



**ROTOITI 15**

Ngā Rawa E Tupu

**Pūrongo-ā-tau**  
Annual Report 2020









# Tirotiro

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# Ngā hua o te tau

## Highlights



15,826

Rotoiti 15 Share holders



\$412,743

Grants paid for the year



\$54.9m

Total Asset Base



4

Kaimahi



# Kaupapataka Agenda

## 2020 HUI- Ā- TAU ANNUAL GENERAL MEETING

Tapuaekura Marae

Sunday 22nd November 2020

at 10.00am

*(Registrations commence at 9.00am)*

1. Minutes
2. Election of ONE trustee
3. Chairman's Trust Report
4. Chairman's Limited Partnership Report
5. General Manager's Report
6. Financial Report
7. Appointment of Auditor
8. Distributions Report and Review of Distribution policy
9. Environmental Policy
10. General Business





# Ngā mīneti

## Minutes of the 2019 AGM

### ANNUAL GENERAL MEETING OF OWNERS

HELD AT NGĀ PŪMANAWA E  
WARU MARAE, RUATŌ BAY

ON SUNDAY, 24 NOVEMBER 2019  
AT 10:00AM

### Present

See Attendance Register  
(131 owners).

### Apologies

See Apologies Register  
(73 owners).

### Karakia

Tumihitai Raerino

### Introduction

Arapeta introduced the 2019 Annual  
General Meeting

### Apologies

*Arapeta Tahana/Huhana Church* **Carried**

### Minutes

Arapeta introduced the minutes of the  
2018 Annual General Meeting. He pointed  
it out that there was also a special  
general meeting in 2019 at Waiatuhi  
Marae, Mourea on Sunday 5 May 2019  
at 10:00am. He asked if there were any  
amendments or matters arising.

### Matters arising for the minutes of the Annual General Meeting held at Ruaihona Marae, Te Teko Sat 9 Feb 2019

Harina Rupapera asked that the Trust  
consider review of the election process.  
She asked that the minutes note that the  
process is changed to address imbalances  
in the process.

**Resolved:** *"That the minutes of the 2018  
Annual General Meeting held 9 February  
and the minutes from the SGM held 5 May  
2019 are a true and accurate record of the  
meetings held"*

*Aroha Campbell/Carolyn Jones* **Carried**

Dr Ken Kennedy firstly acknowledged the  
haukainga. He went on to express his  
disappointment that the election didn't  
go ahead at the February meeting.  
He spoke about the efforts attendees  
go to in order to attend a meeting and  
the postponement creating an unfair  
advantage for those wishing to stand at  
Waiatuhi Marae.

Arapeta Tahana acknowledged Dr Ken's  
point, noting that as the resolution was  
put forward by the owners, and the  
majority agreed with the decision,  
it needed to be upheld.

Isobel Morehu asked that her comments  
previously recorded on page 6 of the  
2019 AGM report was updated to reflect

that the issue she raised was in regards to  
correct process and methodology being  
outdated, rather than a trust issue.  
Her view is that costs alone cannot be  
used as an excuse to deny active  
participation of how trusts are run.  
Asked that para on page 6 is amended to  
remove the reference to lack of trust.

Arapeta thanked Isobel and Aroha for  
their support in pulling together the  
live-streamed Candidates evening at GHA  
before the election, and invited feedback  
on that process.

Tony Wihapi acknowledged the haukainga  
and also acknowledged his absence from  
the previous two meetings. He raised the  
issue of the NZ Premium Whitebait and  
informed the meeting attendees about  
his role as applicant in the proceedings  
with the Maori Land Court at the time.  
He confirms that the application for  
removal was dismissed by the Court on  
the grounds that there was no arguable  
course of action and while he disagreed  
with the decision, but chose not to  
appeal due to cost. He expressed his  
disappointment that no one has been  
held accountable for the loss made on  
that investment. He also noted he had  
submitted a list of resolutions for  
consideration indicating his strategy  
forward that was responded to via email  
earlier this week.

Arapeta Tahana clarified for hui attendees  
that a hui was held at Te Takinga where  
the Trustees advised owners of the loss  
made on the NZ Premium Whitebait  
investment. He spoke about the two  
resolutions put forward by the owners,  
firstly that trustees step down, and  
secondly that the trustees are taken to  
court, which were both voted down.  
Arapeta also provided context to the  
meeting attendees that two owners made  
application to the Court, that were later  
dismissed.

It was agreed that Tony Wihapi would  
clarify what he is seeking from the  
owners during General Business.

### Chairman's Report

Arapeta Tahana tabled his report and  
presented highlights from the last year.

## Tupu Rawa – Asset Growth

Arapeta spoke to the process the Trust undertook following the outcomes of the Whitebait investment, in particular, the independent review that was done by My Fiduciary. This analysis recommended the Trust set up a committee or company to manage investment process.

Arapeta spoke about how the Trust has implemented this recommendation and set up a commercial company has been set up, appointing two independent directors Mike Pohio and Geoff Rice with Tina Ngatai being the Trust representative Director on the company.

Arapeta outlined the process and structure that was progressed in depth to form this commercial company to ensure that the right controls were in place so that the trust held the mana for our people, our culture and environment and so forth as well as the oversight of relationships with others. He emphasized that the ultimate accountability still lies with the Trust. A portion of Trust assets have been transferred into the commercial company for their management, with the majority of assets (including the forests) sitting with the Trust. The company has a management agreement with the Trust regarding those assets. He also clarified that the Trust is the sole shareholder of the Company.

A question was raised as to the limits on investments. In response Arapeta advised that a rationale for retaining some assets with the Trust was to ensure those types of controls were in place, as well as minimizing tax considerations. This in mind the Trust chose to move \$6 million in cash and about \$2 million in share market equities. Arapeta also outlined the number of controls put in place that the Trust can action to maintain satisfactory performance of the company directors. The Investment plan is currently being revised by the company, for consideration by the Trust.

A question was asked about learnings from the White Bait Matter and how the setting up of the Commercial Company related to the White Bait matter. Arapeta spoke to the learnings which had previously been outlined at the Te Takinga hui. These included – the amount of time and resources spent on due diligence

and the type of due diligence completed, which depends on the type of investment. As the White Bait Investment was a start up investment, more time needed to be spent on due diligence. He also spoke about the legal due diligence required, noting the Trust should have spent more money on looking at the legal documents that sat behind the company.

Arapeta also noted that while \$3 million was lost in this investment, that same year assets grew by 9%. Due to the Trust diversifying equity to ensure other areas of assets will continue to grow. Arapeta also outlined the merits of selling the Maniatutu farm and the kiwifruit orchard at over \$1 million of what these assets initially cost the Trust.

Aroha Campbell enquired about the \$6 million transferred to the commercial company and sought further information on management and associated fees.

Arapeta advised the directors fee is \$20k per annum, and the Chairs fee is \$30k per annum. There is no management fee as such outside of the fees for the General Manager and Directors costs. Arapeta advised that Brad Tatere (previously the General Manager for the trust) is now the General Manager for the commercial company at a reduced rate as he only takes care of the commercial business. Kerri Anne Hancock was recently appointed to manage the Trust activities.

Arapeta spoke about how the investment business had previously dominated the Boards time, and the new structure allows time for the Trust to focus more on our owners, our culture and to ensure our people grow as much as our assets.

Kerri Anne introduced herself and gave brief a mihi to everyone. Arapeta went on an outlined Kerri Anne's experience and the contribution she will bring to the trust. Arapeta also acknowledged Holly Wharewera and Huiarau Stewart for their contribution of mahi to the Trust in their previous roles and wished them all the best with their future. Arapeta also spoke about improving capability and being able to have our own people working for their own whenua and business.

Tony Wihapi commended the Trust on the commercial strategy and incorporating learnings from the White Bait matter.

In this, he also expressed his concern about unresolved elements of accountability and responsibility of loss. Arapeta thanked Tony for his korero and acknowledged his fellow Trustees for how they had embraced learnings and taken accountability during this time.

## Te Taiao Committee

Arapeta spoke about the Taiao committee which was focused on the environmental strategy for the Trust, noting that progress has been slow due to time being dominated with change in staffing and commercial company restructuring the trust did not have the capacity on board. He noted that the Trust has appointed Tame Malcolm as an independent committee member, due to his connection to the whenua as well his skill set and experience with regards to environmental issues and strategy.

## Tikanga and Kawa

Arapeta spoke about the annual karakia for the whenua where the Trust acknowledges our whenua, tupuna and atua, and grounds us in our mahi during the year. He spoke about the importance that our people to be able to stand on the whenua and reconnect and that the Trust is looking for opportunities for our owners and beneficiaries, hapū and iwi to reconnect with the whenua.

## Hungamahi

Arapeta introduced the new directors of the commercial company, namely Tina Ngatai, Mike Pohio (Chair) and Geoff Rice. Arapeta also noted that the Trust still intends to appoint a new executive administrator to join the team in the new year, where Kerri Anne will drive that process.

## Te Taha Putea Financial

Arapeta gave a brief overview of the financials noting that at a high level there was an operating loss of \$43k last year with an overall profit of \$826k, asset base and equity has increased by \$600k over the last year. He noted that the Trust is in a strong cash position with \$8.6 million in our accounts and term deposits noting that a significant proportion of that cash is from the sale of the Maniatutu farm.

# Ngā mīneti

## Minutes continued...

### Tohatoha Distribution

Arapeta gave a brief overview of the distribution policy and the ongoing review of this policy, outlining that there was \$500k available to be distributed for grants, and only \$250k being distributed in grants due to lack of grant applications coming in. He spoke about the Trust looking to improve the process with a view to increasing uptake.

### Strategic Direction

Arapeta reminded the meeting attendees about the Trusts' overall strategic direction

1. Asset and Revenue Growth
2. People, Culture, Environment
3. Build Capability and capacity
  - With a vision by 2026 to have 70% of our mahi being done in house and employing our own
4. Protect our whenua and hold onto our tikanga, Grow and create wealth, Contribute to our people and environment and Partner to work with others and create relationships.

### General Manager Report

The General Managers Report was taken as read and Arapeta invited questions.

Tony Wihapi queried the reference to Dairy on page 8 and how it was positioned within the Trusts strategy. Arapeta's response was that that particular reference referred to a combination of the Maniatutu farm income and the Otukawa Joint Venture.

Tony Wihapi took the opportunity to thank Rotoiti 15 trustees for investing in the Otukawa Dairy farm. Arapeta explained the Trust saw the opportunity to support Te Karangi A2 and partnered with them in the Dairy farm. Also noting that with the Trust restructure the Trust is reviewing existing investments and alluded to conversations underway with Te Karangi A2 and other entities in Tapuika which would allow an opportunity to buy Rotoiti 15 shares in line with the initial intention of the investment. When asked why it is not mentioned as part of the Rotoiti 15 Trust Assets, Arapeta noted that it is mentioned in the pool financials as Glenn will be able to explain in his report.

John queried the Trust's investment in Waiū. Arapeta explained it was a 1% shareholding, investing \$250k.

Curtis asked around Tina Ngatai receiving a directors fee, noting that she deserves to be remunerated properly with the extra liability she is taking on board being apart of the Commercial entity. Arapeta explained that Tina's role as a director on the commercial entity is separate with her being remunerated under the commercial company, from her role as a trustee under the Trust and this is allowed.

**Resolved:** *"That both the Chairmans and General Managers Report be received"*  
Shirley Ngatai/Betty Vercoe **Carried**

### Distribution Report

Arapeta gave an overview of the Rotoiti 15 distributions and how it is structured in the way of contributing to the well-being of our beneficiaries and our culture and environment and the types of grants available to our people.

Arapeta advised that \$547k was available for distribution this year, although only \$296k was distributed. This means \$250k was to be carried over and made available for the following year. Arapeta explained that's since 2005 well over \$6 million has been distributed and about \$300-\$500k being distributed each year. Arapeta also spoke to highlights from the distributions in the last financial year, including a discretionary grant that helped fund tickets for Te Whare Kura o Ngāti Rongomai and Whanagmarino kura to attend the Māori All Blacks game held in Rotorua (Rotomā No 1 supported Te Kura Kaupapa Māori o Rotoiti).

Tony Wihapi enquired about the process for koeke grants and whether tangihanga grants were available.

Arapeta explained the age being 70 to be eligible for a koeke grant and once in our system your details are required to be updated every three years to ensure your contact details and bank account details are correct. He noted that this process was necessary to ensure that funding went to the correct bank accounts and ceased for koeke once deceased.

Arapeta pointed out that we have over 500 koeke and there are three age groups for koeke being 70-79, 80-89, 90+ and each group receive a different amount, each amount changing yearly depending on the amount available to distribute. He spoke about the fact we are living longer now in comparison to 10 years ago.

Lastly he noted that the Trust does not have a tangihanga grant available, with that being said we are reviewing the distribution policy with a view to be completed by next year and will have workshops with owners to have a opportunity to put ideas forward.

Te Rakapurua Tipiwai-Tamati noted that while there may be over 500 koeke receiving grants, the work on the pae and as kaikaranga falls to just a handful of kaumatua. He asked if there was any thought to how the Trust can support those kaumatua.

Arapeta acknowledged his point and suggested the distribution policy may be able to address this during the review. He noted that some other trusts have also started to put money aside for our kaumatua who support our marae in this way.

Nepia Te Rangi asked if the koeke age can be considered at bringing it down to 65. Arapeta said it will be up for korero with the distribution review workshops. Arapeta explained that the policy is over due for review as the last review was in 2014. Current thinking around the review is to maintain current grants but tweak to ensure better uptake and having our whānau and hapū to apply.

Arapeta also noted leveraging the Charitable Trust funds and explained how the Charitable Trust was established – including that the Trust placed \$2 million into the Charitable Trust to support our charitable distributions and at this stage the only grants that qualify for this are our marae and education grants. At this point in time the Charitable Trust is making more money than what we are paying out and the pool stands at \$3 million. We are looking to propose that another up to \$200k a year from the Charitable trust is added into the distribution pool as this can be easily sustained until around 2035.



By 2035 our income will increase from the trees being harvested the overall goal being to distribute \$1.8 million a year by 2026. Arapeta briefly outlined some of the ideas the Trust are considering including a leadership program focused on developing overall well being, building identity and wairua, haerenga/hikoi whenua, whanau days and utilizing marginal lands for maara kai. He advised that owners will also be able to share your ideas once we organize these workshops in the new year.

Ellen Tamati asked if Rotoiti 15 can support 1 cow and 2 mutton per year for the poukai held in Ngāti Pikiao plus maara. Arapeta explained we are always keen to support and have a standing grant to support the poukai.

Te Rakapurua Tipiwai-Tamati spoke about the history of distributions to the whanau and how our tipuna did not receive a grant and is thankful enough to be of age to receive a grant and have been well looked after.

Isobel Morehu asked about the up-coming waanaga and the depth of information that we will receive. She queried whether the Trust had considered an internal census, as this would help with the distribution policy review as it would inform the demographic profile of our owners. Arapeta noted that while that exercise wouldn't be achievable by March next year, we would utilise information we have now (census only) but acknowledged it is something to look to do in the future.

Harina Ruapapera introduce herself to the whanau and her connection to the whenua through her koroua Matene Tehuaki. She explained her role as a Te Arawa Parakore advisor and gave an over view of her role as a project leader for Te Arawa Taiohi Toa - a grass roots movement started by a group of rangatahi in Te Arawa who wanted to contribute back to our iwi, in a cultural, education and environmental space. She spoke about the work that she and others had done in seeking support from Te Pukenga Koeke, and Te Ariki Morehu being their primary Koeke support for their Kaupapa. She suggested that there may be an opportunity to collaborate with Rotoiti 15 and Te Arawa Taiohi toa to stand up wānanga for rangatahi to enable

us to grow and be resilient as uri of Rotoiti 15 by knowing who we are by going to these places and knowing our stories of our whenua and gives growth to our pae in the future. She expressed her concerns to lose whenua at Maniatutu on the basis that the whenua is our whakapapa and it's important to hold on to our whenua.

Arapeta thanked Harina for her korero and expressed how important it is to bring our whānau on board with the experience and drive in this space and welcomed Harina to be apart of the framework for this Kaupapa. Harina also noted there are other whānau out there as well that share the same passion and suggested this is a good place to start.

Aroha Campbell reiterated her kōrero from last year around ensuring the Trust captures kōrero around ownership and beneficiaries. She asked that leadership looks at a system to be able to capture this information so we can have our own data that better holds information of who we are and for our mokopuna.

John spoke about the importance to ensure funds go towards trades and finance to get our people into the workforce. Lack of certifications can be a barrier to getting a job. He suggested the Trust look at applying to the to fund walking tracks for the whanau to be able to walk the whenua. Arapeta noted that there are Trade Training grants available so this is something for the Trust look at how we can ensure our whānau can access these grants.

Angela Tunui supported further assistance for our koeke who look after our marae and paepae. She expressed concern that the distribution amount allocated is not all being utilized and noted the process for applying isn't great with room for improvement and happy to give feedback. She asked that the Trust help our Marae better and also challenged the Trust to make lead the way in ensuring our younger Tamariki Mokopuna are also supported in their younger years. Another attendee supported Angela's korero and asked that the Trust also focus on helping whānau, mum and dad so they can help their own children.

Arapeta acknowledge the complex space and there is a counter point to each space and that's why we come back to our

owners as we need to make and discuss these decisions collectively and so on.

Curtis Bidois asked about the Whitebait and asked if the trustees have no liability, then who did the trustees rely on professional advice from and if not why not. Arapeta responded no we haven't because there hasn't been apparent that we need too.

Aroha questioned what the overspend would be used on. Arapeta explained as the policies stands the underspend will be part of the pool for the following year. Arapeta also talked about the challenges marae have to come up with the additional funds for projects on the Marae as the Trust can only allocate \$50k in this space.

Ellen spoke about cost of feasibility studies of \$140k and asked if the Trust can help our marae in this space as we have two marae that have closed. Arapeta said yes Merehira and Kerri Anne can assist in this area with their experience with TPKs Oranga Marae program.

**Resolved:** "That the Distribution Report be received"

*Ellen Hakaraia-Tamati/John Lawless*  
**Carried**

## Financial Report

Glenn Hawkins presented the consolidated financial report for the year ended 30 June 2019 explaining the audit process that was conducted by Fred Cookson. Glenn gave a depth overview summary of the financial report and how the Trust has been progressing throughout the year with revenue, expenses and profit and loss. He also gave an in depth summary of the Charitable Trusts position.

Tony Wihapi commended the report noting that it is good to see the equity position up. Tony asked specific questions on how much was attributed to Otukawa and how much was from Maniatutu to gain clarity on the income from these assets. In regards to his question of which portion of 1.270 million came from Maniatutu and what portion come from Otukawa, Glen responded that \$229.652K come from Maniatutu with the balance coming from Otukawa.



# Ngā mīneti

## Minutes continued...

Tony questioned whether the Trust was satisfied with the returns on the respective farms and Arapeta's response noted that Maniatutu was a smaller farm and that there was a shorter period of operation due to the time of sale where operations needed to be shut down earlier. Annually Maniatutu had turned over around \$500k (based on the previous year). Tony also asked has Otukawa been consistent, Glenn responded up until last year it was.

Tony Wihapi then enquired as to whether the administration expenses for the Trust were considered reasonable for the level of staff. Glenn advised that the amount reflected approximately 1.5 – 2 staff at that time. Tony also queried what the \$75k covered for legal fees and what portion of that was for legal fees for the application that he filed. Arapeta said from the top of his head was about \$35k and the cost was reimbursed by insurance. Tony noted that it cost him \$60 to file his application and referred to the overall principle of the matter.

Leslie Savage asked why the Otukawa loan hasn't been paid back. Glenn explained that sits in a separate entity and their Directors aren't in a position to pay it back. From the Trusts perspective, it cannot pay the loan as it sits directly with the entity that runs the farm.

Tony asked if the Te Puia Tapapa partnerships part of Waiū. Glenn responded no and that NZ Super facilitated the set up collaboration of māori entities looking for investment opportunities and Rotoiti 15 Trust committed \$2.5 million.

Tony asked about Waiū what was the investment in this area and why isn't this mentioned. Glenn responded that it is mentioned in the notes and that Rotoiti 15 committed \$250k and the investment itself is \$30 million.

**Resolved:** "That the financial report be received"

Tony Wihapi/Carolyn Jones **Carried**

Arapeta explained the distributions for the year of carrying forward the under spend from the distributions and also leveraging from the Charitable Trust. He outlined the \$545k available for this year and how the money is allocated for each category,

noting that marae capital is higher but only \$50k available as there are marae committed to this amount just waiting for them to get to a point where they need it. Arapeta also outlined the payments of what our koeke will receive this year being in three brackets of 70-79 receiving \$268, 80-89 receiving \$293 and 90+ receiving \$1089. These will be paid out in December.

### General Business

Carolyn Jones expressed her interest for the new financial year around the marae capital grant and asked if a grant could be considered to help get Paruaharanui Marae dining hall up and running. Arapeta asked Carolyn to forward information to Kerri Anne as we may not have received this tono due to change over of staff, also noting that while Paruaharanui marae is not an affiliate marae the Trust is open to have a look to see how we can support.

Tony Wihapi raised his concerns around lack of Trustee responsibility in the matter of losing \$3.95 million in the Whitebait matter. He noted that strategies presented today is encouraging but he believes there was a misrepresentation to the Trustees from the Directors of the Whitebait company. He spoke about how he decided to file a motion to identify certain persons who should be called to account for the loss and advised his expectation that Trustees look at filing proceedings against the Directors of the Company to recover the loss.

He appealed to owners and trustees to consider having the four Directors made accountable for this loss. Tony acknowledged Fred Whata for choosing to retire, he also expressed his satisfaction of the Trusts annual report. Tony asked that the trustees to consider asking the SFO to investigate.

Arapeta explained that the Trustees have considered legal action and the advice outlined that it would likely cost half a million to prove a point with no retrieval of income. He also noted that one of the directors is being investigated by SFO, which is also probing into the company. While this is not being driven by the Trust we are monitoring and will wait and see what the outcome is.

Tony asked that the trustees consider being more pro active instead of waiting for others to get an outcome. Arapeta thanked Tony for his kōrero and that the trustees can consider looking into this.

Rangi Anderson gave a mihi to the trustees and supported Tony's request to seek accountability as he believes we were mislead. Noting if things had been done properly then things may have been different. His view was that if there are avenues to get it back then we should pursue those avenues and support the SFO consideration.

A query was raised as to why the Trust did not pay out dividends to owners. Arapeta spoke about the large numbers of owners (over 15000) meant that our modelling has shown that a dividend would be very minimal.

John Lawless asked if there are any mention of 1080 and if there are any workshops. Arapeta noted that we had not yet progressed this initiative but would look to raise this again in the new year.

Dennis Waiti advised his position that the Trust bring the koeke age down to 65 – 68. Arapeta said as mentioned before these can be addressed at the workshops in the new year, noting that if something increases then something else has to go and work through this process.

Isobel asked about confirmation of how the workshops process will run to ensure we address all categories not only distribution but also education and pest management. Arapeta said yes well factor them together over a period of days.

Tony Wihapi also gave a mihi to Katie Paul who was recently admitted to the bar.

Dr Ken Kennedy supported the kōrero from Tony about the Whitebait matter and acknowledged the resignation of Fred Whata. Anaru Te Amo agreed with Tony and Kens kōrero with the Whitebait matter. Curtis encouraged for the trustee to look at their professional advisors as they have liability insurance.



Dennis Waiti spoke about his position against 1080 and the Forest Gates being open often, he also noted that security needs to be addressed and tighten the reigns of who has access. Arapeta noted Dennis concerns and agreed that this needs to be worked on.

There was a discussion around Arikihanara Rikiti education which focuses on the fact wāhine need assistance, to ensure wāhine are thriving and asked that this is looked at as part of the wider educational training approach.

Huhana Church thanked the trust for giving her mokopuna a grant who graduated as a lawyer through Waikato university and also another moko is going to be a vet.

## Karakia Whakamutunga:

Tumihitai Raerino.

Hui concluded at 12.55pm.

## Attendance register

Gail Reihana, Kawhiti Tahana, David Ratima, George TePopo & Anihira Rose Taia Whanau Trust, Tira Reihana, Ara Kautai, Betty Vercoe, Sidney John Te Ua Whanau Trust, Donald Reihana, John Treanor, Aperahama Withers, Te Hari-mate-Paora Patene Whanau Trust, Aroha Campbell, Aporina Chapman, Mark Higgin, Clive Ngatai Whanau Trust, Ellen Hakaraia-Tamati, Isobel Morehu, Katarina Mansell, CM Hayward Whanau Trust, Piata Grant, Mary Dillon, Georgina Thompson, Arahia McKeachie Whanau Trust, Junior Grant, Helen Sisley, Richard Newton, Daphane Watene Whanau Trust, Alamien Ned, Rangiwhanake Apiata, Paul Ihaia, Ereatare-Te Maiharoa Whanau Trust, Carolyn Jones, Arikihanara Rikiti, Vivian Ihaia, Shirely Ngatai (Pahl), Norah Smith, Pirihira Raimona, Lesley Savage, Margaret Herbert, Cecil Smith, Te Ropiha Paul, Lucy Tahana, Pauline Klaus, Tony Wihapi, Arahia McKeachie, Katie Paul, Merehira Savage, Barbara Hill, Waeore Ngataiawhio, George Raerino, Rana Sorensen, Kawekura Samuels, Tina Ngatai, Mariana Cassidy, Honor Te Koi, Tepora Ashmore, Melanie Farmer, Catherine Faulkner, Lorraine Williams, John Lawless, Joe Tahana, Linda Bartlett, Harina Rupapera, Wirihana Te Rangi, Kerri Anne Hancock, Robert Henry, Lillian Cassidy, Ngahana Savage, Kira Vercoe, Rawiri Kingi, Waikota Cassidy, Maria Ihaia, Joseph Reid, Maxine Davies, Steven Trevelyan, Marlena Ihaia, Te Rau Aroha Brown Karakia, Lorraine Galvin, Edie Vercoe, Ratu Keepa Taepa, Keita Rikiti, Angela Tunui, Tilly Hirst, Orana Trevelyan, Te Raumawhitu Warihi, Attina Kiel, Violet Waiariki, Robbie Ropiha, Hohaia Tawa, Piki Thomas, John Kiel, Liz Rangitoheriri, Josie Mortesen, Douglas Faulkner, Te Rakapurua Tipiwai-Tamati, Julie Day, Patricia Pounden, Hinekiri Polgar, Huhana Church, Len Sergeant, Kaiawhiti Tahana, Hana Rogers, Paora Loffley, Matiu Pohatu, Tilly Patene, Graeme Niao, Kiri Tahana, Arapeta Tahana (Jnr), Phillip Mutu, James Malcolm, Peter Moke, Anaru Te Amo, Mary Stanton, Curtis Bidois, Agnes Roberts, Maina Rangi, Dr Ken Kennedy, Bella Peeti/Cribb, Lydia Thompson, Donna Inia, Joe Tahana, Dr Ken Kennedy, Dennis Waiti, Pedro Te Rangi, Anaru Te Amo, Anna Vercoe, Rangi Anderson, John Reid, Raina Biel, Darcey Rynd, Keith Walker, Glenn Hawkins.

## Apologies register

Kahurangi Ngamotu, Alva Corben, Cleo Newton, Margaret Burton, Pirihira Fenwick, Wairaka Te Ua, Robert Taiatini, Tania Walters, Calvin Clements, Janet Taiatini, Bunny Ormsby, Vicky Brimblecombe, Abel Taiatini, Rondell Reihana, Kataraina Reihana, Elizabeth Withers, Florence Rimini, Kakengao Kaienua, Kuini Rota Wawatai, Pateoro Ratana, Gladys Rangitoheriri, Marion Henry, Urutomo Clarke, Kelly Rangitoheriri, Ngawai Wattie, Tipene Clarke, David Rangitoheriri, Helen Crawford, Rauha Clarke, Dennis Rangitoheriri, Chevanne Kohu, Ringatauri Colvin, Terehia Paul, Althea Vercoe, Maxine Smith, Katherine Vercoe, Ranui Tamati-Parata, Mike Pohio, Te Kumeroa Vercoe, Lewis Vercoe, Garry Whaanga, Mangu Nick Tawa, Richard Vercoe, Muri Moengaroa, Garry Whaanga, Barnett Vercoe, Brett Moengaroa, Waihaurangi Gwnick, Lyn Vercoe, Nola Chapman, Isobel Roderick, Lorraine Pukepuke, Brad Tatere, Raymond Walker, Bill Vercoe, Tania Pounde, Elaine Thomas, Caylyn F Watts, Hokimate Frances Kahukiwa Whanau Trust, Ngaroma Grant, Juliet Rameka, Raymond Walker, Sonny Thomas, Keita Emery, John Walker, Tirakahurangi Maxted, John Kameta, David Pierson, Maramena Vercoe, Geoff Rice, Margaret McEnteer, John Walker, James Reihana.



# Ngā Mātārae Trustees

## Mātārae Trustee

**Mātārae (noun)**  
- headland, promontory  
(e.g. Te Mātārae i o Rehu)  
and a metaphor for an  
important person.

The role of the trustee is likened to one of the headlands, or mātārae, that surround Lake Rotoiti.

From that headland a trustee is able to see far and wide the landscape which he/she holds guardianship over and therefore is able to set a clear vision and/or direction for the trust and its owners and beneficiaries.



### Arapeta Tahana jnr

**Te Kūrae / Chairperson**  
– Mātārae since 2010

#### Iwi affiliations

Ngāti Pikiao, Ngāti Makino,  
Tapuika

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

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

He brings a wealth of experience as a former a Councillor of the Bay of Plenty Regional Council (Okurei ward) business owner, consultant, community development advisor and though governance roles across a range of sectors.



### Piki Thomas

**Mātārae 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 30+ years in the New Zealand Fire Service/ Fire and Emergency NZ serving as an operational firefighter, fire safety officer / investigator, 111 call centre and currently leads kaupapa Māori for the organization as part of the office of the chief executive.

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





**Joseph Tahana**  
Mātārae since 2016

**Iwi affiliations**

Ngāti Pikiao, Ngāti Makino, Tapuika

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

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

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



**Merehira Savage**  
Mātārae since 2017

**Iwi affiliations**

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

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

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

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



**Katie Priscilla Paul**  
Mātārae since 2019

**Iwi affiliations**

Ngāti Whakaue, Ngāti Awa, Ngāti Manawa, Tuhoe

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

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

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

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

# Ngā Mātārae

## Trustees continued...



### Mike Pohio

**Te Kūrae Pakihi Chairman LP  
since 2019**

#### **Iwi affiliations**

Ngāti Pikiao

Mike is currently Chief Executive of Ngāi Tahu Holdings. He is also a professional director with extensive experience across a range of sectors including agriculture, city regeneration, energy, fisheries, investments, logistics, property. Current directorships include Argosy Property, Rotoiti 15 ILP (Chairman) and Te Atiawa Iwi Holdings.

His recent governance included directorships on the boards of Ngai Tahu Holdings, Ngamotu Hotels, NIWA, OSPRI and Panuku Development Auckland. He was also former CEO of Tainui Group Holdings (TGH).

Mike holds an MBA from IMD, Lausanne, an FCA from the Chartered Accountants Australia and New Zealand and is a Chartered Member of the New Zealand Institute of Directors.



### Geoff Rice

**Mātārae Pakihi since 2019**

#### **Iwi affiliations**

Ngāti Whakaue, Tapuika

Geoff has extensive governance and commercial experience, specializing in finance, investment, sale and purchase of businesses/property, strategic planning, governance, negotiations and Māori Well-Being & Economy. In addition to a comprehensive business ownership and management portfolio and being Director and major shareholder of several companies, Geoff also holds the following roles for his iwi:

- Chair of the Ngāti Tura, Ngāti Te Ngākau Hapū Trust, appointed Director to Te Arawa Group Holdings (TAGH) Limited;
- Appointed to 2 Rotorua Lakes (RPSC) and Regional (LRIB) Council Boards;
- Trustee on Maori Land Trust boards and chair of two;
- Executive member & chair of TAFOMA and member of RCOC;
- Tapuika Iwi Authority past Claims Negotiator; and
- Past vice president of NZ Retail Produce Federation.



# Ngā Tauwharenga

## Management team

### Te Tauwharenga General Manager (Trust)

**Tauwharenga (noun)**  
– overhang, ledge

The title 'Te Tauwharenga' likens the General Manager role to an overhang or ledge of the same promontory (mātārae) that describes the role of a trustee. From the ledge of the headland, the General Manager has the same view as the trustees, with an understanding of the trusts strategic vision. The ledge also provides the GM with a view to oversee the flow of the stream (daily operations) to the mouth which flows out into Lake Rotoiti (community projects).



#### Kerri Anne Hancock (nee Rogers)

**Te Tauwharenga - General Manager  
Since November 2019**

##### **Iwi affiliations**

Ngāti Tarawhai, Ngāti Whakaue,  
Ngāti Rangiwewehi

Kerri Anne was born and raised in Rotorua, a proud beneficiary of the trust. Her whakapapa to Rotoiti 15 whenua is through her tupuna kuia, Te Ririū, of Ngāti Tarawhai descent. Kerri Anne has been in the Te Tauwharenga (General Manager) role for just over a year now, having been appointed in 2019.

Kerri Anne's background is in Treaty settlement negotiations, and worked on locally important projects such as as Rotorua Reorua (Bilingual Rotorua), the early Māori Land Service Design and working with iwi entities with planning and strategy work. She was awarded the 2019 Emerging Leader award in the Westpac Rotorua Business Excellence Awards for the work she has done in her governance positions for Ngāti Rangiwewehi.

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



#### Brad Tatere

**Te Tauwharenga Pakihi - investment  
General Manager Since 2019**

##### **Iwi affiliations**

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

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

Brad was appointed General Manager Investments in 2019 following the establishment of Rotoiti 15's commercial entity – Rotoiti 15 Investments Limited Partnership. Brad has spent the past fifteen years in corporate finance and portfolio management, and Agri-commercial banking.

Brad brings a wealth of knowledge and expertise to the Rotoiti 15 Group which will enable the crystallization of value and improved long-term returns, ultimately for the benefit of owners.

# Ngā Ia o ngā Awa

## Administration team

**Ia (noun)**  
– current, flow;  
**awa (noun)**  
– river, stream, creek

Our administrators team's role is to keep the trusts everyday operations flowing smoothly, hence their role is likened to the flow of one of the many streams that run into Lake Rotoiti.



### Karen Tiori

**Te Ia o Te Awa - Executive Administrator since February 2020**

#### Iwi affiliations

Ngāti Pikiao, Tainui, Ngāti Porou, Te Whakatohea

Karen was born and raised in Rotorua. She is proud of her Ngāti Pikiao descent through her kuia, Nanny Teira Samuels (nee Hunuhunu). Karen is also of Tainui (Ngāti Koroki), Ngāti Porou (Te Whānau a Takimoana) and Te Whakatohea (Ngāti Ruatakenga) descent. She has two sons Kakuere and Iharaira and one daughter Miracle.

She lived in Perth for 11 years, with 7 years of commitment working for a corporate business within the building construction industry from various roles of administration, client liaising and co-ordinating of multiple projects. A desire of Karen's was to one day return home with the skills and international knowledge she had gained to work for her own people. Karen returned home to Rotorua in 2014 to raise her 3 tamariki connecting them with their maori heritage through their Ngāti Pikiao and Ngāti Whakaue whakapapa.

In February 2020 Karen was appointed the new Executive Administrator of Rotoiti 15 Trust after spending four years of progressing skills and knowledge through assisting Maori Land Trusts and Incorporations with Deloitte Rotorua. As a proud beneficiary of Rotoiti 15 Trust, Karen is committed in her role with assisting in the development of our people and providing opportunities for the future generations.



### Te Raurangi Gardiner

**Te Ia o Te Awa I – Rēhita – Share Register since August 2020**

#### Iwi affiliations

Ngāti Pikiao, Ngāti Awa, Te Whānau a Apanui, Ngāti Maniapoto

Te Raurangi was born and raised in Rotoiti. Proud to be of Ngāti Pikiao decent, She is a Māmā of two, Erel (d) & Ella. Te Raurangi is also of Ngāti Awa, Te Whānau a Apanui, Ngāti Maniapoto, Taranaki decent.

Te Raurangi has 10 years experience in the finance industry, working for Credit Union's both here in NZ and Australia in various roles from Executive Administration, Customer Services and Lending Officer.

Her desire to give back and work for her people was realised when an opportunity to become a Share Registry Officer at Deloitte became available. Te Raurangi jumped at the chance for change and enjoyed a year in the role before taking maternity leave with her daughter Ella.

As a proud beneficiary of Rotoiti 15, Te Raurangi brings with her a number of skills gained from past roles in governance within Ngāti Pikiao. This inspires her to work to help develop and provide opportunities for future generations.

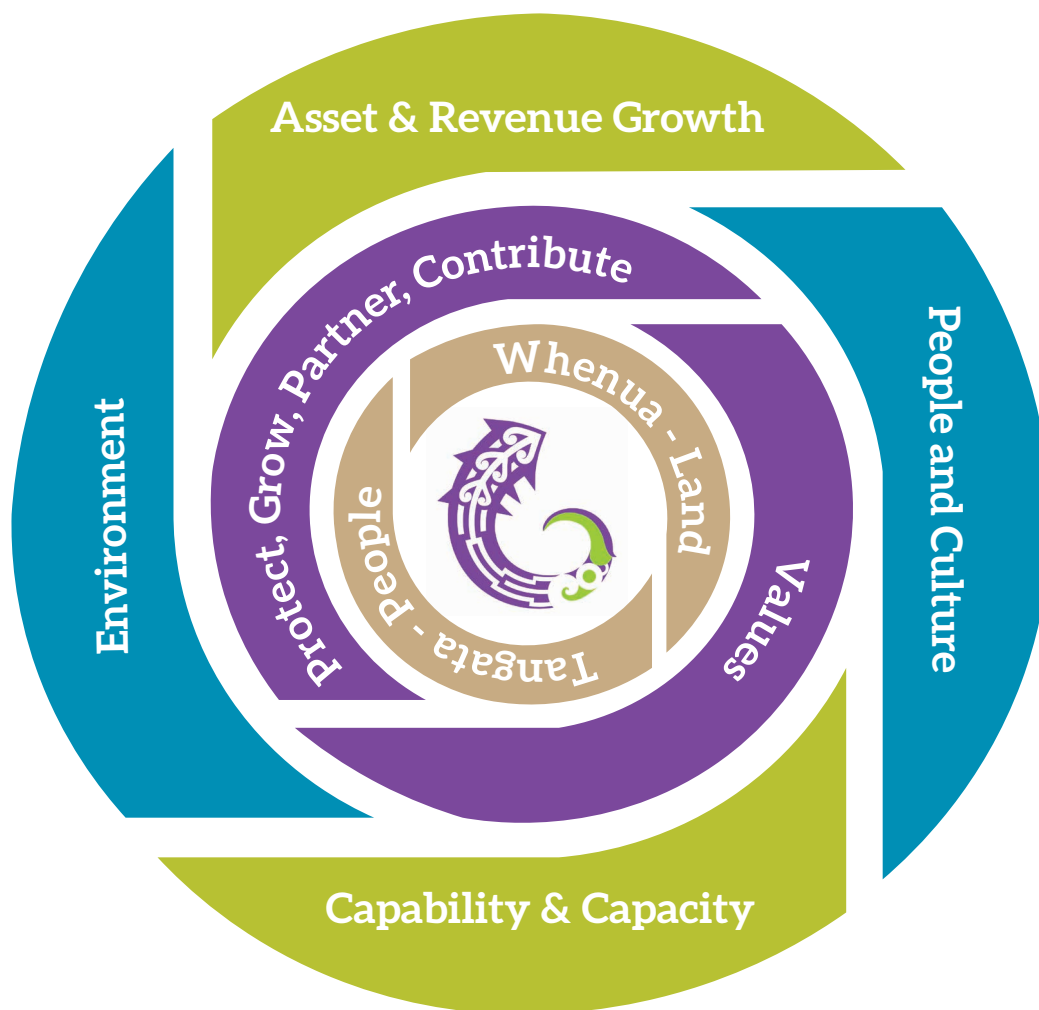


# Te rautaki matua

## Strategic directions

“Kia hihiri te ōhanga, te oranga me te pukumahi i runga i te ngākau ngātahi”

*“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 tū maia  
Kia ngātahi 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



# Pūrongo o te Kūrae

## Chairman's report

### He Mihi

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

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

Ka mihi kau ana ki a koutou katoa e whakapapa mai nei ki ēnei whenua o te Rotoiti 15. Otirā, me mihi ki ngā hapū, ki ngā iwi honohono o te whenua nei, ka tika. Nā wēra kawai whakapapa ka tuku mai ēnei whenua ki a tatau. Nō reira, Ngāti Hinekura, Ngāti Te Rangiuuora, Ngāti Rongomai, Ngāti Tarawhai, Tūhourangi-Ngāti Wāhiao, Ngāti Rangitahi, Ngāti Te Takinga, nei ra te mihi.

Tēnā e te iwi pānui mai i te ripoata nei, kua hangaia hai rauemi ma koutou, kia mohio ai ki ngā nekenekahanga o to tatau whenua, me o rawa maha. Nei ra te mihi maioha kia koutou, mai i te hunga hautū. Mauriora ki a tatau.

### Kupu Whakataki

#### Introduction

On behalf of Rotoiti 15 Trust I humbly present our annual report for the 2019/20 financial year.

This year has seen us challenged like never before. Not only by the threat Covid-19 has had on our livelihoods, our investments and our ability to connect with each other, but also how it has shaped our future and that of our tamariki mokopuna. The world has changed and the challenges are many – in many ways it has allowed us to reset and listen to what Papatūānuku and Ranginui, and draw upon the strength of our whakapapa (connectedness) and ahurea (culture) to navigate a way forward.

It is with this lens, the Trust took a deliberate and calculated approach to the Covid-19 crisis:

- We collaborated with Te Tokotoru o Te Manawatokoko to provide immediate support to our most vulnerable with a contribution of \$10k to their incredible work.
- We anticipated the impending investment from the government in order to stimulate the economy, and have positioned ourselves to access funding that both creates jobs for our people and works towards the betterment of our taiao. We are expecting some of these tonos to come to fruition in the 20/21 financial year.

At a time when many tightened their belts, the Trust has been in a solid position heading into uncertain times. We have focussed on improving our systems and ensuring we

are delivering on our distributions policy so that these funds are out in the community, helping you, our shareholders and beneficiaries. Additionally, our internal policy of ensuring that as much of our operational expenditure stays within the iwi economy, has become increasingly important.

Despite the pandemic, our focus on delivering on our vision and evolving to respond to the challenges and opportunities of a changing environment remains. The Chair's report aims to provide owners with a snapshot of key highlights, while the remainder of the annual report provides greater detail about the key activities of the trust. We look forward to the AGM as an opportunity to get your feedback on our mahi over the past year and to provide some insight into the year ahead.

### Ngā Nekenekahanga Matua

#### Key developments over the past year

The past year has been the first full year with the Rotoiti 15 Limited Partnership to oversee new investments and provide management advice on current assets. Chaired by Mike Pohio, and supported by Geoff Rice and Arapeta Tahana (Trust representative, previously Tina Ngatai) they have been working hard to set the foundations for growth, and I thank Mike and the team for their work this year.

Last year you asked your Trustees to review the merits of, and then consider pursuing potential legal claims to recover the NZ Premium Whitebait investment and seek accountability. As such, we sought legal advice on how to best proceed. The advice was that the cost of the legal claims to recover the investment is unlikely to outweigh the benefits because:

- The Potential defendant (ie the company) is in liquidation and has no funds and recovering from the company is almost nil.
- Shareholders cannot be held liable for the actions of the company so it is difficult to pursue other shareholders
- Pursuing individuals is difficult if their actions were taken on behalf of the company
- The nature of the claims we would need to bring are complex and the prospects of success are uncertain.

With the cost of investment strongly anticipated to outweigh the ability to recover costs or hold people accountable, the Trust reaffirmed its decision to not pursue legal action on this matter.

The liquidation of the NZ premium whitebait company is expected to be finalized by Christmas. Once this is finalized, the Limited Partnership and general partner company will be wound up and we will have closure on this kaupapa and can focus on investment that will focus on creating intergenerational wealth and change for our people.

Te Kūrae  
Chairperson

**Kūrae (noun) - headland, promontory (e.g. Te Kūrae-o-te-ihu-o-Tamatekapua).**

The use of 'kūrae' likens the role to one of the headlands that surround Lake Rotoiti. From that headland we are able to see far and wide across our landscape and therefore set a clear vision and direction for the trust and its owners.



## Te Ihu Oneone Management Capability

You may recall last year we appointed Kerri Anne Hancock as Te Tauwharenga or General Manager Trust. The Trust has continued to build our management capability as a core aspect of our long term strategy and is pleased to add to the team Karen Tiori (Executive Administrator) and Te Raurangi Gardiner (Register Administrator). Both beneficiaries of the Trust, the team has set up our own office space on Haupapa Street to better position the Trust to support you with all your queries, registration and distribution queries. These appointments are a significant step in progressing our strategic goal of delivering approximately 70% of our work from in house (versus contracting outside companies). This is one way we are able to provide employment opportunities directly to our beneficiaries and build the Trusts capability and capacity to effectively deliver on our vision.

The Trust would like to acknowledge Glenn Hawkins and his team for looking after our register and our shareholders on our behalf for the last few years. Glenn and his team will continue to deliver their stellar service as the Trusts accountants.

## Te Hanga Pūtea Financials

Over the past year, the Trust has achieved another solid financial result. The Trust achieved an operating deficit of \$43k and an overall after tax profit of \$826k (including the revaluations). This represents a 8% decrease in overall profit compared to the previous year.

The Trust's asset base has had further growth of \$643k which represents a 1.3% increase compared to the previous year. This is largely attributable to the profit result for the past year.

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

## Te Pūtea Tautoko Distributions

The past year has seen the Trust distribute **\$412,743**. This was 76% of the **\$545,932** made available for distributions – an increase from just 54% of total allocation distributed last year. We attribute to this increase in uptake to the efforts from Trust management to make the process as seamless possible for you the shareholders and beneficiaries.

At our last AGM you challenged the Trustees to consider changes to the Distribution policy to recognise the role of ahi kaa, and in particular our kaumatua who work hard for our iwi and our marae every day. We have accepted that challenge, and after rigorous consultation, we look forward to finalising the revised draft of the reviewed Distribution policy with you.

## Kōrero Whakakapi Closing Remarks

As you know, this year we farewell Tina Ngatai who resigned from her role as Trustee earlier this year due to time commitments. Tina had been a Trustee on Rotoiti 15 since 2007 and the expertise and commitment in which she has served the Trust, the whenua and our people over the last 14 years has been extraordinary. Her commitment has been relentless and she helped the Trust navigate many challenges and changes. There is no doubt that your service and sacrifice has contributed to the current strength and position the Trust enjoys today, and your courage and leadership on the Trust will be greatly missed.

Kai tōku mareikura, kai tōku rangatira, he mihi nui tēnei nā tō whānau o te Tarati o Rotoiti 15, mōu e whakapou werawera nei ki te tutuki i ngā hiahia, i ngā āwhero ā ō tātau mātau tupun.. Otira kua pera hoki ia ki nga poari maha o Te Arawa whanui, ki te taha pakihi, ki te taha whenua Maori, ki te taha o te hauora. I runga anō i wēnei kōrero, kua pāngia hoki te pōuri me te aroha nui i tō rihainatanga. Ahakoa ko tena, mohio tonu nei matau ka aukati tetei kuaha, ka tuwhera tetei ano. I runga i taua ahuatanga, ko te manako ia, ka rere pai koe, ka tutuki tau e hiahia ana, ka mauri ora koutou ko to whānau.

To my fellow Trustees – Thank you once more for your time, your aroha and hard work over the past year - I appreciate the collective knowledge, experience and passion you all bring to the kaupapa and I look forward to welcoming a new Trustee following this year's elections.

I would also like to thank our three staff. We have seen the benefits of bringing these functions in house, particularly due to your passion for our kaupapa, your aroha for our people and commitment to delivering the vision of the Trust, ka mihi kau ake ki a koutou.

I also acknowledge our various business partners and professional advisors who have supported us through these unprecedented times.

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

**Mauriora ki a tatau katoa.**

**Arapeta Tahana,  
Te Kūrae, Chairperson**



# Pūrongo o te Kūrae Pakihi

## Chairman's limited partnership report

Rotoiti 15 Investments Limited Partnership (**R15ILP**) was established by Rotoiti 15 Trust (**the Trust**) to bring greater commercial focus to the commercial assets of the Trust. Being an intergenerational Māori owned entity, building and managing an investment portfolio to provide for the intergenerational needs of owners takes specific skills and expertise.

In late 2019, R15ILP was established and certain commercial assets, including cash and an equities portfolio was transferred to R15ILP to form the basis of the investment portfolio.

From the outset Trustees were very conscious to establish a structure with the necessary policies and procedures in place to ensure 100% alignment to the organisational values and vision. Having a robust investment framework in place and quality communication were priority tasks in the establishment phase.

A board of three directors was appointed and the focus for the remainder of FY20 was to develop the investment strategy, review funds under management, forest management and start the development of the broader forestry investment strategy.

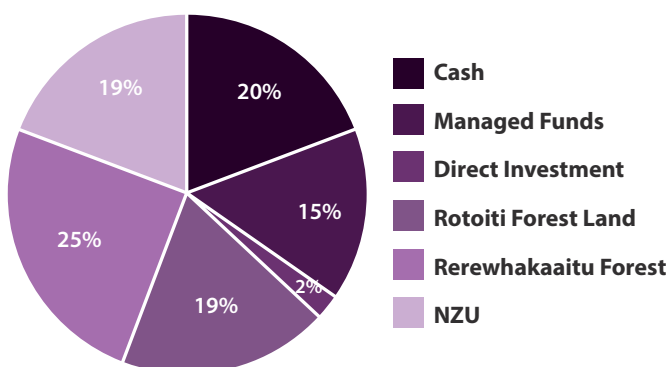
A new investment strategy (SIPO) was approved by R15 Trustees and R15ILP set out to implement this strategy. This included a restructure of its financial portfolio and approval for R15ILP's first direct investment.

The impact of Covid was immediate and the effects will endure as economies around the World adjust to consumer spend with physical distancing restrictions or lockdowns and especially with border closures. Markets have seen unprecedented volatility and R15ILP's investment portfolio was effectively in recovery mode for the lows during March. Low interests rates adversely impacted funds on deposit and have gone down even further. Accordingly, returns for the period post transfer of assets to R15ILP up to 30 June were suppressed below the fixed costs and a loss resulted for the inaugural financial year.

At a group perspective, R15 has assets of \$54.8m:

- R15 Trust \$34.2m
- R15 Investments LP \$13.2m
- R15 Charitable Trust \$3.14m
- Otukawa Whenua LP \$4.3m (1)

### Rotoiti 15 Group Asset Portfolio



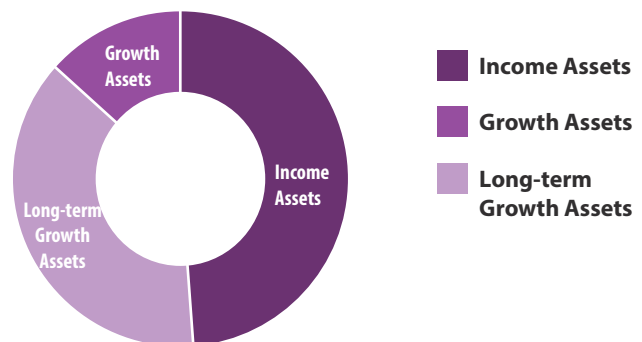
The challenge in the current economic environment is to achieve an appropriate return relative to both the level of risk taken and the underlying asset value. The Trustees have set an aspirational goal of achieving a \$2.0m distribution potential from commercial activities by 2026.

To give some context, the asset portfolio will need to grow by 8.2% cumulative average growth rate (CAGR) and income by 24% CAGR through to 2026. While this will be challenging, it is motivating to have an aspirational goal that is aimed at delivering tangible results to the owners of Rotoiti 15.

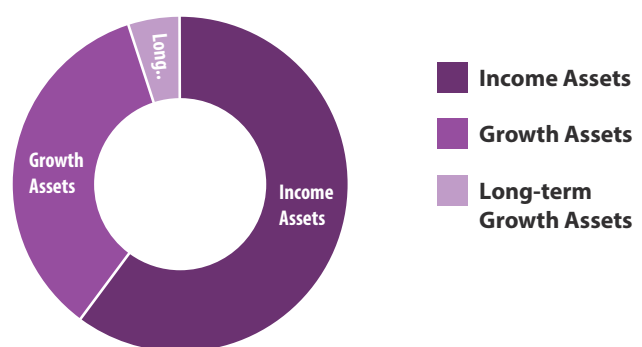
Managing the investment activities of the group is structured by applying an asset allocation methodology. Assets or investments can be categorised into income/ defensive, growth/ operating, or long-term growth assets, and each category has a different income characteristic. For example, income assets generate a reliable income year-on-year and some capital growth, while growth assets generate income but is subject to volatility (e.g. dairy farming and milk price).

The objective is to continuously rebalance the asset allocation until the target balance between income and growth is achieved and sustainable. As illustrated in the graphs below, there is a need to grow income and growth assets and reduce the value allocated to long-term growth assets. In doing so, the group will achieve the Trust's goal of achieving a \$2m distribution.

### Rotoiti 15 Group Asset Allocation - Existing



### Rotoiti 15 Group Asset Allocation - Target



1. The Trust's 60% interest in the assets of Otukawa Whenua LP has a value of \$2.6m as at 30 June 2020.

The \$4.3m represents the entire value of the LP's assets, as required under the NZ International Financial Reporting Standards (IFRS).



The group asset portfolio is dominated by forestry assets, with 50% of these not generating an income until harvest. With the funds available to invest it will be important to select quality and enduring investments which have the ability to perform through economic cycles.

Of particular interest are direct investment opportunities within Rotoiti 15's rohe, and while a number have been reviewed to date, they have not met SIPO requirements. Discussions about investment in key sectors alongside target partners continues and the group expect to see further positive moves in FY21.

Unfortunately, the current environment is awash with both institutional and retail investment appetite as low interest rates force depositors to consider alternative investments. This has a negative impact on R15ILP because there is more competition in the market which pushes up asset values, lowering the overall return.

To counter this, R15ILP believes collective investment vehicles provide the opportunity to participate with like-minded groups, by pooling capital to invest in larger investment assets. A simple analogy for example is kiwifruit. There will be more competition for a 5ha orchard, than there will be for a 50ha orchard due to the capital required to acquire. Just as important as the asset, however, is the management expertise required to manage, and this is an important consideration for any direct investment with an operational component.

**Direct investment approved during FY20 include:**

- Restructure of the financial portfolio resulting in the investment into 5 specific fund managers
- Approval for a \$3m investment into 'Hapai' – an iwi owned and controlled commercial property fund

**Investment currently under considered include:**

- Forestry
- Horticulture – permanent crop
- Utilisations of R15 NZU to generate improved returns

The Rotoiti 15 Investments Limited Partnership Board is governed by Directors; Mike Pohio (Chairman), Geoff Rice, and Arapeta Tahana, supported by Investment Manager, Brad Tatere.



# Pūrongo o Te Tauwharenga

## General Manager's report

E tū ana ki te taumata o Ngongotahā e tū takotako rā  
Ka titiro whakararo iho ki waku iwi o Ngāti Whakaue,  
Ngāti Rangiwewehi hoki i runga i te waka o Te Arawa  
E rere ana i ngā wai karekare o Rotorua Nui a Kahumatamomoe  
Ka tae atu te waka ki uta, ki ngā marae nukunuku-ātea o  
Ohinemutu me Awahou  
Kia rongo i te reo pohiri o waku hapū ki korā  
E mihi nei, E karanga nei  
Anei te mihi ki tōku whakapapa ki to tatau whenua o  
Rotoiti 15, he hononga mai i toku tupuna kuia a Te Riri te  
tuatahi, he uri whakaheke o Ngāti Tarāwhai

Tēnā koutou otirā tēnā tatau katoa. It has been an incredible year for the trust and a pleasure working for you, the owners, and serving alongside your hardworking Chair and Trustees. The Trust and Management set some ambitious KPIS this year in order to progress the Trusts strategic plan:

- Kia Puawai - Growing Capability and Capacity within the Trust
- Kia Tiaki Taiao - Caring for our Environment
- Kia Tohatoha - Trust Distributions

### Kia Puawai

We have grown capability and capacity within the Trust through the appointment of two of our talented beneficiaries, Karen Tiori and Te Raurangi Gardiner. It's a pleasure working alongside these women, and their passion for delivering for their whenua and our people is nothing short of inspiring. You may have met the team already as we have been out and about in the hapori. The appointment of Karen and Te Raurangi has allowed the Trust to manage our register in house, creating both cost savings and allowing us to get to know you, our shareholders better.

Please feel free to come and see the team at our offices at 1172 Haupapa street. We would love to see you.

We would also like to flag that our Trust deed is somewhat limiting and requires an update to reflect the changing way of how we interact together as whānau who whakapapa to this whenua. Next year we intend to bring a number of suggestions for your consideration that will be aimed at improving the ability of the Trust to deliver for you, the shareholders.

### Kia Tiaki Taiao

We have embodied our care for the taiao through our annual practise of an annual dawn karakia (started in 2016). The annual dawn karakia provides an opportunity for us to mihi to our whenua, tupuna and atua for the benefits we receive from our whenua. It also aims to remind trustees and owners of our obligations to our whenua and assist us in carrying out these duties. This year's karakia was performed by Te Waata Cribb with support from Matene Simon, Kemara Kennedy and Jade Kameta. Nei te mihi ki a koutou.

Earlier this year we held wānanga to understand your aspirations for your whenua. As well as an outcry for opportunities to connect with your whenua, you also gave firm direction on your aspirations to ensure the whenua and its inhabitants, flourish. Based on this waananga a 'Kia Tikaki Taiao' decision making policy and framework has been developed to help guide the Trust in its decision-making. The impact of Covid 19, and the investment from the government in nature projects, has provided a platform for us to progress discussions with local and central government on your aspirations. We look forward to both presenting this to you and implementing the actions required to help us deliver on those aspirations in due course.

### Kia Tohatoha

We have improved our distribution processes and, with your help, reviewed the Trust Distribution Policy.

Covid-19 has meant the review took a little bit longer to complete than we had hoped, however over the course of the past year we have engaged with over 290 of our owners via online surveys, waananga, hui and even 1 on 1 kōrero so that we can make sure our distribution policy is both fit for purpose and maximises outcomes for our owners. Thank you to all those who took the time to share your expertise and whakaaro on this important kaupapa. Following ratification, this policy will be in effect from the 21/22 FY.

You may have noticed the Trusts concerted effort in communications to ensure our shareholders and beneficiaries are kept up to date with both Trust business, and the grant application process. An online portal for submitting applications through [www.rototi15.com](http://www.rototi15.com) has been launched, alongside a brand new reorua (bi-lingual) website. The idea is to make it as easy as possible for you to submit your applications/update your details. Feel free to let us know any feedback you have on this process so we can continue to refine it as required.

**Nā reira, waku whanaunga, nei ka mihi maioha mo ōu koutou manaaktianga, ōu koutou āwhina hoki i taku tau tuatahiki tēnei Tarati.**

**Kerri Anne Hancock,**  
**Te Tauwharenga - General Manager**



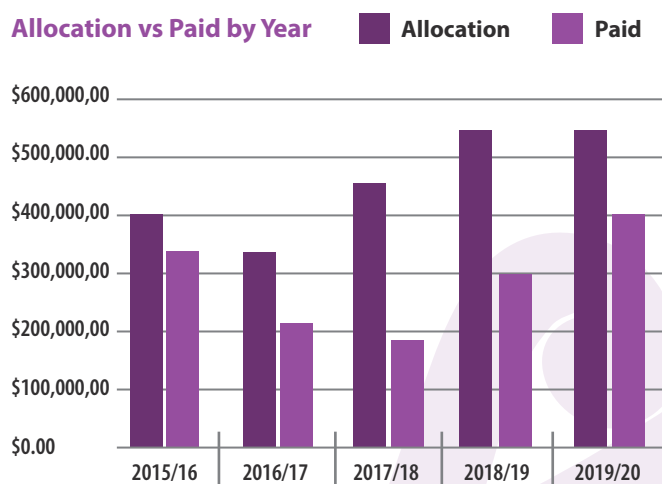
# Te pūtea tautoko

## Distributions report

### One of our best years yet

This financial year has been another positive year for both the Rotoiti 15 Trust, and the Rotoiti 15 Charitable Trust. Collectively they have distributed \$412,743 to beneficiaries, shareholders, Marae and community organizations – you can see from the graph below, this is the largest distribution we have done in recent years. This can be attributed to increased communication with our Rotoiti 15 whānau to raise awareness of the pūtea tautoko available, but also to our new online application system. This allows whānau to access information and submit tono for consideration easier.

#### Allocation vs Paid by Year



### Leveraging Partnerships

The Trust has also been able to maximise our contribution to our people through partnerships such as the Taihonoa Partnership Scholarship with the University of Victoria which matches the contribution the Trust makes to students studying within the institution. We also have the Tuara Matata Scholarship which provides \$30k to Science students through our relationship with Tautara Matawhaura and Rotomā No. 1 Incorporation and Mercury Energy.

Another example of working together is the Trust also made a \$10,000 grant to Te Tokotoru o Te Manawakotokoto to support their amazing work in looking after our people during the Covid 19 lockdown.

### Whānau Voices

Thank you to all our Rotoiti 15 whānau who took the time to apply for grants this year – and to also share your stories of how the grant was utilized and created positive outcomes for your whānau iwi and hapū via our new online accountability form. The Trust loves hearing your kōrero and it helps the Trust ensure the distribution policy meets your needs as shareholders and beneficiaries.

*“Helped me be a role model for my tamariki – to lead a path of higher education which will inspire my tamariki to achieve their aspirations.” - Brendon Smith, Tertiary Grant recipient*

*“This grant helped me spend more time with my pēpi as I didn’t have to spend extra hours at mahi to fund my paper.”*

**- Chrissy Keepa, Tertiary Grant recipient**

*“Self Development in the delivery of Mahi a Atua Framework within the various working fields our business is currently operating. It has created a need to bring forward our Pūrākau/ Kōrero Tukuhiho into our conscious space as alternative tools and methods to develop teaching models by indigenising our space both home and working environment.” - Kemara James Kennedy, Cultural Grant recipient.*

*“Ngāti Pārua would like to thank the Rotoiti 15 Trust for the opportunity to bring our hapū of Ngāti Pārua together to learn our Māori Language and to have the resources to be able to coordinate a successful wānanga. We are very grateful for this kaupapa and we hope to hold many more in the future. We believe that by allowing the hapū to come together it also allows whānau to have the space and time to learn as a hapū.” - Te Waata Cribb – Kaiako, Ngāti Pārua wānanga Reo 2020*

Grant Types	C/fwd from PY	2019/20 Allocation	Grants Paid 2019/20 FY	Balance
Koeke Grants	-	175,652	161,694	13,958
Educations Grants - Tertiary	8,100	29,900	37,900	100
Educations Grants - Trade Training	48,149	-46,149	2,000	-
Community Organisation Grants	-	12,547	12,547	-
Discretionary	7,385	23,430	27,704	3,111
Marae Annual Grant	31,000	34,000	54,000	11,000
Marae - Capital Works Grant	140,000	50,000	90,000	100,000
Cultural Activities Grant	12,766	14,133	25,899	1,000
Environmental Grants	3,533	1,486	1,000	4,019
	250,932	294,999	412,743	133,188

### Distribution Review

The Distribution Policy review was a significant part of the 19/20 workplan –The Trust enjoyed meeting with so many of our shareholders, kaumatua and beneficiaries to hear your aspirations and views on how the distribution policy can be improved to maximise outcomes for your whānau, hapū and iwi.

We look forward to presenting to you, a revised distribution policy that proposes we both continue the grants we already have, and that we include additional workstreams. Additional streams are focused on:

- supporting the special role our Kaumatua on our paepae play; and
- providing a special funding stream for our affiliated
- kura/kōhanga reo and early childhood centres.

# Whakarāpopototanga

## Summary of distributions



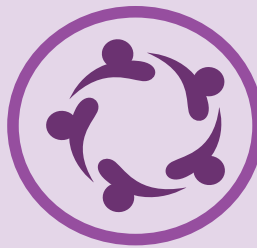
EDUCATION  
\$37,900



CULTURAL  
\$25,899



TRADE  
\$2,000



COMMUNITY  
\$12,547



DISCRETIONARY  
\$27,704



KOEKE  
\$161,694



MARAE  
\$144,000



ENVIRONMENTAL  
\$1,000



TOTAL DISTRIBUTIONS  
19/20 FY

\$412,743







# Pūrongo ā pūtea Financial report

# Pūrongo ā pūtea

## Financial report

### Financial Overview

The consolidated financial statements presented are for the financial year ended 30 June 2020.

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
- Rotoiti 15 Investments Limited Partnership
- Rotoiti 15 Holdings Limited
- Rotoiti 15 Charitable Trust

This overview provides a snapshot of the Group's finances and results for 2019/20 year. The full financial statements are available on pages 30 - 55. The financial statements were audited by Cookson Forbes & Associates.

### Financial performance

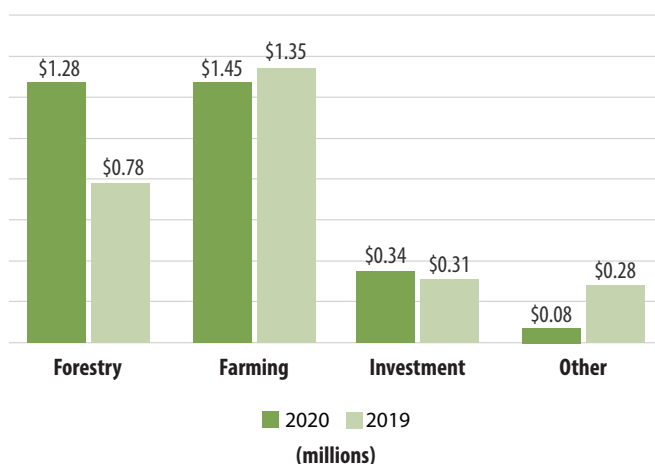
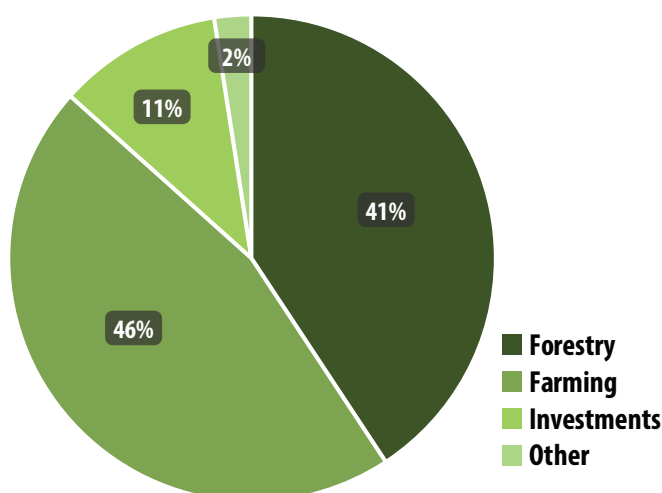
In 2019/20, the Group delivered a similar overall result to the previous year, with operating revenue up 16% compared to last year, while operating expenses were almost identical to the previous year. An operating profit of \$330,051 was achieved this year, which is a significant improvement on last year's operating loss (\$105,640). After adjusting for revaluations, gains, losses and impairments, the net profit of \$144,011 is 86% down compared to 2019 (\$1,008,027)

	This year	Last year	Change
Revenue	3,151,390	2,722,306	↓ 16%
Expenses	(2,821,339)	(2,827,946)	↑ 0%
<b>Operating profit</b>	<b>330,051</b>	<b>(105,640)</b>	↓ 412%
Other gains/(losses)	228,925	882,177	↓ (74%)
Tax	(84,914)	125,850	↓ (167%)
<b>Net profit</b>	<b>144,011</b>	<b>1,008,027</b>	↓ (86%)

Other comprehensive income included revaluations of some of the Trust's key investments, most notably the New Zealand Units (carbon credits) and the net result had an extremely positive impact on the overall result of \$2.7m. Total Comprehensive income was \$2,875,540 (last year: \$1,008,728).

### Revenue

For the year ended 30 June 2020, the Group had total revenue of \$3.2m (up 15% on last year). The majority of this income was generated from the core activities of forestry, farming and investments. Income from forestry rent was up 64% at \$1.3m. Farming income was up 7% at \$1.5m and continues to be the major source of revenue for the Group. The milk proceeds are only sourced from the Otukawa joint venture farm, with the sale of the Maniatutu Farm, so it's an excellent result. Investment income received from portfolios, terms deposits and shares increased by 11% to \$344k.





## Expenses

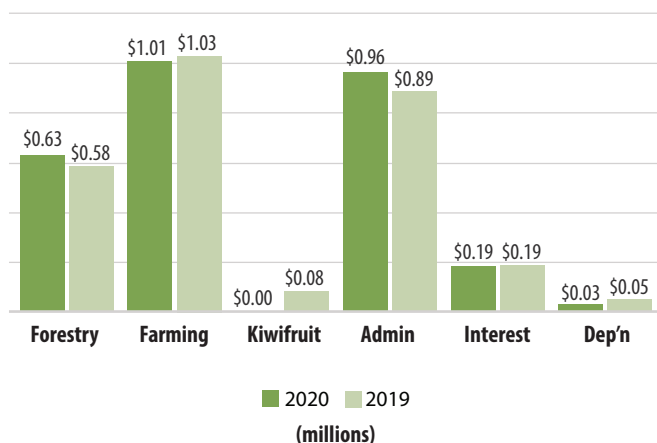
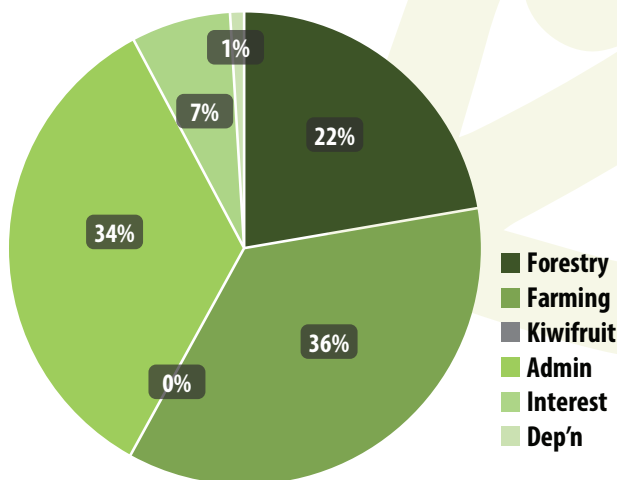
Total expenses for the Group were steady at \$2.8 million (a 0.2% decrease compared to last year).

**Forestry expenses** made up 22% or \$629,784 of the total expenditure. This has increased by \$45,446 compared to 2019, and that is predominantly due to additional thinning costs.

**Dairy farm expenditure** was the highest contributor to total expenditure again at 36% or \$1 million. Income from milk proceeds is higher this year, so overall costs have declined, relatively speaking. Total dairy farm expenditure has decreased by \$21,235 compared to the last financial year.

**Administration expenses** totalling \$961,021, represent 34% of total expenses. Administration expenses are made up of governance and management costs, professional adviser expenses and office running costs. Administration expenses have increased by \$71,050 compared to 2019.

**Interest expenses** for the year were \$192,652 or 7% of the total expenses. Interest paid relates to the loan facility that Otukawa has with BNZ. Interest costs are steady compared to last year.



## Other gains/(losses)

Despite a challenging year, the share portfolios bounced back by 30 June with value gains of \$193,721. though this is lower than the previous year (\$453,025).

Other gains/(losses) include a decrease in the value of trees and livestock at \$114,534. There is also an impairment in the investment in Waiu of \$163,592.

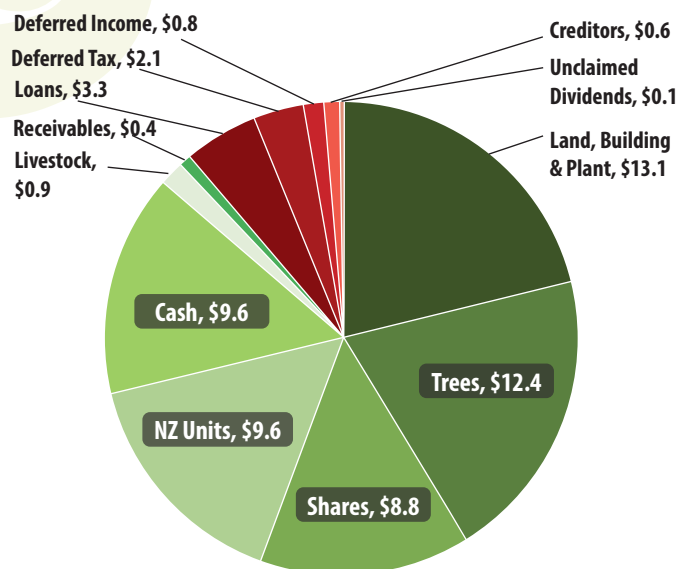
## Financial position

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

	This year	Last year	Change
Total assets	54,736,813	51,885,178	↑ 5%
Total liabilities	7,019,286	6,826,897	↑ 3%
Equity	47,711,527	45,058,280	↑ 6%

As at 30 June 2020, total assets were valued at just under \$55m. Of this, land, buildings & equipment was \$13.1m or 21%, forest assets accounted for \$13.3 million (20%), cash was \$9.6m (16%), NZUs were also valued at \$9.6m (16%) and shares were valued at \$8.8m (14%).

Total liabilities were \$7 million, with 45% or \$3.2 million of this being long-term borrowings from BNZ.



**\$54.7m**  
Assets

**\$7.0m**  
Liabilities

**\$47.7m**  
Equity

# Pūrongo ā pūtea

## Financial report continued...

### Assets

The Group's Current Assets were \$9.9m and consist of bank funds, term deposits, receivables, and an Income tax refund. Non-current assets of \$44.8m 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 \$2.6 million or 5%, from \$51.9m to \$54.7m in 2019.

### Liabilities

Total liabilities amount to \$7 million for 2020, an increase of \$192,389 or 2.8% 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 (\$5.4 million) are mostly made up of the Otukawa BNZ borrowings of \$3.2 million, as well as historic unclaimed dividends and deferred tax.

### Equity

The Group's equity is the net difference between the Group's assets and its liabilities. Closing Equity as at 30 June 2020 was \$47,717,527 with \$87,941 representing Te Karangi A2 Trust's share in closing equity of the Otukawa Whenua Limited Partnership.

The distributions made in 2020 are explained in detail in the Distributions section of this report.

## Rotoiti 15 Charitable Trust

### Income

Total revenue for the year was \$8,990, which was down 97% compared to last year \$337,265.

The Trust received \$81,721 from its investments which was almost identical to the previous year. Interest income accounts for \$9,368 of the total investment income. Dividends and income from shares in overseas companies make up the balance of \$72,353.

Other revenue of (\$72,731) has decreased compared to last year's balance of \$256,029. This reflects the negative change in the value of the investment portfolio over the past 12 months, which has included the challenging Covid period.

### Expenses

The Trust's total expenditure for the year was \$179,372. The difference on last year of \$25,171 is mainly due to an increase in grants paid of \$34,000 (2020: \$159,900, 2019: \$125,900).

Grants paid in the 2019/20 year are explained in further detail in the Distributions section of this report.

### Net Surplus

The Trust's net loss for the year ended 30 June 2020 was (\$170,382), a decrease of 128% on last year's surplus of \$183,064. This was caused by the decline in the value of the investment portfolio values over the past year, compared to a significant uplift in the previous year.

### Balance Sheet

The Trust's Current Assets is mainly bank funds which has decreased by \$91,000 compared to last year. The Trust's only

non-current asset is an investment portfolio held with Craigs Investment Partners. Overall, the Trust's assets have decreased in value by 5% or \$165,590 compared to 2019.

The Trust's only liabilities are creditors due for payment. Total liabilities are \$8,116.

The Trust's Equity at 30 June 2020 was \$3,192,886 which is (\$170,383) (5%) down on last year.

	Statement of Financial Performance	
	2020	2019
Investment income	81,721	81,236
Other revenue	(72,731)	286,029
<b>Total revenue</b>	<b>8,990</b>	<b>337,265</b>
Administration	6,672	3,553
Grants paid	159,900	125,900
Investment expenses	12,800	12,666
Other expenses	-	12,082
<b>Total expenses</b>	<b>179,372</b>	<b>154,201</b>
<b>Surplus</b>	<b>(170,382)</b>	<b>183,064</b>
	Statement of Financial Position	
	2020	2020
Current assets	1,045,702	1,137,021
Investments	2,092,300	2,166,571
<b>Total assets</b>	<b>3,138,002</b>	<b>3,303,592</b>
Creditors	8,116	3,324
Rotoiti 15 Trust	-	-
<b>Total Liabilities</b>	<b>8,116</b>	<b>3,324</b>
<b>Accumulated Funds</b>	<b>3,129,886</b>	<b>3,300,268</b>



# Tauākī Pūtea Audited Financial Statements

**Rotoiti 15 Trust and Subsidiaries**  
For the year ended 30 June 2020

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## **INDEPENDENT AUDITOR'S REPORT**

To the Trustees and Owners of Rotoiti 15 Trust & Subsidiaries

### **Qualified Opinion**

We have audited the financial statements of Rotoiti 15 Trust & Subsidiaries (the Group) on pages 7 to 30, which comprise the statement of financial position as at 30 June 2020 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, statement of accounting policies 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 Group as at 30 June 2020 and its financial performance and its cash flows for the year then ended, in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

### **Basis for Qualified Opinion**

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

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described below in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Trust and subsidiary entities.

### **Restriction on Responsibility**

This report is made solely to the Trustees and Owners, as a body. Our audit work has been undertaken so that we might state to the Trustees and Owners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trustees and Owners as a body, for our audit work, for this report, or for the opinions we have formed.

### **Other Information**

The Trustees are responsible for the other information. The other information comprises the directory but does not include the financial statements and our auditor's report thereon.

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

**Other Information - Continued**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based, on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Trustees for the Financial Statements**

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with NZ IFRS RDR and for such internal control as the Trustees deem is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/>



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

3<sup>rd</sup> November 2020

## Entity Information

### Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

#### Nature of business

Forestry, Dairy Farming, Kiwifruit, Investments

#### Postal address

PO Box 1712, Rotorua

#### Trustees

Arapeta Tahana Jnr (Chairman)

Joe Tahana

Katie Paul

Merehira Savage

Piki Thomas

Tina Ngatai

#### Accountants

GHA Ltd

Chartered Accountants

PO Box 1712, Rotorua

#### Auditors

Cookson Forbes & Associates

Chartered Accountants

96 Waioeka Rd, Opotiki

#### Solicitors

Kahui Legal

32 Waring Taylor Street

Wellington

#### Subsidiaries

##### Otukawa Whenua Limited Partnership

Rotoiti 15 Trust - 60%

Te Karangi A2 Trust - 40%

#### Board Members:

J Fenwick, representing Te Karangi A2 Trust

M Wihapi, representing Te Karangi A2 Trust

T Ngatai, representing Rotoiti 15 Trust

Piki Thomas, representing Rotoiti 15 Trust

##### Rotoiti 15 and Ruahine & Kuharua Limited Partnership

Rotoiti 15 Trust - 90%

Ruahine and Kuharua Incorporated - 10%

#### Board Members:

Tina Ngatai

##### Rotoiti 15 Investments Limited Partnership

Rotoiti 15 Trust - 100%

#### Board Members:

Michael Pohio

Geoff Rice

Tina Ngatai

##### Rotoiti 15 Holdings Limited

Rotoiti 15 Trust - 100%

#### Board Members:

Tina Ngatai

##### Rotoiti 15 Charitable Trust

Rotoiti 15 Trust - 100%

#### Board Members:

Arapeta Tahana Jnr

Joe Tahana

Katie Paul

Merehira Savage

Piki Thomas

Tina Ngatai



# Statement of Profit or Loss and Other Comprehensive

## Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

	Note	Group		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>Revenue</b>					
Forestry income	5	1,283,826	779,335	1,283,826	779,335
Farm income	6	1,447,024	1,350,080	244	235,100
Investment income	7	344,061	309,474	218,329	228,150
Other income		76,479	283,417	37,404	282,132
<b>Total Revenue</b>		<b>3,151,390</b>	<b>2,722,306</b>	<b>1,539,803</b>	<b>1,524,717</b>
<b>Expenses</b>					
Forestry expenses	5	629,784	584,338	629,784	584,338
Farm expenses	6	1,008,212	1,029,447	-	85,563
Kiwifruit orchard working expenses		-	81,385	-	81,385
Administration expenses	8	961,021	889,971	563,124	699,868
Interest paid		192,652	191,828	-	-
Depreciation of property, plant and equipment	10	29,670	50,977	1,640	19,493
<b>Total Expenses</b>		<b>2,821,339</b>	<b>2,827,946</b>	<b>1,194,548</b>	<b>1,470,646</b>
<b>Operating Profit</b>		<b>330,051</b>	<b>(105,640)</b>	<b>345,255</b>	<b>54,070</b>
<b>Other items</b>					
Changes in fair value of managed portfolio funds		193,721	453,025	506,223	209,078
Changes in fair value of biological assets	18	(114,534)	40,259	24,866	31,134
Gain on sale of assets		4,811	495,387	4,811	495,387
Share of loss in joint ventures	14	(21,532)	(854)	(21,532)	(854)
Share of profit/(loss) in subsidiary	15	-	-	15,570	(53,111)
Impairment Loss	14	(163,592)	-	(163,592)	-
<b>Profit before tax</b>		<b>228,925</b>	<b>882,177</b>	<b>711,601</b>	<b>735,705</b>
Less Income tax expense	9	(84,914)	125,850	(84,914)	125,850
<b>Net profit for the year</b>		<b>144,011</b>	<b>1,008,027</b>	<b>626,687</b>	<b>861,555</b>
<b>Other comprehensive income, net of income tax</b>					
Changes in fair value of available-for-sale financial assets		(20,064)	(442,194)	-	(154,826)
Share of movement in reserves of equity accounted associates		-	-	(12,038)	(172,421)
Changes in fair value of intangible assets	17	2,762,100	415,800	2,762,100	415,800
Share of movement in reserves of joint ventures		(967)	-	(967)	-
Income tax relating to these items	25	(9,539)	27,095	(9,539)	27,095
<b>Total Other comprehensive income, net of income tax</b>		<b>2,731,530</b>	<b>701</b>	<b>2,739,556</b>	<b>115,648</b>
<b>Total Comprehensive income for the year</b>		<b>2,875,540</b>	<b>1,008,728</b>	<b>3,366,243</b>	<b>977,203</b>
<b>Profit for the year attributable to:</b>					
Owners of the Trust		133,631	1,043,434	626,687	861,555
Non-controlling interests	16	10,380	(35,407)	-	-
		<b>144,011</b>	<b>1,008,027</b>	<b>626,687</b>	<b>861,555</b>
<b>Total comprehensive income for the year attributable to:</b>					
Owners of the Trust		2,873,186	1,159,082	3,366,243	977,203
Non-controlling interests	16	2,354	(150,354)	-	-
		<b>2,875,540</b>	<b>1,008,728</b>	<b>3,366,243</b>	<b>977,203</b>

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

# Statement of Financial Position

## Rotoiti 15 Trust and Subsidiaries

As at 30 June 2020

	Note	Group		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	11	9,626,137	9,765,638	1,347,615	8,628,052
Trade and other receivables	12	315,719	159,866	8,382	12,229
Related party advances	26	-	-	14,023	13,029
Income tax refund due	9	(24,831)	20,259	(33,895)	20,259
<b>Total Current assets</b>		<b>9,917,025</b>	<b>9,945,763</b>	<b>1,336,125</b>	<b>8,673,569</b>
<b>Non-current assets</b>					
Property, plant and equipment	10	13,121,229	13,149,074	10,661,558	10,661,373
Other financial assets	13	8,793,067	8,332,664	35,845	5,446,195
Investments in subsidiaries	15	-	-	431,519	427,996
Investments in joint ventures	14	65,092	251,437	65,092	251,437
Intangible assets	17	9,578,250	6,816,150	9,578,250	6,816,150
Biological assets	18	13,262,150	13,376,684	12,400,000	12,375,134
Related party advances	26	-	-	13,299,203	-
Other non-current assets		-	13,406	-	13,406
<b>Total Non-current assets</b>		<b>44,819,789</b>	<b>41,939,415</b>	<b>46,471,468</b>	<b>35,991,691</b>
<b>Total Assets</b>		<b>54,736,813</b>	<b>51,885,178</b>	<b>47,807,593</b>	<b>44,665,261</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Cash and cash equivalents	11	160,181	151,652	-	-
Trade and other payables	19	533,776	211,408	16,596	35,229
Deferred revenue	20	834,168	834,168	834,168	834,168
Employee entitlements		4,496	2,896	4,496	2,896
Goods and services tax		104,797	104,613	113,166	110,229
<b>Total Current liabilities</b>		<b>1,637,418</b>	<b>1,304,737</b>	<b>968,425</b>	<b>982,522</b>
<b>Non-current liabilities</b>					
Borrowings	21	3,178,484	3,325,254	-	-
Unclaimed dividends		86,805	86,805	86,805	86,805
Deferred tax liabilities	25	2,116,579	2,110,101	2,116,579	2,110,101
<b>Total Non-current liabilities</b>		<b>5,381,868</b>	<b>5,522,160</b>	<b>2,203,384</b>	<b>2,196,906</b>
<b>Total Liabilities</b>		<b>7,019,286</b>	<b>6,826,897</b>	<b>3,171,809</b>	<b>3,179,428</b>
<b>Net assets</b>		<b>47,717,527</b>	<b>45,058,280</b>	<b>44,635,785</b>	<b>41,485,833</b>

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

# Statement of Financial Position (CONTINUED)

## Rotoiti 15 Trust and Subsidiaries

As at 30 June 2020

	Note	Group		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>Equity</b>					
Capital	22	1,331,815	1,331,815	1,331,805	1,331,805
Reserves	23	18,659,877	15,920,322	18,659,878	15,920,322
Retained earnings		27,637,892	27,720,557	24,644,098	24,233,706
<b>Equity attributable to owners of the Trust</b>		<b>47,629,584</b>	<b>44,972,694</b>	<b>44,635,781</b>	<b>41,485,833</b>
Non-controlling interests	16	87,941	85,587	-	-
<b>Total Equity</b>		<b>47,717,527</b>	<b>45,058,280</b>	<b>44,635,785</b>	<b>41,485,833</b>

For and on behalf of the Board of Trustees:

  
Chairman

  
Trustee

Date: 3 November 2020

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



# Statement of Changes in Equity

## Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

	Note	Contributed Share Capital	Reserves	Retained Earnings	Non- controlling interests	Total Equity
Group		\$	\$	\$	\$	\$
<b>Opening balance 1 July 2019</b>		<b>1,331,815</b>	<b>15,920,322</b>	<b>27,720,557</b>	<b>85,587</b>	<b>45,058,280</b>
Net Profit for the year		-	-	133,631	10,380	144,011
Other comprehensive income		-	2,739,555	-	(8,026)	2,731,529
Shareholder grants paid		-	-	(216,296)	-	(216,296)
<b>Closing equity 30 June 2020</b>		<b>1,331,815</b>	<b>18,659,877</b>	<b>27,637,892</b>	<b>87,941</b>	<b>47,717,527</b>
<b>Opening balance 1 July 2018</b>		<b>1,331,815</b>	<b>17,031,249</b>	<b>25,592,907</b>	<b>235,941</b>	<b>44,191,912</b>
Net Profit for the year		-	-	1,043,434	(35,407)	1,008,027
Derecognition upon disposal of property		-	(1,226,575)	1,226,575	-	-
Other comprehensive income		-	115,648	-	(114,947)	701
Shareholder grants paid		-	-	(142,359)	-	(142,359)
<b>Closing equity 30 June 2019</b>		<b>1,331,815</b>	<b>15,920,322</b>	<b>27,720,557</b>	<b>85,587</b>	<b>45,058,280</b>
<b>Parent</b>						
<b>Opening balance 1 July 2019</b>		<b>1,331,805</b>	<b>15,920,322</b>	<b>24,233,707</b>	<b>-</b>	<b>41,485,834</b>
Net Profit for the year		-	-	626,687	-	626,687
Other comprehensive income		-	2,739,556	-	-	2,739,556
Shareholder grants paid		-	-	(216,296)	-	(216,296)
<b>Closing equity 30 June 2020</b>		<b>1,331,805</b>	<b>18,659,878</b>	<b>24,644,098</b>	<b>-</b>	<b>44,635,785</b>
<b>Opening balance 1 July 2018</b>		<b>1,331,805</b>	<b>17,031,249</b>	<b>22,287,936</b>	<b>-</b>	<b>40,650,990</b>
Net Profit for the year		-	-	861,555	-	861,555
Derecognition upon disposal of property		-	(1,226,575)	1,226,575	-	-
Other comprehensive income		-	115,648	-	-	115,648
Shareholder grants paid		-	-	(142,359)	-	(142,359)
<b>Closing equity 30 June 2019</b>		<b>1,331,805</b>	<b>15,920,322</b>	<b>24,233,707</b>	<b>-</b>	<b>41,485,833</b>

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

# Consolidated Statement of Cash Flows

## Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

	Note	Group		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Receipts from customers		2,696,820	2,539,170	1,316,428	1,360,844
Payments to suppliers and employees		(2,422,974)	(2,495,166)	(1,214,474)	(1,487,725)
Investment income		351,131	233,461	227,634	134,186
Interest paid		(192,652)	(191,282)	-	-
Grants paid		(376,198)	(268,260)	(216,298)	(142,360)
Income tax		(34,271)	(30,096)	(33,568)	(30,096)
Net GST		(14,479)	4,222	(505)	2,737
<b>Total Cash flows from operating activities</b>		<b>7,378</b>	<b>(207,951)</b>	<b>79,217.64</b>	<b>(162,414)</b>
<b>Cash flows from investing activities</b>					
Payments to acquire property, plant and equipment		-	(20,505)	-	-
Proceeds from the sale of property, plant and equipment		-	7,389,724	-	7,389,725
Net payments to acquire investments		(8,637)	(99,493)	(1,825)	(13,406)
Advances to related parties		-	-	(7,357,832)	7,156
Payments for investment in joint venture		-	(206,573)	-	(206,573)
<b>Total Cash flows from investing activities</b>		<b>(8,637)</b>	<b>7,063,153</b>	<b>(7,359,657)</b>	<b>7,176,902</b>
<b>Cash flows from financing activities</b>					
Repayment of borrowings	21	(146,770)	(22,749)	-	-
<b>Total Cash flows from financing activities</b>		<b>(146,770)</b>	<b>(22,749)</b>	<b>-</b>	<b>-</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>		<b>(148,030)</b>	<b>6,832,454</b>	<b>(7,280,437)</b>	<b>7,014,487</b>
<b>Cash Balances</b>					
Cash and cash equivalents at beginning of the year		9,613,986	2,781,532	8,628,052	1,613,565
Cash and cash equivalents at end of the year	11	9,465,956	9,613,986	1,347,615	8,628,052
<b>Net change in cash for the year</b>		<b>(148,030)</b>	<b>6,832,454</b>	<b>(7,280,437)</b>	<b>7,014,487</b>

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

# Statement of Accounting Policies

## Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

### 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 2020 comprise Rotoiti 15 Trust ("the Parent") and its subsidiaries Otukawa Whenua Limited Partnership, Rotoiti 15 Investments Limited Partnership, Rotoiti 15 Holdings Limited, Rotoiti 15 Charitable Trust 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

### 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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# Statement of Accounting Policies

## Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

### 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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# Statement of Accounting Policies

## Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

### 4 Significant accounting policies - continued

#### (d) Financial instruments

##### Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with NZ IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within impairment gains (losses) of financial assets.

##### Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under NZ IAS 39.

Financial assets at FVOCI

The Group accounts for financial assets that are debt instruments at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is hold to collect the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount of debt instruments classified at FVOCI are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other financial items, and impairment expenses are presented as a separate line item in the statement of profit or loss.

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# Statement of Accounting Policies

## Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

### 4 Significant accounting policies - continued

Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses recognised in the FVOCI reserve to profit or loss following the derecognition of the investment. Instead, any related balance in the FVOCI reserve is reclassified to retained earnings. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### Financial assets at FVTPL

Financial assets that are held within a different business model than "hold to collect" or "hold to collect and sell", and financial assets whose contractual cash flows are not solely payments of principal and interest on the principal amount outstanding are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

This category also contains an equity investment. The Group accounts for its investment in Kakapo Limited at FVTPL as it did not make the irrevocable election to account for this investment at FVOCI. The equity investment in Kakapo Limited was measured at cost less any impairment charges under NZ IAS 39, as it was determined that its fair value could not be estimated reliably. In the current financial year, the fair value was determined in line with the requirements of NZ IFRS 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

#### Impairment of financial assets

NZ IFRS 9's new impairment requirements use more forward-looking information to recognise expected credit losses – the ECL model. This replaces NZ IAS 39's "incurred loss model". Instruments within the scope of the new requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under NZ IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at FVTPL.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2).

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date. None of the Group's financial assets fall into this category.

"Twelve-month expected credit losses" are recognised for the first category, while "lifetime expected credit losses" are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### Trade receivables

The Group makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

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# Statement of Accounting Policies

## Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

### 4 Significant accounting policies - continued

The Group assesses impairment of trade receivables on a collective basis (grouped based on the days past due), as they possess shared credit risk characteristics. Refer to Note 34.2 for a detailed analysis of how the impairment requirements of NZ IFRS 9 are applied.

#### Debt investments at amortised cost and FVOCI

The Group recognises 12-month expected losses for its debt investments at amortised cost and FVOCI as these are considered to have low credit risk. Management considers "low credit risk" for listed bonds and debentures to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under NZ IFRS 9 compared to NZ IAS 39, the Group's financial liabilities were not impacted by the adoption of NZ IFRS 9.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### **(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.

#### **(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.

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# Statement of Accounting Policies

## Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

### 4 Significant accounting policies - continued

#### (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	16 - 67% 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.

Long term land leases for peppercorn rentals are unable to be recognised pursuant to NZIFRS 16 as no annual rental is paid to the lessor. The value of the long term lease can therefore not be determined nor brought to account.

#### (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.

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# Statement of Accounting Policies

## Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

### 4 Significant accounting policies - continued

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#### *(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.

#### *(m) Group Comparative Figures Restated*

During 2019 the Trustees resolved to include all controlled subsidiary entities in the annual "Group Accounts" including Rotoiti 15 Charitable Trust and Rotoiti Holdings Ltd (not previously included). From 1 July 2019 the operations of these subsidiary entities have been included and the 2019 group comparative figures have been restated accordingly, as set out in note 29 on page 29.

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# Notes to the Financial Statements

## Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

	Note	Group		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>5 Forestry income</b>					
<b>Revenue</b>					
Forestry land rentals		861,074	779,335	861,074	779,335
Stumpage income		422,752	-	422,752	-
		<b>1,283,826</b>	<b>779,335</b>	<b>1,283,826</b>	<b>779,335</b>
<b>Expenses</b>					
Forest health and maintenance		30,770	110,536	30,770	110,536
Insurance		-	15,318	-	15,318
Management		24,700	31,037	24,700	31,037
Protection		47,538	-	47,538	-
Pruning		275,565	400,807	275,565	400,807
Rates		26,645	26,641	26,645	26,641
Thinning		220,323	-	220,323	-
Other expenses		4,243	-	4,243	-
		<b>629,784</b>	<b>584,338</b>	<b>629,784</b>	<b>584,338</b>
<b>Net Forestry income</b>		<b>654,042</b>	<b>194,997</b>	<b>654,042</b>	<b>194,997</b>
<b>6 Farm income</b>					
<b>Revenue</b>					
Milk proceeds		1,362,035	1,270,991	-	229,652
Livestock sales		75,006	73,887	-	-
Rebates		9,983	5,202	244	1,187
Fonterra dividends		-	-	-	4,261
		<b>1,447,024</b>	<b>1,350,080</b>	<b>244</b>	<b>235,100</b>
<b>Expenses</b>					
Animal health		48,341	46,056	-	-
Breeding		41,469	43,693	-	-
Feed		215,069	179,369	-	-
Fertiliser & lime		43,867	53,880	-	4,635
Grazing		-	66,447	-	11,783
Lease expenses	24	148,742	151,750	-	-
Livestock purchases		17,600	-	-	-
Maize/PKE purchases		-	40,260	-	40,260
Rates		62,834	67,021	-	-
Repairs & maintenance		56,785	68,416	-	10,067
Sharemilker payments		299,648	227,896	-	-
Supervision fees		26,484	27,701	-	-
Other farm expenses		47,373	56,958	-	18,818
		<b>1,008,212</b>	<b>1,029,447</b>	<b>-</b>	<b>85,563</b>
<b>Net Farm income</b>		<b>438,812</b>	<b>320,633</b>	<b>244</b>	<b>149,537</b>
<b>7 Investment income</b>					
Interest income		98,938	64,754	80,465	60,410
Dividends received		245,123	244,720	137,864	167,740
<b>Total Investment income</b>		<b>344,061</b>	<b>309,474</b>	<b>218,329</b>	<b>228,150</b>

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# Notes to the Financial Statements

## Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

	Note	Group		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>8 Administration expenses</b>					
Accountancy		62,684	61,699	27,535	39,464
AGM expenses		20,511	65,003	20,511	65,003
Audit fees		15,128	11,085	7,320	6,800
Consultancy		9,930	16,777	9,930	16,777
Due diligence		-	19,488	-	19,488
General manager		181,408	125,416	106,180	125,416
Grants and donations		197,697	160,596	37,797	34,696
Insurance		17,759	17,587	3,675	4,904
Investment management fees		34,648	27,322	16,393	14,656
Legal fees		37,833	75,631	31,580	71,491
Office rent		8,139	15,290	8,139	15,290
Printing, stamps & stationery		2,161	3,873	1,824	3,802
Pest management project expenses		-	8,059	-	8,059
Recruitment		15,999	-	15,999	-
Salaries & wages		70,960	104,836	70,960	104,836
Share register		58,086	40,828	58,086	40,828
Trustee and director fees	26	158,130	90,450	93,130	90,450
Other administration expenses		69,946	46,033	54,064	37,910
<b>Total administration expenses</b>		<b>961,021</b>	<b>889,971</b>	<b>563,124</b>	<b>699,868</b>
<b>9 Income tax expense</b>					
<b>Profit/(Loss) before income tax</b>		<b>228,925</b>	<b>700,296</b>	<b>711,601</b>	<b>735,705</b>
<i>Plus/(less) adjustments</i>					
Non-assessable income		(824,444)	(1,232,535)	(824,444)	(1,232,535)
Non-deductible expenses		1,082,536	680,315	674,156	667,401
Other adjustments		(17,491)	(803,343)	(17,491)	(803,343)
Attributable to non-controlling interests		74,296	22,492	-	-
<b>Taxable income</b>		<b>543,821</b>	<b>(632,775)</b>	<b>543,821</b>	<b>(632,772)</b>
Income tax using Maori Authority tax rate of 17.5%		95,169	(110,736)	95,169	(110,735)
<i>Less</i> Imputation tax credits		(10,255)	(14,332)	(10,255)	(14,332)
<i>Less</i> prior period error		-	(783)	-	(783)
<b>Tax expense</b>		<b>84,914</b>	<b>(125,850)</b>	<b>84,914</b>	<b>(125,850)</b>
<i>Less</i> deferred tax	25	3,061	140,585	3,061	140,585
<i>Plus</i> opening balance		(20,259)	(5,104)	(20,259)	(5,104)
<i>Less</i> withholding tax paid		(35,511)	(23,999)	(29,437)	(23,999)
<i>Less</i> terminal tax (paid)/refunded		-	-	-	-
<i>Less</i> other tax credits		(7,373)	(5,891)	(4,384)	(5,891)
<b>Total tax to be paid/(refunded)</b>		<b>24,831</b>	<b>(20,259)</b>	<b>33,895</b>	<b>(20,259)</b>

Maori Authority Tax Credits available to the shareholders of the Parent were \$3,978,105 (2019: \$3,942,487).

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# Notes to the Financial Statements

## Rotoiti 15 Trust and Subsidiaries

For the year ended 30 June 2020

### 10 Property, plant and equipment

Group	Land & improvements	Buildings	Plant & equipment	Motor vehicles	Office equipment	Total
Cost or valuation	\$	\$	\$	\$	\$	\$
<b>Balance at 1 Jul 2018</b>	<b>17,213,235</b>	<b>747,175</b>	<b>337,010</b>	<b>115,260</b>	<b>19,889</b>	<b>18,432,569</b>
Additions	-	-	14,310	-	-	14,310
Revaluation	(4,279,235)	(747,175)	(105,358)	-	-	(5,131,768)
<b>Balance at 30 Jun 2019</b>	<b>12,934,000</b>	<b>-</b>	<b>245,962</b>	<b>115,260</b>	<b>19,889</b>	<b>13,315,111</b>
<b>Balance at 1 Jul 2019</b>	<b>12,934,000</b>	<b>-</b>	<b>245,962</b>	<b>115,260</b>	<b>19,889</b>	<b>13,315,111</b>
Additions	-	-	-	-	1,825	1,825
<b>Balance at 30 Jun 2020</b>	<b>12,934,000</b>	<b>-</b>	<b>245,962</b>	<b>115,260</b>	<b>21,714</b>	<b>13,316,936</b>
Accumulated depreciation						
<b>Balance at 1 Jul 2018</b>	<b>71,007</b>	<b>132,736</b>	<b>94,628</b>	<b>56,378</b>	<b>13,686</b>	<b>368,435</b>
Depreciation expense	-	-	23,829	7,654	3,829	35,312
Depreciation recovered	(71,007)	(132,736)	(33,968)	-	-	(237,711)
<b>Balance at 30 Jun 2019</b>	<b>-</b>	<b>-</b>	<b>84,489</b>	<b>64,032</b>	<b>17,515</b>	<b>166,036</b>
<b>Balance at 1 Jul 2019</b>	<b>-</b>	<b>-</b>	<b>84,489</b>	<b>64,032</b>	<b>17,515</b>	<b>166,036</b>
Depreciation expense	-	-	21,371	6,659	1,640	29,670
<b>Balance at 30 Jun 2020</b>	<b>-</b>	<b>-</b>	<b>105,860</b>	<b>70,691</b>	<b>19,155</b>	<b>195,706</b>
<b>At 30 June 2019</b>	<b>12,934,000</b>	<b>-</b>	<b>161,473</b>	<b>51,228</b>	<b>2,374</b>	<b>13,149,074</b>
<b>At 30 June 2020</b>	<b>12,934,000</b>	<b>-</b>	<b>140,102</b>	<b>44,569</b>	<b>2,559</b>	<b>13,121,229</b>
Parent	Land & improvements	Buildings	Plant & equipment	Motor vehicles	Office equipment	Total
Cost or valuation	\$	\$	\$	\$	\$	\$
<b>Balance at 1 Jul 2018</b>	<b>14,938,235</b>	<b>747,175</b>	<b>111,552</b>	<b>-</b>	<b>19,889</b>	<b>15,816,851</b>
Additions	-	-	-	-	-	-
Revaluations	(4,279,235)	(747,175)	(111,552)	-	-	(5,137,962)
<b>Balance at 30 Jun 2019</b>	<b>10,659,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,889</b>	<b>10,678,889</b>
<b>Balance at 1 Jul 2019</b>	<b>10,659,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,889</b>	<b>10,678,889</b>
Additions	-	-	-	-	1,825	1,825
<b>Balance at 30 Jun 2020</b>	<b>10,659,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,714</b>	<b>10,680,714</b>
Accumulated depreciation						
<b>Balance at 1 Jul 2018</b>	<b>71,007</b>	<b>132,736</b>	<b>33,968</b>	<b>-</b>	<b>13,686</b>	<b>251,397</b>
Depreciation expense	-	-	-	-	3,829	3,829
Depreciation recovered	(71,007)	(132,736)	(33,968)	-	-	(237,711)
<b>Balance at 30 Jun 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,515</b>	<b>17,515</b>
<b>Balance at 1 Jul 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,515</b>	<b>17,515</b>
Depreciation expense	-	-	-	-	1,640	1,640
<b>Balance at 30 Jun 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,155</b>	<b>19,155</b>
<b>At 30 June 2019</b>	<b>10,659,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,374</b>	<b>10,661,373</b>
<b>At 30 June 2020</b>	<b>10,659,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,559</b>	<b>10,661,558</b>

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# Notes to the Financial Statements

## Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2020

	Note	Group		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>11 Cash and cash equivalents</b>					
Cash at bank - NZD		9,626,137	1,405,010	1,347,615	267,425
Short-term deposits		-	8,360,627	-	8,360,627
		<b>9,626,137</b>	<b>9,765,638</b>	<b>1,347,615</b>	<b>8,628,052</b>
Bank overdraft (Subsidiary)	21	(160,181)	(151,652)	-	-
<b>Total cash and cash equivalents</b>		<b>9,465,956</b>	<b>9,613,986</b>	<b>1,347,615</b>	<b>8,628,052</b>
<b>12 Trade and other receivables</b>					
Trade receivables		315,719	150,561	8,382	2,924
Accrued interest		-	9,305	-	9,305
<b>Total Trade and other receivables</b>		<b>315,719</b>	<b>159,866</b>	<b>8,382</b>	<b>12,229</b>
<b>13 Other financial assets</b>					
<b>Available-for-sale financial assets</b>					
<b>Listed shares</b>					
Ballance Agri Nutrients		38,135	31,323	14,864	14,864
Fonterra Co-op		682,172	1,077,130	-	374,894
LIC		1,203	1,202	-	-
<b>Total Listed shares</b>		<b>721,510</b>	<b>1,109,654</b>	<b>14,864</b>	<b>389,757</b>
<b>Unlisted shares</b>					
OTK Orchards		244,000	280,000	-	280,000
<b>Total Available-for-sale financial assets</b>		<b>965,510</b>	<b>1,389,654</b>	<b>14,864</b>	<b>669,757</b>
<b>Financial assets at fair value through profit or loss</b>					
Managed portfolio funds - Craigs Investment Partners		7,589,000	6,943,008	-	4,776,437
Te Puia Tapapa Limited		238,558	-	20,982	-
<b>Total Financial assets at FVTPL</b>		<b>7,827,558</b>	<b>6,943,008</b>	<b>20,982</b>	<b>4,776,437</b>
<b>Total Other financial assets</b>		<b>8,793,067</b>	<b>8,332,663</b>	<b>35,845</b>	<b>5,446,194</b>

### 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.

Financial Assets valued at \$14,733,454 were transferred to the Trusts investment arm - Rotoiti 15 Investments Limited Partnership - pursuant to a deed of Debt and deed of Offset. The parcel of financial assets is made up of cash, the shares in OTK Orchards and Te Puia Tapapa General Partner Limited and the CIP Managed portfolio funds. The fair values of each class of asset are reported directly through to the Trust in these consolidated financial statements.

## 14 Investments in joint ventures

### Tuara Matata Geothermal Joint Venture

Balance at beginning of year	2,748	3,677	2,748	3,677
RWT Paid	(41)	(75)	(41)	(75)
Share of loss for the year	(808)	(854)	(808)	(854)
<b>Balance at end of year</b>	<b>1,899</b>	<b>2,748</b>	<b>1,899</b>	<b>2,748</b>

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# Notes to the Financial Statements

## Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2020

### 14 Investments in joint ventures - continued

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% (2019: 33.33%) share of the revenue earned and expenditure incurred.

Note	Group		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Waiū Dairy Limited Partnership</b>				
Balance at beginning of year	248,689	42,113	248,689	42,113
Capital introduced	-	206,576	-	206,576
RWT Paid	(213)	-	(213)	-
Share of loss for the year	(20,724)	-	(20,724)	-
Share of other comprehensive income	(967)	-	(967)	-
Impairment Loss	(163,592)	-	(163,592)	-
<b>Balance at end of year</b>	<b>63,193</b>	<b>248,689</b>	<b>63,193</b>	<b>248,689</b>
The Parent holds 0.99% shares in Waiū Dairy Limited Partnership.				
<b>Total Investment in joint ventures</b>	<b>65,092</b>	<b>251,437</b>	<b>65,092</b>	<b>251,437</b>

### 15 Significant subsidiaries

The Parent has the following significant subsidiaries:

	Country of Incorporation	Ownership interest	
		2020	2019
Otukawa Whenua Limited Partnership	New Zealand	60%	60%
		Group	
		2020	2019
		\$	\$
<b>Otukawa Whenua Limited Partnership</b>			
Balance at beginning of year		-	-
Share of profit/(loss) for the year		-	-
Share of other comprehensive income for the year		-	-
<b>Balance at end of year</b>		<b>431,519</b>	<b>427,995</b>

### 16 Non-controlling interests

#### Te Karangi A2 (40% in Otukawa Whenua LP)

Balance at beginning of the year	285,332	435,686	-	-
Share of profit for the year	10,380	(35,407)	-	-
Share of Other Comprehensive Income for the year	(8,026)	(114,947)	-	-
<b>Balance at end of year</b>	<b>287,686</b>	<b>285,332</b>	<b>-</b>	<b>-</b>

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# Notes to the Financial Statements

## Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2020

### 17 New Zealand Units

#### Pre-1990 units

#### 297,900 New Zealand units

Balance at beginning of year	6,816,150	6,400,350	6,816,150	6,400,350
Change in fair value	2,762,100	415,800	2,762,100	415,800
<b>Balance at end of year</b>	<b>9,578,250</b>	<b>6,816,150</b>	<b>9,578,250</b>	<b>6,816,150</b>

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.

### 18 Biological assets

#### Livestock

Livestock comprises dairy cattle. As at 30 June 2020 Subsidiary had 549 dairy cattle (2019: 662 dairy cattle).

Opening balance	1,001,550	992,425	-	-
Changes in fair value due to price	(139,400)	9,125	-	-
<b>Closing balance</b>	<b>862,150</b>	<b>1,001,550</b>	<b>-</b>	<b>-</b>

The fair value of livestock is determined by independent valuations as at 30 June 2020. 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 2,333 plantable hectares of pinus radiata as at 30 June 2020 (2019: 2,398 ha).

Note	Group		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Carrying amount at beginning of the year</b>	<b>12,375,134</b>	<b>12,344,000</b>	<b>12,375,134</b>	<b>12,344,000</b>
Increase in fair value due to price	24,866	31,134	24,866	31,134
<b>Carrying amount at end of the year</b>	<b>12,400,000</b>	<b>12,375,134</b>	<b>12,400,000</b>	<b>12,375,134</b>

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.

#### Trees - kiwifruit

<b>Carrying amount at beginning of the year</b>	-	309,751	-	309,751
Decreases due to disposal	-	(309,751)	-	(309,751)
<b>Carrying amount at end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# Notes to the Financial Statements

## Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2020

### 19 Trade and other payables

Trade payables	387,364	88,570	11,791	30,765
Accrued expenses	140,095	119,933	-	1,558
PAYE payable	6,317	2,906	4,804	2,906
<b>Total Trade and other payables</b>	<b>533,776</b>	<b>211,408</b>	<b>16,596</b>	<b>35,229</b>

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

### 20 Deferred revenue

Arising from lease income	834,168	834,168	834,168	834,168
<b>Total Deferred revenue</b>	<b>834,168</b>	<b>834,168</b>	<b>834,168</b>	<b>834,168</b>

### 21 Borrowings

#### Secured - at amortised cost

Bank overdraft	160,181	151,652	-	-
Bank loans	3,178,484	3,325,254	-	-
<b>Total Borrowings</b>	<b>3,178,484</b>	<b>3,325,254</b>	<b>-</b>	<b>-</b>

#### Summary of borrowing arrangements

##### Parent

The Parent has an unsecured overdraft facility with Westpac New Zealand up to a maximum of \$50,000 (2019: \$50,000). The interest for the overdraft is 10.10% (2019: 10.10%).

##### Subsidiary - Otukawa Whenua Limited Partnership

At balance date, the Subsidiary had an overdraft facility with BNZ up to a maximum of \$180,000 (2019: \$175,000).

At balance date, the Subsidiary also had a \$3,178,484 (2019: \$3,325,254) debt facility with BNZ Limited. Debt facility is interest only and is repayable at maturity.

The loan of \$3,178,484 at 30 June 2020 comprises:

\$750,330 at 4.77% maturing on 22 September 2025

\$2,402,160 at 5.80% maturing on 20 September 2030

\$25,994 at 4.77% maturing on 21 January 2021

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

Regarding Rotoiti 15 Trust's Investment in Otukawa Whenua LP, PGG Wrightson's have a registered security over livestock, farm equipment, machinery and other goods derived from secured collateral.

### 22 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 2020

Note	Group		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>23 Reserves</b>				
<u>Capital reserve</u>				
Balance at beginning of the year	3,233	3,233	3,233	3,233
<b>Balance at end of the year</b>	<b>3,233</b>	<b>3,233</b>	<b>3,233</b>	<b>3,233</b>
<u>Property revaluation reserve</u>				
Balance at beginning of the year	9,327,195	10,553,770	9,327,195	10,553,770
Increase due to changes in fair value	-	-	-	-
Derecognition upon disposal of property	-	(1,226,575)	-	(1,226,575)
Deferred tax	-	-	-	-
<b>Balance at end of the year</b>	<b>9,327,195</b>	<b>9,327,195</b>	<b>9,327,195</b>	<b>9,327,195</b>
<u>Intangible assets revaluation reserve</u>				
Balance at beginning of the year	6,816,150	6,400,350	6,816,150	6,400,350
Increase due to changes in fair value	2,762,100	415,800	2,762,100	415,800
<b>Balance at end of the year</b>	<b>9,578,250</b>	<b>6,816,150</b>	<b>9,578,250</b>	<b>6,816,150</b>
<u>AFS assets revaluation reserve</u>				
Balance at beginning of the year	(227,719)	72,433	(33,190)	94,541
Increase/(decrease) due to changes in fair value	(12,038)	(327,247)	-	(154,826)
Deferred tax	(9,539)	27,095	(9,539)	27,095
<b>Balance at end of the year</b>	<b>(249,296)</b>	<b>(227,719)</b>	<b>(42,729)</b>	<b>(33,190)</b>
<u>Investment in subsidiaries</u>				
Balance at beginning of the year	-	-	(194,528)	(22,107)
Increase/(decrease) due to changes in fair value	-	-	(12,038)	(172,421)
Deferred tax	-	-	-	-
<b>Balance at end of the year</b>	<b>-</b>	<b>-</b>	<b>(206,566)</b>	<b>(194,528)</b>
<u>Investment in associates</u>				
Balance at beginning of the year	1,463	1,463	1,463	1,463
Increase/(decrease) due to changes in fair value	(967)	-	(967)	-
<b>Balance at end of the year</b>	<b>496</b>	<b>1,463</b>	<b>496</b>	<b>1,463</b>
<b>Total Reserves at beginning of the year</b>	<b>15,920,322</b>	<b>17,031,249</b>	<b>15,920,323</b>	<b>17,031,250</b>
<b>Total Reserves at end of the year</b>	<b>18,659,878</b>	<b>15,920,322</b>	<b>18,659,878</b>	<b>15,920,322</b>

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# Notes to the Financial Statements

## Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2020

### 24 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	933,180	1,024,271	765,000	782,000
	<b>1,479,724</b>	<b>1,570,815</b>	<b>867,000</b>	<b>884,000</b>

#### 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.

### 25 Deferred tax assets and liabilities

Group	01 July 2019	Recognised in Profit	Recognised in Equity	30 June 2020
Property, plant & equipment	-	-	-	-
Biological assets	(2,122,338)	2,781	-	(2,119,557)
Other provisions	507	280	-	787
AFS assets	11,730	-	(9,539)	2,191
<b>Total deferred tax assets/ (liabilities)</b>	<b>(2,110,101)</b>	<b>3,061</b>	<b>(9,539)</b>	<b>(2,116,579)</b>
	<b>01 July 2018</b>	<b>Recognised in Profit</b>	<b>Recognised in Equity</b>	<b>30 June 2019</b>
Property, plant & equipment	(98,744)	98,744	-	-
Biological assets	(2,163,672)	41,334	-	(2,122,338)
Other provisions	-	507	-	507
AFS assets	(15,365)	-	27,095	11,730
<b>Total deferred tax assets/ (liabilities)</b>	<b>(2,277,781)</b>	<b>140,585</b>	<b>27,095</b>	<b>(2,110,101)</b>
<b>Parent</b>	<b>01 July 2019</b>	<b>Recognised in Profit</b>	<b>Recognised in Equity</b>	<b>30 June 2020</b>
Property, plant & equipment	-	-	-	-
Biological assets	(2,122,338)	2,781	-	(2,119,557)
Other provisions	507	280	-	787
AFS assets	11,730	-	(9,539)	2,191
<b>Total deferred tax assets/ (liabilities)</b>	<b>(2,110,101)</b>	<b>3,061</b>	<b>(9,539)</b>	<b>(2,116,579)</b>
	<b>01 July 2018</b>	<b>Recognised in Profit</b>	<b>Recognised in Equity</b>	<b>30 June 2019</b>
Property, plant & equipment	(98,744)	98,744	-	-
Biological assets	(2,163,672)	41,334	-	(2,122,338)
Other provisions	-	507	-	507
AFS assets	(15,365)	-	27,095	11,730
<b>Total deferred tax assets/ (liabilities)</b>	<b>(2,277,781)</b>	<b>140,585</b>	<b>27,095</b>	<b>(2,110,101)</b>

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# Notes to the Financial Statements

## Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2020

### 26 Related party transactions

	2020		2019	
	Revenue/ (Expense)	Receivable/ (Payable)	Revenue/ (Expense)	Receivable/ (Payable)
<u>Group and Parent</u>				
<b>Rotoiti 15 Investments Limited</b>				
Related party advance	-	13,299,203	-	
<b>Rotoiti 15 Holdings Limited</b>				
Related party advance	-	14,023	-	13,029
<u>Rotoiti 15 Investments Limited Partnership</u>				
Rotoiti 15 Investments Limited Partnership was established to facilitate the investments of Rotoiti 15 Trust. One of the trustees of the parent is also a director of the Limited Partnership.				
<u>Rotoiti 15 Holdings Limited</u>				
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.				
<u>Trustee and director fees - Group and Parent</u>				
<i>Trustee fees - Parent only</i>				
Arapeta Tahana Jnr	26,800	-	18,265	
Fred Whata	-	-	7,817	-
Joe Tahana	13,400	-	13,400	-
Katie Paul	13,400	-	2,233	-
Merehira Savage	13,400	-	13,400	-
Piki Thomas	12,730	-	13,400	-
Tina Ngatai	13,400	-	21,935	-
<i>Director fees - Investments LP</i>				
Michael Pohio	29,167	-	-	-
Geoff Rice	19,167	-	-	-
Tina Ngatai	16,667	-	-	-
<b>Total Trustee and Director fees paid</b>	<b>158,130</b>	<b>-</b>	<b>90,450</b>	

### 27 Contingent liabilities

#### New Zealand Units

The Parent has a future obligation to return the NZUs (refer to Note 17) 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.

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# Notes to the Financial Statements

## Rotoiti 15 Trust and Subsidiary

For the year ended 30 June 2020

### 28 Capital commitments

#### Te Puia Tapapa Limited Partnership

This investment was transferred to Rotoiti 15 Investments LP in August 2019 (refer note 13) at cost price of \$2,500,000 and offset. At balance date \$217,576 of capital had been called and duly paid. There is a balance of committed capital owing of \$2,274,848 for which Rotoiti 15 Investments LP is responsible.

### 29 Prior Period Adjustment – Consolidation of Controlled Subsidiary Entities

The Trustees resolved to include the activities of Rotoiti 15 Charitable Trust & Rotoiti Holdings Ltd as part of the group from the start of the current reporting year. Previously, these entities were not consolidated into the Trust Group annual financial statements. Therefore, from 1 July 2019, the operating activities of both entities have been consolidated into these financial statements with the 2019 comparative figures restated accordingly as follows:

#### 2019 Group Comparative Figures Restated

Account Details	As Stated in the 2019 Annual Accounts	Consolidation Adjustment	Movement Addition to Group Equity
Profit & Loss	826,847	1,008,728	181,881
Balance Sheet	41,771,160	45,058,280	3,287,120

### 30 Events after the balance date

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

### 31 Covid-19 global pandemic

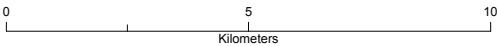
The Trustees consider the impact of the Covid-19 global pandemic on the economic performance of the Trust and Group to be sustainable and that it does not affect the Trust nor its subsidiaries as going concerns.

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Part Rotoiti 15 Block











# Tō matau tohu

## Our tohu

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

### 3 Tapatoru Represents The Brand Promise

Preserving Our Past  
Enabling Our Present  
Ensuring Our Future

### 3 Mango Head Taniwha Represents The Rotoiti 15 Brand Values

Tikanga Tūturu  
Te Arawa  
Tikanga Tiaki Tangata  
Tikanga Tiaki Rawa

### Te Ara Poutama Design Represents Tikanga Tiaki Taiao Brand Value

### Brand Strapline Ngā rawa E Tupu

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



### Manaia Design Represents Te Mana Kaitiaka

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

### Maunga Design Represents the Maunga of the Rotoiti 15 Hapu

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

### Roto Design Represents the Moana of the Rotoiti 15 Hapu

Rotoiti; Okataina;  
Rotongata; Rotoahua

PO Box 1495 Rotorua 3010

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