These financial statements are presented in New Zealand dollars (\$) which is the Trust's functional and presentation currency. All numbers presented have been rounded to the nearest dollar.

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction.

Foreign currency differences arising on retranslation are recognised in surplus or deficit.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific

Interest and dividend revenue

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

Dividend revenue is recognised when the dividend is declared.

Bank accounts and cash

Bank accounts and cash in the Statement of Cash Flows comprise cash on hand, cheque or savings accounts, and deposits

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Financial instruments

Financial instruments are initially recognised when the Trust becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets within the scope of PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit 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 surplus or deficit are subsequently measured at fair value with gains or losses being recognised in surplus or deficit. The Trust has designated its investment in Craigs Investment Partners managed portfolio as FVTSD.

Statement of Accounting Policies

Rotoiti 15 Charitable Trust

For the year ended 30 June 2018

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 Trust's cash and cash equivalents and debtors fall into this category.

Held-to-maturity investments

If the Trust has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. The ANZ Perpetual Bond has been designated as a held-to-maturity investment.

Financial liabilities

The Trust's financial liabilities include trade and other creditors.

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

Income Tax

Rotoiti 15 Charitable Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

CF
Audit 11/14

Notes to the Performance Report

Rotoiti 15 Charitable Trust

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
1 Interest, dividends and other investment revenue			
Dividends received - Craigs		42,368	34,417
Interest received - bank and term deposits		2,358	1,427
Interest received - investments		43,522	52,800
Overseas income		32,474	39,321
Total Interest, dividends and other investment revenue		120,722	127,965
2 Other revenue			
Change in fair value of investments	8	170,399	90,663
Other revenue		-	500
Total Other revenue		170,399	91,163
3 Administration expenses			
Accountancy fees		1,847	3,405
Audit fees		558	489
Other expenses		155	121
Total Administration expenses		2,560	4,014
4 Grants paid			
Mataikotare Marae		5,000	5,000
Otara Marae		5,000	5,000
Punawhakareia Marae		5,000	5,000
Rakejao Marae		5,000	5,000
Ruahona Marae		5,000	5,000
Te Takinga Marae		5,000	5,000
Waiahi Marae		-	5,000
Other Grants		7,951	2,000
Tertiary Education Grants		26,900	7,000
Total Grants paid		64,851	44,000
5 Other expenses			
Loss on sale of investments	8	17,000	27,259
Change in fair value of investments	8	-	3,000
Total Other expenses		17,000	30,259
6 Bank accounts and cash			
Cash at Westpac bank accounts - NZD		1,036,239	39,954
Cash in managed portfolio fund	8	151,527	88,813
Total Bank accounts and cash		1,187,766	128,767
7 Debtors			
Accrued interest		-	10,705
Taxation refund due		430	430
Total Debtors		430	11,135

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Audit 12/14

Notes to the Performance Report

Rotoiti 15 Charitable Trust

For the year ended 30 June 2018

	Note	2018	2017
		\$	\$
8 Investments			
Financial assets at fair value through surplus or deficit			
<i>Craigs Investment Partners</i>			
Balance at the beginning of the year		1,857,058	1,729,426
Net investment revenue received		64,659	64,228
Realised capital gains/(losses)		4,815	(27,259)
Change in fair value		165,584	90,663
Balance at the end of the year		2,092,116	1,857,058
Less cash held in call accounts		(151,527)	(88,813)
Total Craigs Investment Partners		1,940,589	1,768,245
Held-to-maturity investments			
<i>ANZ Perpetual Bond</i>			
Balance at the beginning of the year		1,017,000	1,020,000
Paid out on maturity		(1,000,000)	-
Realised loss on sale of ANZ Bond		(17,000)	(3,000)
Balance at the end of the year		-	1,017,000
Total Investments		1,940,589	2,785,245
9 Creditors and accrued expenses			
Creditors		3,180	2,828
Total Creditors and accrued expenses		3,180	2,828
10 Accumulated funds			
	Contributed capital	Accumulated surpluses or (deficits)	Total
	\$	\$	\$
Opening balance 1 July 2017	10	2,922,308	2,922,319
Surplus for the year		194,885	194,885
Closing balance 30 June 2018	10	3,117,194	3,117,204
Opening balance 1 July 2016	10	2,792,441	2,792,451
Surplus for the year	-	129,867	129,867
Closing balance 30 June 2017	10	2,922,308	2,922,319
11 Related party transactions			
Rotoiti 15 Charitable Trust was established and settled by Rotoiti 15 Trust, a related party.			
Amounts owed to related parties at year end were as follows:			
		2018	2017
		\$	\$
Rotoiti 15 Trust		8,400	-
Total amounts owed		8,400	-

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Audit 13/14

Notes to the Performance Report

Rotoiti 15 Charitable Trust

For the year ended 30 June 2018

12 Contingent liabilities and guarantees

There are no contingent liabilities or guarantees as at 30 June 2018 (2017: \$Nil).

13 Commitments

There were no further commitments at balances date (2017: \$Nil).

14 Events after the balance date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report.

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Audit^{14/14}



Business Reports

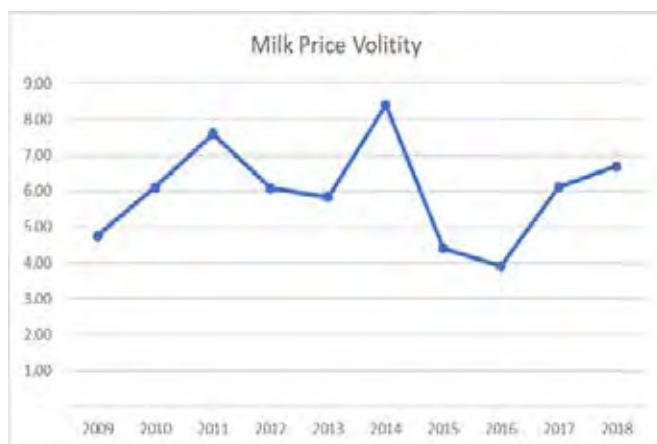
business report

maniatutu and otukawa farms

Maniatutu farm

The 2018 season overall was a good improvement on the season before, based largely on the increase in Farm Gate Milk Price, which was up 57 cents to \$6.69 per kg milk solid, excluding dividends.

New Zealand's dairy products are a globally traded commodity and subject to extreme volatility depending on global weather patterns impacting milk supply, exchange rates and trade agreements, as can be seen in the graph below.



Looking ahead, Fonterra has reforecast its Farm Gate Milk Price for the 2019 season several times, from an opening forecast of \$6.75 to \$6.25 - \$6.50 and \$6.00 to \$6.30. While this above the 5-year average milk price is \$5.90, the impact of a lower milk price will be material for Rotoiti 15.

operations

Rotoiti 15's dairy farm is situated at 1050 Maniatutu Road, Pongakawa, South-East of Te Puke. The farm is made up of 162 hectares of rolling to steep hill country and produces an average 88,000kg of milk solids from 280 cows, in a once-a-day production system.

Key drivers of economic performance for the farm business are:

- Favourable environmental conditions
- Buoyant commodity prices, and
- Capable and dedicated farm management

The Maniatutu dairy farm is operated under a 50:50 sharemilking arrangement. Our sharemilker owns all the livestock and farm machinery and manages the entire operation. Under this arrangement we each receive 50% of the income from the milk produced. As the land owner, Rotoiti pay all costs associated with the farmland i.e.

fertiliser and repairs and maintenance to buildings, as well as a share of the grazing and feed costs. This works out to approximately 55% of all farm expenses. For the 2018 season equated to \$1.25 per kg milk solid against a forecast of \$1.45 per kg, which is a significant saving.

Milk production improved on the 2017 season and while we didn't achieve our 95,000kg forecast, production was up 6,700kg to 86,750kg of milk solids. The season was impacted by summer dry conditions which can often be magnified on the north facing hill country at Maniatutu Rd.

From a financial perspective, taking into consideration the difference in forecast milk production versus actual, and the forecast farm operating expenses versus actual, the end result is a negative variance of \$2,500. This is a very good result considering.

people

Rotoiti 15 Trust is fortunate to be in partnership with a very capable and dedicated sharemilkers; Yvette Dayley and Glen Amoamo. They have been with the Trust for 8 years now and we acknowledge their dedication to commitment over this time.

Yvette and Glen have recently signalled their intention to retire from the dairy industry at the end of this season after 29 years, and instead turn their focus to other farming interests. We support their move and wish them all the very best for their future.

outlook

The outlook for 2019 continues to be positive although a cooling of dairy commodity prices will have an impact on Rotoiti 15 revenue. Globally, Trump's trade war with China and the fallout from Brexit in particular, will create a lot of uncertainty in an already highly volatile market. A mitigating factor is that we don't carry any debt associated with the dairy farm and, based on our historic farm operating expenses we can sustain a sub \$4 farm gate milk price.

Based on all the matters noted above and with the exit of the Sharemilkers a decision was made to test the market for sale of the farm together with the Maniatutu Kiwifruit Orchard as both enterprises are likely to be a drain on the Trust over the next several years. A sale occurred very quickly (although will not go unconditional till after the 4th February) and we expect to be handing over the farm and orchard on 1 June 2019.

Otukawa JV season

This season's production has taken off with a slow start due to the climatic effects on pasture quality which was compounded by higher animal maintenance requirements in the cold weather. Accordingly, cows peaked at 1.65kg/MS/cow/day rather than 1.8kg MS/cow/day as targeted.

results:

Otukawa's effective milking platform consists of 157 hectares with an additional 29 hectares used as part of the run off area. At peak Otukawa milked 524 cows achieving 1,105 kg MS/ha. A overall total of 173,518kgs MS was produced which was slightly less than last year's 177,298kg/MS. Although lower than targets, the \$6.69 milk price, contributed largely to a 3% increase in revenue.

financial summary

With the increase in milk price pay-out to \$6.69 we have seen an increase in revenue, an increase in the value of stock, and an overall increase in the value of Fonterra shares. This has meant that Otukawa Farm has gone from strength to strength \$1,270,662 revenue in 2017 to a result of \$1,318,072 revenue in 2018. Efficiencies in expenditure remained a key focus for our directors this year and this resulted in a 2.39% saving against the previous year.

infrastructure

A Packo ice bank system was installed which cools the milk to 3°C prior to entering the vat. Previously the milk would enter the vat at 14-16°C depending on the temperature of the Kaituna river water (used in the heat exchanger). The cattle yards at Rangiora Road were fully replaced. This involved re-establishing the pumice base and construction of new yards. The exterior of the main dwelling was also fully painted.

summary

A challenging year with the Directors – John Fenwick (Chairman), Reremanu Wihapi, Tina Ngatai and Piki Thomas working very hard with their Farm Advisor, Duncan Walker of PerrinAg Consultants to keep continue to keep expenses as low as possible.

This venture between the two trusts, Rotoiti 15 and Te Karangi A2, whilst challenging continues to meet our expectations in terms of collaboration and partnerships. Our relationship is very strong and both remain committed to making a success of this venture. However, when global demands and climate & weather decide to challenge the farming operation we can do no more than hunker down and hang on to ensure that we enter the next Dairy season stronger.

**Nga mihi,
Tina Ngatai**



business report rerewhakaaitu forest

The following report is a summary of the activities carried out by NZ Forest Managers within Rerewhakaaitu Forest for the period 1 July 2017 to 30 June 2018 on behalf of the Rotoiti 15 Trust.

1 forest development activity

Operation	Actuals to 30 June		Full Year Budget	
	\$000	ha	\$000	ha
Land Preparation	0.0	0.0	0.0	0.0
Planting	0.0	0.0	0.0	0.0
Ancillary	5.7	-	2.4	-
Pruning	151.7	143.6	126.8	141.7
Thinning	0.0	0.0	0.0	0.0
Crop Measurement	0.0	-	0.0	0.0
Total	157.4	143.6	129.2	141.7

Reestablishment of the second rotation is now finished, with a total of 2,384 hectares planted between 2010 and 2016. As such, the forest development work is now focussed on post-planting operations intended to aid the early growth and survival of the forest, and silvicultural (pruning and thinning) operations. The 'Ancillary' operations expenditure consisted mainly of fertilising trees planted on skidsites to improve growth and vigour, and blanking of small areas within stands identified during post-planting survival assessments.

Pruning operations began in November 2017 with 143.6 hectares of the 2011 age class receiving the first of two pruning lifts. An average pruned height of 4.3 metres was achieved, and a final pruned height of 6.0 metres will be targeted in the second lift. The unit cost of pruning was higher than budgeted as increases to the minimum wage and a shortage of labour across the forestry industry are driving contract rates up.

3 health and safety, and environmental

There were no lost time workplace accidents or environmental incidents associated with NZFM's forestry operations in Rerewhakaaitu forest in the 2017/18 year. No workplace or public accidents/injuries as a consequence of their own activities were reported to NZFM by any authorised third party forest users.

2 forest maintenance, security and protection

Operation	Actuals to 30 June		Full Year Budget	
	\$000	ha	\$000	ha
Forest Maintenance and Protection ¹	55.3	480.6	72.0	480.0
Asset Maintenance ²	3.2	-	6.5	-
Miscellaneous ³	1.5	-	5.0	-
Total	60.0	-	83.5	-

Forest maintenance and protection expenditure consisted mainly of spraying stands with cuprous oxide to treat for dothistroma and fertilising stands to correct a boron nutrient deficiency. A 300,000 litre dam was also installed to provide a reliable water source for spraying operations and in the event of fires within the forest. Asset maintenance expenditure was for the replacement of road signs throughout the forest and minor road repairs. The miscellaneous expenditure relates to overhead and administration costs, training, and aerial photography required for remapping of areas for remapping prior to tending operations beginning.

4 looking ahead

Activity in the 2018/19 year will be concentrated on:

1. The continuation of the pruning programme, with both first and second lift operations planned.
2. Routine maintenance and protection activity, including plant pest control and road maintenance.
3. Ongoing forest health monitoring in the form of a dothistroma survey, foliage sampling and analysis, and a forest health surveillance inspection.



business report

kiwifruit

The orchard at Maniatutu Road sits within the Dairy farm and is accessed via the main race. It comprises two sections KPIN 4362 (1.33 ha) and KPIN's 7572 (4.28 ha), strip male with steel and wire pergola, Dripper irrigation supplied from on-farm stream reticulation system. In 2016 management of the orchard was provided by Hingatu Marsh of Tuhono Whenua Horticulture Ltd who have done a very good job of overseeing the orchard. Currently, the orchard is being worked on by Trevelyan Management Services Ltd. Rotoiti 15 orchard is a PSA recovering orchard, comprising 5.61 ha across two KPINS 4362 & 7572. Currently, 2,500 x 3 year old Bruno and 1,000 x 1 year old Bruno rootstocks were grafted to Hayward and Chieftain in August 2017.

In 2018 the work being done concentrated on the re-planting of Bruno rootstocks, copper spraying for PSA, improving soil health and nutrients. Fast-track and natural shelter installed to protect new grafts. Old Hort16A roots have been dug out and removed from inside the orchard to be disposed, this will reduce PSA pressure in the orchard too.

Grafts will be trained and cared for during the



next 3-4 years to establish a strong fruiting canopy and the necessary. Poles and strings have been established in Blocks 1, in KPIN4362 and KPIN7572. Chieftain strip males are needed to meet the 10-12,000 TE/ha target.

We have been forced to revise our breakeven point to 2023, we expect the first significant year of fruit production with the maximum target production of 12,500 TE/ha by 2025 (revised). The current model is based on Hayward (green) kiwifruit only, with no Gold3 projections included.

The Rotoiti 15 trustees decided that the orchard should be setup for sale sometime in 2019 and work was undertaken on that basis. This was decided after it was estimated that the financial input to fruiting, was estimated to be around \$450,000.



makatiti dome

pest animal monitor

monitor

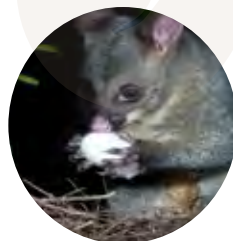
In response to the growing need for pest control on Makatiti dome, Rotoiti 15 alongside partner Puna Consultants, owners and beneficiaries have spent the past 12 months undertaking pest animal monitoring in the native forest. The pests we monitored were possums, rats, stoats and wallabies. We also recorded the native plants and birds on the dome. The purpose of the monitoring was to:

1. Understand how bad the pest populations are on Makatiti. This will act as a baseline for us. When it comes time to do pest control, we can go back in after the control and monitor again to see if we have decreased the pest populations.
2. Have a record of the native bird and plant life so we know what we are protecting. Once we start doing pest control work, we can see how successful it is by hopefully seeing an increase in the bird population and see more plants growing without being eaten by pests.

possums

Possums are a pest because they eat leaves, insects, baby birds and their eggs. Monitoring them works like this: If we put 100 possum traps out overnight (in a certain amount of area) and we caught 50 possums. We would say that we have 50% catch rate. A healthy forest should have 1% catch rate but anything below 5% catch rate is acceptable.

A group of owners and beneficiaries spent 3 days trapping possums all over the dome to determine the average catch rate. The catch rate was 19% ($\pm 2.5\%$). This is 3 – 4 times higher than it should be.



wallabies

Wallabies eat plants that make up a good proportion of the understory and form our big rākau (e.g. Puriri, Kohekohe, Rata). To monitor wallabies, whānau helped set up 10 cameras in the bush which were left on Makatiti dome for 21 nights. Wallabies were seen on almost every camera. Based on the results, the wallaby population is worse than possums. For every one possum, there are 3 wallabies nearby. If we did nothing, the wallabies would wipe out specific species like Rata within 100 years.

rats

Considered by some as the worst pest of all as they eat all parts of the plants, insects, baby birds and eggs. Rat monitoring works the same as possum monitoring, but rather than 100 traps, we use monitoring cards – cards with ink on them so when the rats walk over the ink, they leave their footprints behind.

Interestingly, no rats were found on the top of Makatiti dome. However, near lake Okataina, the rat population was very high (30%).

stoats

Stoats are the hardest pest to monitor. The presence of any stoat is a concern because they are ruthless killers; stoats will kill every chook in a hen house just to only eat one. Hunters from our hunting club have seen stoats on Makatiti dome. So, we now have some stoat traps on the maunga which we will leave in place until next spring.

solution

There are a number of ways to manage pest animals. The right course of action will depend on the values of the landowner, effectiveness, timeframe and affordability. A summary of these options and costs will be presented to owners for consideration.

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

Te Mana Kaitiaki Represents Te Mana Kaitiaki

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
Pukerimu; Tuahu
Whakakana; Rangitoto
Hingarae; Matawhaura

Roto Design Represents the Moana of the Rotoiti 15 Hapu

Rotoiti; Okataina;
Rotongata; Rotoahua



A scenic landscape featuring a large body of water, likely Lake Taupo, in the background. The foreground is dominated by a dense, green forested hillside. The sky is blue with scattered white clouds. The text is overlaid on the upper half of the image.

www.rototi15.com

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