



Whakarongorua te Maunga, Rakapuke te Mana, Utakura te Awa, Utatewhanga te Raorao, Tauratumaru te
Tangata, Hokianga A Kupe te Moana



UTAKURA 7 INCORPORATION
Annual General Meeting 2018



Chairs Report

Rau rangatira ma, e kui ma, e koro ma, nga matua me nga whaea, teina me nga tuakana, tuahine me nga tungane, te rangatahi me nga tamariki mokopuna nou mai haere mai, pikimai, ki te hui a tau Te Koporeihana o Utakura 7.

Welcome whanau to the 2018 AGM of the Utakura Incorporation 7. It is again my pleasure to report on the activities of the Committee of Management and the governance of Utakura 7 Incorporation. While we are in the final period of harvest for rotation one, and expect that this will be completed by February-March 2019, I am pleased to say that 2018 has been an extraordinary year in terms of revenues due in part to the high export prices to China and the negotiation skills of our forestry partners. We recently met with Whitecliffs and the Forest Managers Northpine to take stock of the replanting regime and view the final blocks to be harvested to complete the cycle. With the exception of areas yet to be logged, replanting has been completed on schedule. At this juncture I would also mention that we have opened discussions with Bill Taylor with regards to the Lease. It is early days and we have not yet commenced negotiations but anticipate this taking place within the next few months. We envisage this process may present opportunity to discuss improvements in the Lease and enhance the relationship. I hope you appreciate the improved quality of this Annual Report which details concise audited accounts, down-loadable documents for scholarship applications, COM nominations, policy and proxies. You are also encouraged to check the Website: www.utakura.org for documents of interest including the latest rendition of our 5 Year Plan, Vetting Policy, Health and Safety Plan and the current Annual Report. Regretfully because of the high cost to produce the booklet we have decided that this will be the last hard copy of the Annual report. From 2019 it will only be available electronically in down-loadable PDF on the website. It is opportune to mention that the Draft Strategic Plan 2018-2023 will be available to be adopted at this AGM.

Once again, the financial performance of the Incorporation has been steady with small incremental increases from core investments and stumpage revenues. The balance sheet shows growth in net assets with retained earnings of approximately \$2.25m in investments and savings. It is timely however to remind ourselves that after the first quarter of 2019 revenues from the forest will cease for at least 12 years. It is now imperative that we seek out other opportunities for economic expansion to meet an inevitable shortfall in funds needed to sustain the Incorporation until the next harvest. The management committee has taken a low risk approach with its investments with the majority being with banks and managed funds. While maintaining a low risk policy for core investments the Incorporation is also investigating new opportunities in honey and tourism as a means to create income with higher future returns.

The photograph on the front page is appropriate given that the Incorporation has established a Beehive placement and shared honey harvest agreement with local beekeeper Paihere Honey. We are pleased to report a modest income in December from the partnership, and shareholders attending the AGM will get to enjoy some of the Utakura manuka honey collected last summer. Looking at ways we can future proof our honey business we note that the Government has set a goal to plant 1 billion trees over ten years. The value of manuka plantations for the honey industry is recognized and has made manuka plantings a realistic option. Earlier this year we made application to MPI under the new Afforestation Grant Scheme and are one of four organizations in Northland approved for a grant to help establish 59.92ha in manuka forest species on specified areas of Incorporation land. If we take up the grant, then preparation and planting must be completed by Mid 2019. We are currently carrying out a feasibility study and preparing a business plan before proceeding to the next stage. Likewise, tourism remains high on the agenda given that the Pou Herenga Tai cycle-way, (which traverses parts of the incorporation land), is gaining in popularity and it is predicted that it will have several thousand users annually. This provides many opportunities for the Incorporation and shareholders/beneficiaries to engage with the cyclists and derive economic benefits from the trail. We encourage whanau to be welcoming of Manuhiri on the cycle-way and mindful of their wellbeing. Positive experiences on the trail means more visitors and more opportunities. If you have a business idea around the cycle-way but need expert help or maybe access to investment funds, approach the COM, we may be able to assist.

The vexing question of Governance and Health and Safety Policy are very much at front of mind right now, and organizations large and small are under intense scrutiny from their owners, watchdogs and

the law, as each day we see misdemeanours reported in local, national and international headlines. No matter the entity, be it, marae committee, school trustees, incorporations, trustees, boards of directors, corporations, agencies, government departments, health boards, church hierarchy, political parties, none is immune to the proclivities of the human condition, fraud, errors or lack of understanding of lawful responsibilities.

The COM of Utakura 7 is no exception; in December 2017 one of our elected board members went rogue, and outside his lawful authority made commitments on behalf of the Incorporation which he was not authorized to make. If not for the timely intervention of the full board, and his voluntary resignation, the incorporation could have been seriously compromised. As it is we are still dealing with the consequences of his actions today. In order to address this very serious issue the COM has decided on a pro-active course of action as part of succession planning for current and future committees of management. Firstly, within the next 6 months all current COM members will up-skill by attending Maori Governance & Cultural Match training : comprised of 8 modules in 4 workshops over 4 months delivered by BDO Accountants and Wayfinding Leadership, experts in cultural match. Lawful responsibilities and understanding of Maori cultural lore in relationship to the law will be explored. With impending loss of long-serving committee members this will ensure those continuing on the COM have the skills, capacity and commitment to take on a senior role and provide capable stewardship within the management committee.

Secondly, dealing with selection of new committee members, the COM has adopted new procedures and policy to be introduced at AGM 2018. This includes comprehensive vetting of new candidates before they are confirmed as full board members. Shareholders may nominate any candidate in the usual manner, but any new appointee will be subject to caveat that their appointment will not be confirmed until they have satisfactorily completed the vetting programme. During this probation period they will not be eligible for any role as officers on COM. Once confirmed the new board member must also under-take Maori Governance and Cultural match training to complete their internship. A summary of this vetting procedure has been appended to the nomination form and the full policy including our health and safety plan will be available on the website.

This year we received five applications for study grants. One was returned, a second not taken up and three applicants have continued their studies at Auckland University. Each new applicant for a scholarship must now present their application in person and grants will be made according to merit and the academic level of the study. All successful applicants will be required to give back to the incorporation in some meaningful manner.

I want to apologise for the length of this report but I wanted to cast light on some important issues that may affect the COM, the Incorporation and ultimately the shareholders. The wellbeing of the incorporation is reliant on the quality of the stewardship we provide so we must always strive to be the best we can be. In closing I would like to thank my fellow committee members for their dedication to the Incorporation affairs and acknowledge their commitment to self-development and governance. And finally, I would make special mention of the extraordinary service given to the committee by Nellie Robertson and the selfless efforts of our retired member Haratua Ihimaera. And in conclusion I also want to acknowledge and thank Wendy Henwood for the many hours of voluntary support and priceless advice she gives to the COM.

Mauri Ora
John Panoho
Utakura 7 Incorporation

www.utakura.org

UTAKURA 7 INCORPORATION

HUI A TAU: ANNUAL GENERAL MEETING 2018

Utakura 7 Incorporation Committee of Management is pleased to present this annual report to the shareholders and invite you to the 46th Annual General Meeting. We look forward to seeing both shareholders who attend regularly and those who are just starting to get involved. Come and have your say, bring your ideas and your whanau so that the younger members can also learn about the business of the Incorporation.

The Utakura 7 Incorporation AGM will be held on Saturday 17th November 2018 at Mataitaua Marae, Utakura.

- **Powhiri 10.00 a.m.**
- **Registrations from 10.30 a.m.**

AGENDA FOR AGM

10.00a.m. Karakia & Powhiri

10.30a.m. Registration & morning tea
All shareholders must register for voting purposes

11.00a.m. Meeting commences

- Apologies
- Minutes of the 2017 AGM
- Treasurers Financial Report
- Appointment of Auditor/ Share Valuer
- Chairperson's Report

1.00p.m. LUNCH

1.30p.m. Election of Committee Members
Nominations for the Management Committee must be made on the enclosed nomination form. David Culham and Nellie Robertson are up for rotation and are available for re-election

2.30p.m. General Business
Shareholders with matters for General Business must present the issue in writing to the Chairperson before the beginning of the meeting so that they can be assessed, co-coordinated and presented in an orderly and appropriate manner.

Meeting to Close with a Karakia



Whakarongoru te Maunga, Rakapuke te Mana, Utakura te Awa, Utatewhanga te Raorao, Tauratumaru te Tangata, Hokianga A Kupe te Moana

MINUTES OF UTAKURA 7 INCORPORATION
ANNUAL GENERAL MEETING 2017

Date: 18 November 2017
Place: Mokonuirangi Marae, Utakura
Time: 10.30am

Karakia: Elliot Tipene
Whakatao: Tamihana Pomare, Christine Kaihe, Hokimate Painting, Kerei Tiatoa

Present:

Committee of Management:
Anne Walker (Chair), Haratua Ihimaera, Nellie Robertson, David Culham, Dawson Joyce

Shareholders:

As per AGM Attendance Register (available to view)

William Smith, Edith Pita, Charlott Hohaia, Sapphire Perenara, Ellen Hepehi, Tui Rhind, Lottie Ihimaera, Turoa King, Gertie Ogle Johnson, Maryann Serra Panoho, Tamati Mitchell Panoho, Kerei Tiatoa, Hone Tiatoa, Martin Watts, Ben Anderson, Terri Ngakuru, Anthony Rudolph, Donna Sarich, Chappy Sarich, Shane Apiata, Paro Stirling, Jermiah Wheoki, Ringa Ashby, Hoana Rountree, Hokimate Rountree, Katrina Jackson, Janette Montgomery, Anahera Eruera, Ngawai Tuson, Chrissie Smith, George Vanderzwan, Zona Harris, Gerard Harris, Victor Harris, Tamihana Pomare, Hokimate Painting, Desmond Stirling, Kirk Stirling,

Apologies:

Shareholders:

As per AGM Absentee Register (available to view)

John Panoho, Te Aroha Tiatoa, Yohanon Tiatoa, Heke Whanau Trust, Moana Joyce, Te Aroha Richards, Tiraroa Bucknell-Webb, Miha Horomona, Tepania Kingi, Terri Smith, Tupu Smith, Bert Ogle

Motion: That the apologies be accepted.
Moved: Hokimate Painting 2nd: Ngawai Tuson Carried.

1. Chairpersons Report

Anne Walker read John Panoho's Chairs report in his absence as he was unwell.

Matters Arising:

- Hokimate Painting – why haven't we tried to increase the stumpage value
Anne answered that we are unable to change until the Lease expires in 2038 or if Whitecliffs want to extend the Lease, we may be able to negotiate a better Lease Agreement
- Hokimate Painting – why do we always come to Mokonuirangi for our Annual General Meetings
Nellie answered that it depends on which Marae is available plus Puketoa is not ready to receive manuhiri yet and we have been to Mataitaua two years ago.

Motion: That the Chairperson's report be accepted.
Moved: Paro Stirling 2nd: Hokimate Painting Carried.

2. Minutes from the 2016 Annual General Meeting

Motion: That the Minutes of the 2016 Annual General Meeting as distributed in the 2017 Incorporation's Newsletter be taken as read.

Motion: That the Minutes of the 2016 Utakura 7 Incorporation's Annual General Meeting is a true and accurate record of that Meeting.

Moved: Ellen Hepehi 2nd: Martin Watts Carried.

Matters Arising

- Dawson Joyce – Carbon Credits are now worth \$17.50 per unit
- Hone Tiatoa – his group has been taught a valuable lesson so think before you sell the carbon credits
- Martin Watts shared his thoughts on what we cut down and what goes into our water (rivers), it is resin not gum
- Christine Kaihe (Solomon) explained in detail the difference between gum and resin
- Turoa King – Posy King's son gave a moving speech on his father and his feelings towards the incorporation and it was answered by Anne & Hokimate. There were some very good memories that a lot of people enjoyed about Posy

3. Treasurers Financial Report

Motion: That the Treasurers Financial Report for the 2016/2017 year as circulated in the 2017 newsletter be tabled

Moved: Ellen Hepehi 2nd: Lottie Ihimaera Carried.

Matters Arising:

- Hone Tiatoa questioned the Auditors Report as he saw it. He was concerned that the Incorporation wasn't following processes and procedures correctly. The Auditors Report was very intense and different than in previous years.
 - **Nellie Robertson replied that the Auditors Report is very clear and to the point, which is how it should be**
- Hokimate Painting – has already had 1 payout and wants another. This time she will word her resolution better
- Christine Kaihe – why are our investments returning so low
 - **Nellie answered that we have conservative investments**
- Martin Watts – profits should be going into Shareholders pockets. Radiata pine will be finished in approximately 5 years
- Turoa King – requests that the Auditor attend the 2018 Annual General Meeting to present the Financial Statements

Moved: Tui Rhind 2nd Paro Stirling Carried.

4. Appointment of Auditor/Share Valuer

Motion: That Adele M Maraki be reappointed as Auditor for the financial year July 2017 to June 30th 2018

Moved: Wendy Henwood 2nd: Dawson Joyce Carried.

And That Bennett & Associates currently on Contract, be retained as the Accountant.

Moved: Anne Walker 2nd: Haratua Ihimaera Carried.

5. Election of Committee of Management Members

There were two nominations received for election on to the Committee of Management. Applications were received from Ben Anihana and Hone Tiatoa.

Only Ben's application could be heard as Hone's was received late. Ben was welcomed onto the Committee of Management by the Chair, Anne Walker as there was a vacant spot.

6. General Business

i. Share Register Update

- More successions are needed please. Wendy Henwood has offered to help with the succession process and the setting up of whanau trusts. Wendy's new email details are tirairaka@outlook.com. Nellie also has a new email address: robertsonnellie6@gmail.com. If you need to contact her.

ii. Scholarship Applicants

- Anne read out the reports from a couple of the Scholarship Applicants and their progress so far.
- Hokimate Painting acknowledged that her mokopuna have received the scholarship and she was grateful for the support.

iii. Rates for Papakainga Residents

- Nellie explained to the Shareholders and Beneficiaries at the Annual General Meeting that the Papakainga Residents do not currently contribute to the Rates account for the Incorporation. It has been noted that a couple of the residents have placed beehives on the whenua and are receiving income that hasn't been shared with shareholders and beneficiaries. The Committee of Management conferred and decided to bring to the AGM their concerns and for a decision to be made regarding the approval to charge a rates fee to all of the Papakainga residents.
- Ringa Rountree – supported the rating charge for the Papakainga residents
- Hokimate Painting – supported the rating charge for the Papakainga residents
- Tamihana Pomere – supported the rating charge for the Papakainga residents

Motion: The Shareholders and Beneficiaries give approval to send residents rates accounts for their contribution to the Incorporation's Rates Account

Moved: Wendy Henwood 2nd: Gertrude Ogle Carried.

iv. Lease Agreement/Strategic Plan

- Shareholders and beneficiaries expressed their eagerness to participate in the review of the Strategic Plan and to explore the option of negotiating with Whitecliffs not only for the extension of the Lease but for the potential to increase the stumpage payment. The date, time and venue will be advertised in the Herald, Northern Advocate and Radio Northland-Tautoko, preferable in March/April 2018. Dawson urged the Shareholders and Beneficiaries to support and be part of the Plan as it belongs to everyone.

v. Patu Tai Tokerau

- A letter was received from Richard Koroi for funding to support an organisation that is trying to bring whanau off their couches and get into something healthy. There was a lot of support for this initiative but unfortunately we do not have a policy in place to fund this activity. This will be a topic for the Strategic Plan.

vi. Anihera Eruera

- Anihera presented to the AGM a request for funding for a wananga as they are really low on the ground for the upskilling of Kaikaranga, Taumata and need the support of the shareholders and beneficiaries to fund this important area. The response to this request was differing.
- Hokimate Painting said in the old days people put their hands in their pockets
- Paro Stirling – supported Anihera's request
- Martin Watts – interrupted Anihera and said this shouldn't be bought up here
- Anne Walker, the Chair, defended Anihera and said she gave her approval to approach the shareholders and beneficiaries with her request as this is the only time she has to ask for support
- Gerard Harris – gave an awesome korero on his support for this request and shared his thoughts on the environment and forestry
- Turoa King – didn't think this was a topic for discussion, this is an AGM not a wananga

vii. Hokimate Painting

- Advised the shareholders and beneficiaries at the AGM to listen next year to the Waitangi Tribunal as things will happen. Hokimate put a resolution to the floor.

'That all Shareholders of this AGM and the last 20 years each receive \$1,500.00, with the tax paid by the Incorporation'.

This was moved by Hokimate Painting and 2nd by William Smith. Wendy Henwood put her hand up and asked for a Poll Vote by Shareholding.

Turoa King was nominated as Scrutineer.

The voting by shareholding came back in opposition to the resolution and Turoa King was released from his duties.

Hokimate Painting thanked the shareholders and beneficiaries for voting and supporting her even though it wasn't voted in, she will be back and fighting.

The Chair, Ani Walker thanked the Shareholders for their attendance, input and support for the Incorporation.

The Meeting closed with a karakia by Haratua Ihimaera at 5.30pm.

Utakura 7 Incorporation
Financial Statements
for the Year Ended 30 June 2018

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**Utakura 7 Incorporation
Trust Directory
As at 30 June 2018**

Registered Office	219 Abbey Caves Road Whareora Whangarei
Committee/Trustees	John Panoho Nellie Robertson Annie Walker David Culham Dawson Joyce Nathan Wiperi Haratua Ihimaera (resigned 9 December 2017)
Auditors	Adele Maraki Chartered Accountant Okaihau
Bankers	Westpac Trust Kaikohe
Solicitor	Marsden Woods Inskip Smith Whangarei
Accountants	Bennett & Associates Whangarei

**Utakura 7 Incorporation
Approval of Financial Report
For the Year Ended 30 June 2018**

The Committee Members are pleased to present the approved financial report, including the financial statements of Utakura 7 Incorporation for the year ended 30 June 2018.

APPROVED

For and on behalf of the Committee Members:



John Panoho
Committee Member



Nellie Robertson
Committee Member

Dated this 12 day of October 2018

Utakura 7 Incorporation
Statement of Profit or Loss
For the Year ended 30 June 2018

	<u>Note</u>	<u>2018</u> \$	<u>2017</u> \$
<u>INCOME</u>			
Sales		467,023	288,548
Land Lease		1,196	-
Rates Received		1,304	-
Honey Sales		8,763	-
Dividends Received		7,458	4,777
Interest Received		26,506	20,780
Miscellaneous Income		225	869
Excluded Income - non taxable		1,524	197
PIE Income - taxable		1,788	9,031
Scholarship Allocation Repaid		1,000	-
		516,787	324,202
<u>OTHER INCOME</u>			
Depreciation Recovered on Revaluation of Building		-	33,772
<u>TOTAL OTHER INCOME</u>		-	33,772
<u>LESS EXPENSES</u>			
<u>Administrative Expenses</u>			
AGM Expenses	519		746
Accountancy Fees	15,900		10,340
Advertising	773		253
Audit Fees	860		1,150
Bank Charges	134		136
Catering	2,166		2,027
Cleaning & Laundry	-		87
Computer Expenses	562		-
Conference Expenses	-		1,053
Donations - Scholarships	4,000		3,000
General Expenses	336		-
Honey Extraction Expenses	1,702		-
Legal Expenses	9,109		1,576
Investment Management Expenses	10,481		9,289
Committee Fees/ Honorarium	29,770		24,214
Office Expenses	4,185		3,750
Printing, Stamps & Stationery	2,229		3,258
Rent/Venue Hire	970		280
Storage of Records	600		600
Subscriptions	1,000		1,000
Telephone, Tolls & Internet	234		-
Travel - National	8,170		6,855
		93,700	69,614
<u>Financial and Occupancy Expenses</u>			
Depreciation	1,876		2,933
Insurance	1,107		870
Interest - IRD	85		24
Rates	6,115		6,381
		9,183	10,208
<u>TOTAL EXPENSES</u>		102,883	79,822
<u>NET PROFIT/(LOSS)</u>		413,904	278,152
Income Tax Expense	6	77,609	46,550
<u>NET PROFIT/(LOSS) AFTER TAXATION</u>		\$336,295	\$231,602

*Note: The accompanying notes form part of these financial statements.
This Statement must be read in conjunction with the Independent Auditor's Report.*

Utakura 7 Incorporation
Statement of Changes in Equity
For the Year ended 30 June 2018

	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
COMMENCING EQUITY	4,901,277	4,657,777
<u>Revenue</u>		
Net Profit/(Loss) for the year	336,295	231,602
Capital Loss on Sale of Shares	-	(112)
Capital Profit on Sale of Shares	10,164	8,009
Revaluation of Land and Buildings	-	4,000
Total recognised revenues & expenses	<u>346,459</u>	<u>243,500</u>
	5,247,736	4,901,277
<u>CLOSING EQUITY</u>	<u>\$5,247,736</u>	<u>\$4,901,277</u>

*Note: The accompanying notes form part of these financial statements.
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Utakura 7 Incorporation
Balance Sheet
As at 30 June 2018

	<u>Note</u>	<u>2018</u> \$	<u>2017</u> \$
CURRENT ASSETS			
Bank - Cheque Account		212,105	167,637
Bank - Cash Management		1,350,891	686,737
Term Deposit		-	100,000
Westpac Term Deposit		-	233,697
Accounts Receivable		12,612	30
Accrued Interest		4	4,542
Total Current Assets		<u>1,575,612</u>	<u>1,192,643</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	4	2,778,461	2,780,337
Investments	5	<u>989,260</u>	<u>985,687</u>
Total Non-Current Assets		<u>3,767,721</u>	<u>3,766,024</u>
TOTAL ASSETS		<u>5,343,333</u>	<u>4,958,667</u>
CURRENT LIABILITIES			
GST Due for payment	2(b)	40,213	34,156
Taxation	6	44,794	15,990
Accounts Payable		9,039	5,295
Accrued Expenses		1,550	1,950
Total Current Liabilities		<u>95,596</u>	<u>57,391</u>
TOTAL LIABILITIES		<u>95,596</u>	<u>57,391</u>
<u>NET ASSETS</u>		<u>\$5,247,736</u>	<u>\$4,901,276</u>
Represented by:			
TRUSTEES FUNDS			
Capital Reserves		2,962,142	2,951,977
Retained Earnings		2,285,594	1,949,299
TOTAL TRUSTEES FUNDS		<u>\$5,247,736</u>	<u>\$4,901,276</u>

*Note: The accompanying notes form part of these financial statements.
This Statement must be read in conjunction with the Independent Auditor's Report.*

Utakura 7 Incorporation
Notes to the Financial Statements
For the Year ended 30 June 2018

1. REPORTING ENTITY

Utakura 7 Incorporation is a Maori Authority Trust incorporated under Te Ture Whenua Maori Act 1993. Utakura 7 Incorporation was formed on 29 March 1972 to occupy and manage land vested in the incorporation. Its primary business activities include forestry leasing and financial investments.

2. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements of Utakura 7 Incorporation have been prepared in accordance with Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants of Australia and New Zealand.

The financial statements have been prepared for:

- the entity's owners
- Inland Revenue Department
- internal management purposes

Historical Cost

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Specific Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

(a) Property, Plant & Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

Freehold land and buildings are revalued on a cyclical basis every three years to fair value, as determined by an independent valuer. Revaluation gains are transferred to the asset revaluation reserve for that class of assets. If any revaluation reserve has a deficit, that deficit is recognised in profit or loss in the period it arises. Any revaluation surplus that reverses previous revaluation deficits in subsequent periods is recognised as revenue in profit or loss.

All other repairs and maintenance expenditure is recognised in profit or loss as incurred.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset using depreciation rates published by Inland Revenue. The following depreciation rates have been used:

Land	Not Depreciated
Buildings	Not Depreciated
Office Equipment	39 - 50% DV

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Utakura 7 Incorporation
Notes to the Financial Statements
For the Year ended 30 June 2018

(b) **Goods & Services Tax**

The Statement of Profit or Loss and Statement of Cashflows (where included) have been prepared so that all components are stated exclusive of GST. All items in the Balance Sheet are stated net of GST, with the exception of Accounts Receivable and Accounts Payable.

(c) **Income Tax**

Income Tax expense charged to the Statement of Financial Performance recognises the current obligations and all amounts arising from differences between the accounting results and assessable income for the period, calculated using the liability method. Utakura 7 Incorporation is a Maori Authority with a tax rate of 17.5%.

(d) **Revenue**

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to the company and revenue can be reliably measured.

Lease income is recognised on a straight line basis over the life of the lease.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the shareholders' right to receive the payment is established.

(e) **Investments**

Investments are initially recorded at cost.

(f) **Receivables**

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

3. **INDEPENDENT AUDIT**

These financial statements have been subject to audit, please refer to the Independent Auditor's Report.

4. **PROPERTY, PLANT & EQUIPMENT**

		<u>2018</u>	<u>2017</u>
Land	Not Depreciated		
At Cost		2,483,000	2,479,000
Purchases/Revaluations		-	4,000
		<u>2,483,000</u>	<u>2,483,000</u>
Buildings	Not Depreciated		
At Cost		293,000	-
Purchases/Revaluations		-	293,000
		<u>293,000</u>	<u>293,000</u>
Office Equipment	39 - 50% DV		
At Cost		9,578	6,628
Purchases/Revaluations		-	2,950
Less Accumulated Depreciation		<u>(7,117)</u>	<u>(5,241)</u>
		<u>2,461</u>	<u>4,337</u>
Total Property, Plant & Equipment		<u>2,778,461</u>	<u>2,780,337</u>
Total Depreciation for the Year		<u>1,876</u>	<u>2,933</u>

Land and buildings have been restated to valuation in accordance with the rateable values as determined by Quotable New Zealand as at 01 August 2016. The current revaluation surplus on revalued land and buildings is \$2,887,206 (2017:\$2,887,206). Land and buildings are re-valued at least every three years.

Utakura 7 Incorporation
Notes to the Financial Statements
For the Year ended 30 June 2018

5. INVESTMENTS

Cost Value of Investments at Balance Date were \$989,262. (2017:\$985,687). This consists of:

	<u>2018</u>	<u>2017</u>
ASB Preference Shares	100,000	100,000
Craigs Investments	190,689	125,073
Westpac Share Portfolio	444,572	438,231
Spicers Share Portfolio	187,098	191,155
Cash Management Accounts	35,624	98,302
R Anderson Loan	21,130	22,778
Mercury Shares	10,000	10,000
Craigs Accrued Interest Account	146	148
	<u>989,259</u>	<u>985,687</u>

Market Value of Investments at Balance Date were \$1,216,742 (2017: \$1,149,727). The market value of the following investments are based on the portfolio valuation report as provided by the corresponding investment advisor: Westpac Shares, Spicers Portfolio, and Craigs Investment Shares. The market value of the ASB Preference Shares and the Mercury Shares are based on published financial data as per www.nzx.com website. The market value of the cash management accounts and the R Anderson loan are the same as their cash value.

Market Value of ASB Preference Shares	88,500	83,000
Market Value Westpac Shares	635,478	600,772
Spicers Portfolio Market Value	213,470	201,045
Craigs Investments Shares Market Value	208,363	129,829
Cash Management Accounts	35,635	98,302
R Anderson Loan	21,130	22,778
Mercury Shares	14,019	13,853
Craigs Accrued Interest Account	146	148
	<u>1,216,741</u>	<u>1,149,727</u>

Cost Value of investments included in the Spicers portfolio currently in Receivership on payments of interests and capital.

OPI Pacific Finance Secured Debenture Stock	2,666	2,729
OPI Pacific Finance Debenture Stock	3,028	3,100
	<u>5,694</u>	<u>5,829</u>

Market Value of investments included in the Spicers portfolio in Receivership on payments of interest and capital as per the Spicers Investment report.

OPI Pacific Finance Secured Debenture Stock	2,666	2,729
OPI Pacific Finance Debenture Stock	3,062	3,009
	<u>5,728</u>	<u>5,738</u>

Utakura 7 Incorporation
Notes to the Financial Statements
For the Year ended 30 June 2018

6. TAXATION

Operating Surplus before tax	413,904	278,152
PLUS (LESS)		
Non Taxable Depreciation Recovery	-	(33,772)
Non Deductible Expenditure	8,752	7,994
Movement in Audit Fees Accrued	(690)	-
Non Assessable Income	(2,524)	(197)
PIE and FIF Adjustments	23,257	13,822
NET TAXABLE SURPLUS / (DEFICIT)	442,699	265,999
Income Tax @ 17.5%	77,609	46,550
Provision for Income Tax		
Opening Balance	(15,990)	(8,873)
Tax Expense/Adjustments	(77,609)	(46,550)
RWT Paid	9,918	6,563
Provisional Tax paid	20,133	20,000
Terminal Tax paid / (refunded)	15,245	9,976
Imputation Credits	2,914	2,477
Foreign Tax Credits	594	417
Total (Tax To Pay) / Refund Due	(44,794)	(15,990)

Utakura 7 Incorporation has tax losses of \$Nil available to carry forward to offset against future income. (2017:\$Nil).

7. MAORI AUTHORITY CREDIT ACCOUNT

At 31 March 2018 Maori Authority Credits available to the shareholders were:

	<u>2018</u>	<u>2017</u>
Opening Balance	451,453	403,415
Payments to / (from) IRD	45,378	39,976
Interest Withholding Tax Paid	8,536	5,802
Imputation Credits Received	3,125	2,350
Closing Balance	508,492	451,543

8. CONTINGENT ASSETS - CARBON CREDITS

Utakura 7 Incorporation has been allocated a total of 74,940 NZ Units by the Crown as owners of 1249 hectares of pre 1990 forestry land. The 1249 hectares of land is required to be maintained in forest with any change in use resulting in carbon credits required to be surrendered as calculated under the deforestation obligation process. These units are currently being held on account, and are recorded at cost which is zero. The last trading price at balance date was \$21.10 per unit (2017:\$17.20), giving a market value of \$1,581,234 (2017:\$1,288,968).

9. CAPITAL COMMITMENTS

There were no future capital commitments at balance date (2017: Nil).

10. CONTINGENT LIABILITIES

There are no contingent liabilities at year end (2017):nil).

11. SUBSEQUENT EVENTS

Subsequent to balance date, on 3 July 2018, the trustees have issued an invoice to Ben Anihana in the amount of \$12,250.95 to recoup unauthorised expenditure paid by Utakura 7 Incorporation and incurred by Ben Anihana in his role as secretary between December 2017 and January 2018.

These debts were incurred without the authority of the trustees of Utakura 7 Incorporation.

Utakura 7 Incorporation
Notes to the Financial Statements
For the Year ended 30 June 2018

12. **SHAREHOLDERS' EQUITY**

	<u>2018</u>	<u>2017</u>
(a) Capital Reserves		
Land Revaluation Reserve Opening Balance	2,887,206	2,883,206
Land Revaluation Movement for Period	-	4,000
Land Revaluation Reserve	2,887,206	2,887,206
Share Premium Reserve	1,085	1,085
Capital Loss on Sale of Shares	(28,626)	(28,626)
Capital Profit on Sale of Shares Opening Balance	92,312	84,303
Capital Profit Movement for Period	10,164	8,009
Capital Profit on Sale of Shares	102,477	92,312
	2,962,142	2,951,977
(b) Retained Earnings		
Retained Earnings	1,949,299	1,717,697
Net Surplus / (Deficit) for the Year	336,295	231,602
Total Available for Distribution	2,285,594	1,949,299
Retained Earnings closing balance	2,285,594	1,949,299
TOTAL SHAREHOLDERS FUNDS	5,247,736	4,901,277

13. **RELATED PARTIES**

The following transactions with related parties occurred during the year:

<u>Name</u>	<u>Type of Transactions</u>	<u>Relationship</u>	<u>2018</u>	<u>2017</u>
Nellie Robertson	Honorarium	Trustee/Committee Member	11,940	11,940
Nellie Robertson	Meeting Fees	Trustee/Committee Member	2,686	1,970
Nellie Robertson	Other Expenses	Trustee/Committee Member	-	307
Nellie Robertson	Office Expenses	Trustee/Committee Member	4,135	3,750
John Panoho	Honorarium	Trustee/Committee Member	7,462	3,731
John Panoho	Meeting Fees	Trustee/Committee Member	1,791	358
Haratua Ihimaera	Meeting Fees	Trustee/Committee Member	716	1,522
David Culham	Meeting Fees	Trustee/Committee Member	1,253	1,611
Ben Anihana	Meeting Fees	Trustee/Committee Member	179	-
Annie Walker	Meeting Fees	Trustee/Committee Member	1,791	2,776
Annie Walker - Expenses	Meeting Fees	Trustee/Committee Member	158	-
Ellen Hepehi	Storage Fees	Nellie's Sister	600	600
Dawson Joyce	Meeting Fees	Trustee/Committee Member	1,791	-
Dawson Joyce	Land Lease	Trustee/Committee Member	1,200	1,200
Adele M Maraki	Audit Fees	Related to Shareholder	1,322	1,550

Balances owed to or receivable from related parties as at 30 June 2018 were as follows:

Nellie Robertson	Net Honorarium Payable	Trustee/Committee Member	2,000	2,000
Nellie Robertson	Office Expenses Payable	Trustee/Committee Member	1,130	938
Ellen Hepehi	Storage Fees Payable	Nellie's Sister	50	50
Dawson Joyce	Lease Receivable	Trustee/Committee Member	1,410	30
John Panoho	Net Honorarium Payable	Trustee/Committee Member	1,250	-

Terms and conditions of transactions with related parties:

Transactions with related parties are recorded on normal commercial terms.

**Utakura 7 Incorporation
Depreciation Schedule
For the Year ended 30 June 2018**

Asset	Private Use	Cost Price	Book Value 01/07/2017	Additions Disposals	Gain/Loss on Disposal	Capital Profit	Mth	---- Depreciation ---- Rate	Accum Deprec 30/06/2018	Book Value 30/06/2018
Land										
Land at Valuation 01/08/2016		2,483,000	2,483,000				12	0.0%DV	0	2,483,000
Total Land		2,483,000	2,483,000						0	2,483,000
Improvements										
Buildings at Valuation 01/08/2016		293,000	293,000				12	0.0%DV	0	293,000
Total Improvements		293,000	293,000						0	293,000
Office Equipment										
Office Fitout		2,099	772				12	12.0%DV	93	1,420
HP Laptop Computer		583	69				12	50.0%DV	35	549
Computer - HP Pavilion Notebook		995	238				12	50.0%DV	119	876
Website Development - First Stage		2,950	1,413				12	50.0%DV	707	2,244
Website Development - Final Stage		2,950	1,844				12	50.0%DV	922	2,028
Total Office Equipment		9,577	4,336						1,876	7,117
TOTAL FIXED ASSETS		2,785,577	2,780,336						1,876	2,778,460

*Note: The accompanying notes form part of these financial statements.
This Statement must be read in conjunction with the Independent Auditor's Report.*

INDEPENDENT AUDITOR'S REPORT

To the Trustees of
Utakura 7 Incorporation

Opinion

We have audited the financial statements of Utakura 7 Incorporation, which comprises the statement of financial position as at 30 June 2018 and the statement of financial performance for the year ended 30 June 2018, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the trust for the year ended 30 June 2018 are prepared, in all material respects, in accordance with the accounting policies specified in Note 1 to the financial statements.

We have audited the Share Register and Index of shareholders as filed with the Maori Land Court. In our opinion, the share register and index of shareholders have been duly and correctly kept.

Basis for Opinion

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

Trustee's Responsibilities for the Financial Statements

The Trustees are responsible for the preparation of the financial statements in accordance with the accounting policies specified in Note 1 to the financial statements and for such internal control as the Trustees determine is necessary to enable the preparation for financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trusts 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 Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility 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, if they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

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

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

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

Who we Report to

This report is made solely to the Trusts shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in and 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 Shareholders, as a body, for our audit work, for this report or for the opinions we have formed.



Adele M Maraki
Northland
11 October 2018



Scholarship Applicants Reports for 2018

Tena koe

With the year coming to a close, I have been busy finishing off assignments.

I have been having a fantastic first year out of High School. I have been staying in University Hall, which is one of the first year accommodation options from the University of Auckland. My studies have been my main priority this year. I have been enrolled in a Law and Arts degree majoring in Criminology and Sociology. I have been able to obtain an average B+ grade which is ranging from 75%-80% from the courses that I am taking. I have been very pleased with these results and hope to continue on with my success as I move closer towards exams. The University environment is so amazing and Maori students are able to get so much support through many different groups. The groups that I have been a part of is the MAP Law tutoring system, Te Rakau Ture (the Maori Law students association) and Nga Taura Maori (the Maori association at the University). Being a part of these groups has allowed me to stretch my horizons and meet new people. I am grateful for all the new people that I have made friendships with as they have been able to support and develop me further this year.

Outside of studies I have also been a part of extra-circular activities. I have continued playing rugby at the Under 20 club level for the University of Auckland club. We had a very up and down season but were able to play in the semi-final of the plate competition. Playing at such a high level in the Auckland club competition allowed me to be a part of the Auckland Maori Under 19 rugby team that is currently playing in the Te Hiku o te ika Maori rugby competition. It has been a great honour playing for Auckland for the first time and one that I will be able to use to help further develop my rugby game into the future years.

With the opportunities that I have been offered at the University I have not wasted. I have been exposed to more of the Maori culture in Aotearoa and have become more passionate with helping my people in the future. Working through my Law and Arts degrees I have been gaining more of an insight into Maori struggle in our society today and this has driven me to want to help more of our people, as my Uncle John is today. I hope this finds you well and knowing that I am forever grateful for the support of the Ngapuhi collective and Utakura 7 Incorporation for supporting me through my journey at the University of Auckland.

Nga mihi,
Tamati Panoho

Kia ora,

My name is Maryann Panoho, and I am fortunate enough to be one of your scholarship recipients for 2018. Firstly, I would like to say how privileged and humbled I feel to receive a scholarship, and it honours me to be able to represent my whanau and my iwi at the University of Auckland. This year for me has been a very successful year and I am studying a conjoint degree in both Law and Political Science. In the first semester, I was on a 'B+' average in my Law degree and an 'A' average in my Political Science degree. Currently, I am in my second semester and getting ready for exams which begin at the end of October. However, currently in my Law degree I am receiving a mixture of 'B+'s and 'A's' and in my Political Science degree I am receiving 'A's'. I hope to see you all soon as I will be attending the meeting in November and I will let you all know my examination results when they are released at the end of this year.

Ngā mihi,
Maryann Panoho



Kia Ora e te whanau

My name is Cassidy Panoho and I am currently in the process of completing my third year of study at the University of Auckland, majoring in History and Geography. I hope to complete my studies by 2019 and to graduate from university with a Bachelor's of Arts Degree. The journey along the path of university has been an exciting one and the availability of quality learning and study has truly helped me to continue on in looking to achieve my degree. I am currently in the last few weeks of study before the semester ends, so my time has been filled with work and assignments, which have proven to be stressful at times but perseverance and a good attitude is key. I wish to thank the trust for its support and belief in me and I look forward to my final year of study.

Cassidy Panoho

Share Register

Thank you for all your enquiries for shareholding information

So we can keep the Share Register up to date:

- Let us know your postal address, phone and e-mail details.
- Applications for your share successions must be made to the Maori Land Court as there are now several generations of **unsucceeded shareholdings** that need urgent attention, get on to it please.
- Set up a Whanau Trust at the time of succession to stop shares being split as each generation passes. More than half of our shareholders have less than 10 shares and a Whanau Trust will stop this happening.
- If you have any queries about succession, please contact:

Wendy Henwood (Shareholder administrator)

- Phone: 09 4057857 or Mobile: 021 2693034
- Email: tirairaka@vodafone.co.nz

OR

Nellie Robertson (Secretary)

- 219 Abbey Caves Rd
R.D. 5, Whareora
Whangarei 0175
E-mail: utakura7@gmail.com

Phone: 09 438 5101
Mobile: 027 5974853

WHITE CLIFFS UTAKURA INCORPORATION FOREST SCHOLARSHIP 2018/19

The Scholarship is a joint initiative between White Cliffs Forests Ltd and the Committee of Management of Utakura 7 Incorporation. The Incorporation acknowledges the efforts of our Kuia, Koroua and William Taylor.

1. Number and Value of Grant

There will be 5 grants available and these will be awarded at the discretion of the Committee of Management and will include a Cycleway Grant. The grants are to help with the Student's subject fees.

2. Study Areas

- i) Arts/Law/Business
- ii) Fine Arts/Sports/Physiotherapy
- iii) Science & Technology /Medical /Dentistry /Horticulture /Agriculture Forestry
- iv) Te Reo/Maori Development
- v) Theology

3. Study Criteria

- i) Post Graduate/Masters
- ii) Degree/Diploma level
- iii) Full-time study
- iv) New Zealand and International Tertiary institution

4 Eligibility

Applicants must Whakapapa to an Utakura 7 Incorporation Shareholder

5. Process

- i) All applicants to complete the written application form provided. Failure to comply with this request could result in the non-processing of the application
- ii) Candidates will be selected and interviewed from the written application form.

6. Accountability

Successful applicants must return to the Incorporation at least once per year and participate in an activity associated with the Incorporation.

These could include:

- i) Assistance with and participate in and Incorporation Programme
- ii) Assistance with skills and resource development of the Incorporation
- iii) Assistance with any planning projects being undertaken by the Incorporation
- iv) Delivering a short presentation to a Committee of Management or Shareholders meeting to provide an opportunity to share their knowledge, experience, results, progress, any issues and information relevant to the Incorporation.
- v) Being available for input into the future selection of scholarship recipients.

7. All questions on the Application Form must be completed thoroughly.

8. Closing Date: 25th January, 2019

**WHITE CLIFFS UTAKURA INCORPORATION FOREST SCHOLARSHIP APPLICATION
FORM – 2018/2019**

PERSONAL DETAILS

Name:

Residential Address:

.....
.....

Postal Address: (If different from above)

.....
.....

Shareholder Number: **(must be completed)**

Shareholder Name:

What is your Whakapapa relationship to your Shareholder?

.....
.....
.....

HAPU/IWI

Date of Birth:

Telephone:

Email address:

I agree to abide by the conditions as set out in the accountability clause.

SUPPORTING INFORMATION:

Which Tertiary Institution do you plan to attend?

Which Qualification(s) are you seeking?

Which subject(s) are you majoring in?

When does your Course Start?

When do you expect to finish your Studies?

What is your motivation for engaging in this Study and what are your aspirations for the future? How could your studies contribute to the Development of the Incorporation?

Please send the Application to:

**The Committee of Management
Secretary
Nellie Robertson
219 Abbey Caves Road
RD 5, Whareora
Whangarei 0175**

By 5pm: 25th January, 2019

UTAKURA 7 INCORPORATION AGM 2018

NOMINATION FORM FOR THE ELECTION OF MANAGEMENT COMMITTEE MEMBER

Te Ture Whenua Maori 1993

I/WE HEREBY NOMINATE

.....
....

For a vacant position on the Utakura 7 Incorporation Management Committee to be filled at the Annual General meeting of the Utakura 7 Incorporation on Saturday 17th November 2018, 10.00am at Mataitaua Marae, Utakura

MOVER	(Must be a Shareholder)
Name:	
Address:	
Signature:	
SECONDER	
Name:	
Address:	
Signature:	

ACCEPTANCE BY NOMINATED PERSON	
Nominee Name:	
Address:	
Signature:	

NOTE: This form must be completed and returned to the Secretary:
219 Abbey Caves Road
RD 5, Whareora
Whangarei 0175 by 5 pm Tuesday 13th November 2018

MEETING OF SHAREHOLDERS OF UTAKURA 7 INCORPORATION

PROXY FORM

Te Ture Whenua Maori 1993

I hereby appoint

to represent me, including voting on any matters that may arise at the Annual General Meeting of the Utakura 7 Incorporation to be held on Saturday 17th November 2018 at Mataitaua Marae, Utakura.

Shareholder Name

Shareholder Number

Address:

Signature:

Witness Name:

Address:

Signature:

NOTE: This form must be to the Secretary:

219 Abbey Caves Road
R D 5, Whareora
Whangarei 0175 by **Thursday 15^h November 2018**



