



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
9 November 2019**

Genus *Metrosideros* - Iron Heart
Rare Yellow Rata
Pukewharariki Bush Reserve Utakura
Flowering October – November



Kia Ora Koutou

Tihei mauri ora

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 2019 AGM of the Utakura Incorporation 7.

As we approach 2020 we look forward to some significant changes in the operations and direction of Utakura 7 Incorporation. It is now anticipated that the harvest of Rotation 1 will be completed by February 2020 and that means a hiatus of 8-10 years before milling of Rotation 2 will begin and accordingly we will no longer receive stumpage payments from Whitecliffs with only minimal lease remuneration for the duration.

We must also consider that the leasehold arrangement with Whitecliffs is due to terminate in 2038. They have indicated a desire to extend the lease which is within their rights under terms of the lease. With this in mind we have commissioned a comprehensive report from independent experts to provide the COM with a best possible scenario with which to enter negotiations with Whitecliffs Forests (WCF) on the lease extension. Depending on the outcome of the negotiations, will determine what amendments will be made to the lease up until termination.

At time of writing this report the COM has decided under advice to commence discussions with WCF shortly and trust that we can achieve a satisfactory outcome for both parties. This will also provide the opportunity to make more favorable accommodations in the lease documentation.

It is obvious that in its early stages the lease was weighted in favor of the lessee, it is now more advantageous to the Incorporation and we have the opportunity to negotiate a much more favorable arrangement on behalf of the shareholders.

In addition to providing sound advice on the lease and a probable extension, we asked the consultants to give an in-depth analysis on U7 earning potential from the forest operations over next 60-70 years and some recommendations on planning a staged entry and co-management of the forest. In particular we have asked them to focus on Rotation 3, and when they consider a planned entry might commence. So far they have provided excellent advice regarding managing the take-over of the forest pre and post the exit of WCF. It must be said however that the best scenario is very much contingent on our negotiations with WCF over the lease and extension.

The COM are also working on alternative economic opportunities that will provide other streams of income for the Incorporation to supplement the lean periods between harvest rotations. In doing so we have kept firmly in mind the shareholders desire to create employment opportunities, enable those wishing to return and live on the kainga, address the poor state of housing and provide hope to counter the general malaise that exists in the community.

Tourism planning connected to the Pou Herenga cycleway and the Twin Coast Discovery Hiway provide an economic opportunity to dramatically alter the status quo and bring about change to the third world conditions that exist in Uakura, Horeke and Motukiore. The over-arching Manaaki Hokianga project involves vocational training, apprenticeships, on the job training, sustainable employment both locally and outside the rohe and economic development in the tourism sector.

The Intention is a joint venture partnership with a local family trust and the expected outcome would provide significant employment and a sustainable revenue stream for the Incorporation. In doing so we would also play a major role in bringing about positive social and economic change in a community our ancestors founded and inhabited for hundreds of years.

The project is currently in a feasibility stage with the development plan being prepared for presentation to third party funders. It is currently a work in progress with contractors tasked with completing the development plan within a proscribed period. It is understood that the Manaaki Hokianga project cannot proceed unless outside funding is secured and to do so a well founded and comprehensive business case must be established.

Finally the U7 Manuka honey and manuka plantation project is being fine tuned and it is anticipated that planting will be commenced in spring of 2020 and enable us to draw down the funding from MPI to reimburse the 60ha trial plantation.

Before signing off I would like to acknowledge Moana Tuwhare who agreed to join the COM in an advisory capacity. Her assistance in offering advice on legal matters has been highly appreciated and she continues to work tirelessly for the good of the Incorporation and the benefit of the shareholders.

I also extend my heartfelt thanks once again to Wendy Henwood for her oversight of the share register and her selfless support of the Committee of Management

On behalf of the COM U7 Incorp I hope you enjoy the opportunity to come together with whanau at the 2019 Annual General Meeting and take the time to engage with the Committee of Management

Na
John Panoho

A handwritten signature in black ink, appearing to be 'John Panoho', written in a cursive style.

Chairman
U7 Incorporation

UTAKURA 7 INCORPORATION

HUI A TAU: ANNUAL GENERAL MEETING 2019

Utakura 7 Incorporation Committee of Management is pleased to present this annual report to the shareholders and invite you to the 47th 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 9th November 2019 at Mokonuiarangi 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 <ul style="list-style-type: none">• Apologies• Minutes of the 2018 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. |
| 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 |



Whakarongorua 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 2018**

Date: 17th November 2018

Time: 10am

Venue: Mokouiarangi Marae

Present: Committee of Management:

John Panoho (Chair), Dawson Joyce, David Culham, Nellie Robertson

Shareholders:

As per AGM Attendance Register (available to view)

Wendy Henwood, Robyn Brown-Makaio, Jessie Chapman, Wendy Brown, Moira Brown, Raelyn Osborne, Edith Taka Katipa, Lottie Ihimaera, Martin Watts, Edith Pita, Mac Solomon, Merv Panoho, Maryann Panoho, Linda Panoho, Tamati Panoho, Cassidy Panoho, Hokimate Rountree, Blair Rountree, Ramari Kingi, Ringa Ashby, Tiraroa Bucknell-Webb, Amiria Morgan, Kathleen Morgan, John Eruera, Shane Apiata, Clarence, Murray Painting, Colin Harris, Cedrica Culham, Celia McDonald, Alice Cross, Melanie Joyce, Ellen Hepehi, Jocelyn King

Apologies:

As per AGM Absentee Register (available to view)

Tepania Kingi, Shane Makiri, Tui Rhind, Grant Branch-Hepehi, Haratua Ihimaera, Hera Kingi, Ani Walker, Damyian Windleborne-Rawiri, Turoa King, Michelle King, Iris King

Meeting opened with a Karakia by David Culham at 11.10am

Chairperson's Welcome

It's a pleasure to welcome our Shareholders and Beneficiaries here today. The Financial Performance of the Incorporation has shown a reasonable year for stumping. The Incorporation applied to MPI for funding to plant manuka and was successful with their application. The future of the Incorporation with no income for the next 12-15 years is dependent on pursuing another avenue for income

Cycleway – there will be investment opportunities for shareholders and beneficiaries who wish to take up a business project.

Governance and Compliance workshops for all new nominees and current COM Members will ensure that the shareholders & beneficiaries interests are being catered for. There are new criteria for the scholarship applicants. There will still be 5 grants available and the amounts of the scholarships given will be up to the discretion of the COM. It's exciting to note there is one available for a cycleway initiative or business plan that will encourage the shareholders and beneficiaries to come forward and present a proposal to set up a business proposal, the incorporation may be able to help.

There were 5 scholarships available this financial year, 3 were taken up and 2 were given but were not picked up.

Matters Arising:

- Maryann, Cassidy and Tamati Panoho, recipients of the scholarship given this year all acknowledged their thanks and aroha for their scholarship. It was pleasing to note also that Ringa Ashby spoke for her granddaughter who received the

- scholarship but didn't take it up as she had other commitments that she took instead. She is still young and maybe she will apply again when she is ready
- Ramari Kingi - What about the disease of the beehives, how can we protect them. As shareholders we need to be vigilant and look out for each other
 - Bill Ashby – Governance & Compliance Workshops – who are they with. John answered that they are with TPK, BDO & Wayfinding Leadership. There will be 4 workshops conducted over 4 days in November this year, February, March and April next year
 - Dawson Joyce spoke on how the cycleway has been given back from FNDC to a Trust and this will now be run by the Trustees of that Trust to manage. John reiterated that we need to take ownership of the cycleway and get behind the Trust for future development

Motion: That the Chairperson's Report be accepted.

Moved: John Panoho

2nd: John Eruera

Carried.

Minutes from the 2017 Annual General Meeting

Motion: That the Minutes of the 2017 Annual General Meeting as distributed in the 2018 Incorporation Newsletter and available to be read on the Website, be taken as read.

Matters Arising:

- Amendment: Wendy Henwood would like her name added to the AGM 2017 Attendance Register
- That all shareholders that belong to a Whanau Trust that move or second a motion, their Whanau Trust will be noted beside their name
- Papakainga Resident Rating – Nellie Robertson advised that all Papakainga Residents are up to date with their accounts
- A motion by Hokimate Painting in last year's minutes to pay shareholders \$1,500.00 each and for the last 20 years was outvoted by shareholders

There were no other matters arising from the 2017 AGM Minutes

Motion: That the Minutes of the 2017 Utakura 7 Incorporation's Annual General Meeting is a true and accurate record of that Meeting

Moved: Nellie Robertson

2nd: Dawson Joyce

Carried.

Treasurers Financial Report

Motion: That the Treasurers Financial Report for the 2017/2018 year as circulated in the 2018 Newsletter be tabled

Moved: Hokimate Rountree

2nd: Ellen Hepehi (Wano & Hepi Hepehi W/Trust)

Carried

John Panoho summarised the Financial Report – the reporting statements are clear and concise and asked if there were any questions. Adele Maraki sends her apologies for not attending the Annual General Meeting as she is currently overseas. John acknowledged that the Auditor has done a fantastic job again in the accounts reporting and they have left no stone unturned. John touched briefly on the account left from the aftermath of Ben Anihana and the hope of recovering that debt and stressed how important it was for the Governance and Compliance Training of all new applicants to the

incorporation to ensure the shareholders and beneficiaries shareholdings are not compromised in any way

Ringa Ashby – is there anyway we can recover those costs

Nellie answered that a tax invoice has been sent to Ben but we have not received any word or had any contact with him at all.

Motion: That the Financial Statements are a true and correct report

Moved: Nellie Robertson 2nd: Lottie Ihimaera (Kakoti Wiperi W/Trust – Proxy) Carried

Appointment of Auditor/Share Valuer

Motion: That Adele M Maraki be reappointed as Auditor for the financial year July 2018 – June 30th 2019

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

Moved: Nellie Robertson 2nd: Wendy Henwood (Keiti Nui W/Trust) Carried

General Business

1. Strategic Plan – John Panoho met with Whitecliffs to discuss the current lease and the possibility of an extension. We will need a good team to re-negotiate on our behalf

Motion: That the Strategic Plan for 2018 – 2023 be adopted.

Moved: John Panoho 2nd: Ringa Rountree-Ashby Carried

2. Website – our website is current up and running. Ringa Rountree shared that communications can now be via website, these can include a Chat Page
3. Ngapuhi Hapu – Dawson Joyce and Murray Painting advised there will be a discussion at Mokonuiarangi Marae on 2nd December from 9am regarding voting of the Governments Treaty Mandate Proposal
4. John Eruera presented some items for resolution proposal
 - a. Papakainga - Whakapapa to the land – David Culham stood up and advised that if you want your shares, then take them out of the incorporation, it will be at your cost
 - b. Fence to be done between Whiti Heke's and Pirori
 - c. \$1,500 payout to shareholders – Wendy Henwood summarised again why there will not be a payment to the shareholders
5. Murray Watts – Murray apologised for his comments at the AGM 2018 regarding Anihera Eruera's request for funding. He was very remorseful
6. Amiria Morgan – would like to know who is building on the land next door to her. The Incorporation will investigate.

LUNCH

Election of Committee of Management Members

David Culham and Nellie Robertson were available for re-election.

There were three nominations received for election to the Committee of Management. Applications were received from Tiraroa Bucknell-Webb, Murray Painting and Damyian Rawiri. There were two vacancies on the Committee of Management therefore there was an election process.

David and Nellie both spoke regarding their experience and knowledge and their current inclusion on the Committee of Management.

Tiraroa Bucknell-Webb and Murray Painting, were very inspiring in their speeches. Both are from very professional backgrounds and spoke of their experience in their chosen fields.

Damyian Rawiri did not attend and after the votes were counted, both Tiraroa and Murray were elected to the Committee of Management

Congratulations to you both.

There was one noticeable blight on this year's election process that was very disappointing for the applicants and the Committee of Management.

Some shareholders had their lunch, they voted and left their voting papers to be counted, then left the meeting. This resulted in a very poor turnout for the applicants to speak too which was not very encouraging. The election process was put back on the Agenda to wait for Damyian to arrive as he had to attend a tangi but he didn't show up. This will be highlighted at the first Committee of Management Meeting for discussion.

Thank you for all those who attended today. If there is no further general business, then I declare this AGM closed

John Panoho – Chairperson

At 3.20pm, David Culham closed the meeting with a karakia

Next Meeting

The next general meeting will be held in November 2020, venue and time to be advised.

Utakura 7 Incorporation
Financial Statements
for the Year Ended 30 June 2019

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**Utakura 7 Incorporation
Trust Directory
As at 30 June 2019**

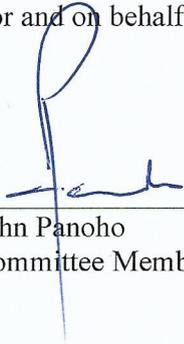
Registered Office	219 Abbey Caves Road Whareora Whangarei
Committee/Trustees	John Panoho - Chair Nellie Robertson - Secretary Annie Walker David Culham Dawson Joyce Murray Painting Tiraroa Bucknell-Webb
Auditors	Adele Maraki Chartered Accountant Okaihau
Bankers	Westpac Trust Kaikohe
Solicitor	Marsden Woods Inskip Smith Whangarei
Accountants	Bennett & Associates Whangarei

**Utakura 7 Incorporation
Approval of Financial Report
For the Year Ended 30 June 2019**

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 2019.

APPROVED

For and on behalf of the Committee Members:



John Panoho
Committee Member



Nellie Robertson
Committee Member

Dated this 4 day of October 2019

Utakura 7 Incorporation
Statement of Profit or Loss
For the Year ended 30 June 2019

	<u>Note</u>	<u>2019</u>	<u>2018</u>
		\$	\$
<u>INCOME</u>			
Sales		498,619	467,023
Land Lease		1,209	1,196
Rates Received		1,304	1,304
Honey Sales		-	8,763
Dividends Received		7,546	7,458
Interest Received		35,501	26,506
Miscellaneous Income		10,689	225
Excluded Income – non-taxable		1,477	1,524
PIE Income - taxable		1,975	1,788
Scholarship Allocation Repaid		-	1,000
Increase in Closing Stock (Honey)		3,495	-
		<u>561,815</u>	<u>516,787</u>
<u>OTHER INCOME</u>			
<u>LESS EXPENSES</u>			
<u>Administrative Expenses</u>			
AGM Expenses	198		519
Accountancy Fees	13,420		15,900
Advertising	1,084		773
Audit Fees	2,419		860
Bad Debts	10,653		-
Bank Charges	126		134
Catering	2,319		2,166
Consultancy - General	3,445		-
Computer Expenses	136		562
Donations - Scholarships	5,000		4,000
General Expenses	-		336
Health & Safety	658		-
Honey Extraction Expenses	-		1,702
Legal Expenses	1,730		9,109
Investment Management Expenses	10,850		10,481
Committee Fees/ Honorarium	32,195		29,770
Office Expenses	4,520		4,185
Printing, Stamps & Stationery	1,362		2,229
Rent/Venue Hire	600		970
Storage of Records	600		600
Subscriptions	-		1,000
Telephone, Tolls & Internet	-		234
Travel - National	10,051		8,170
Website Expenses	370		-
		<u>101,736</u>	<u>93,700</u>
<u>Financial and Occupancy Expenses</u>			
Depreciation	972		1,876
Insurance	1,187		1,107
Interest - IRD	384		85
Rates	6,558		6,115
		<u>9,101</u>	<u>9,183</u>
<u>TOTAL EXPENSES</u>		<u>110,837</u>	<u>102,883</u>
<u>NET PROFIT/(LOSS)</u>		<u>450,978</u>	<u>413,904</u>
Income Tax Expense	6	84,621	77,609
<u>NET PROFIT/(LOSS) AFTER TAXATION</u>		<u><u>\$366,357</u></u>	<u><u>\$336,295</u></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
Statement of Changes in Equity
For the Year ended 30 June 2019

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
COMMENCING EQUITY	5,247,736	4,901,277
<u>Revenue</u>		
Net Profit/(Loss) for the year	366,357	336,295
Capital Profit on Sale of Shares	8,518	10,164
Total recognised revenues & expenses	374,875	346,459
	5,622,611	5,247,736
<u>CLOSING EQUITY</u>	<u>\$5,622,611</u>	<u>\$5,247,736</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
Balance Sheet
As at 30 June 2019

	<u>Note</u>	<u>2019</u> \$	<u>2018</u> \$
CURRENT ASSETS			
Bank - Cheque Account		253,891	212,105
Bank - Cash Management		1,775,492	1,350,891
Accounts Receivable		210	12,612
Prepayments		1,213	-
Accrued Interest		10	4
Stock on Hand - Raw Materials		3,495	-
Total Current Assets		<u>2,034,311</u>	<u>1,575,612</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	4	2,777,489	2,778,461
Investments	5	<u>889,560</u>	<u>989,260</u>
Total Non-Current Assets		<u>3,667,049</u>	<u>3,767,721</u>
TOTAL ASSETS		<u>5,701,360</u>	<u>5,343,333</u>
CURRENT LIABILITIES			
GST Due for payment	2(b)	36,411	40,213
Taxation	6	35,188	44,794
Accounts Payable		5,164	9,039
Accrued Expenses		1,985	1,550
Total Current Liabilities		<u>78,748</u>	<u>95,596</u>
TOTAL LIABILITIES		<u>78,748</u>	<u>95,596</u>
<u>NET ASSETS</u>		<u><u>\$5,622,612</u></u>	<u><u>\$5,247,736</u></u>
Represented by:			
TRUSTEES FUNDS			
Capital Reserves		2,970,660	2,962,142
Retained Earnings		2,651,951	2,285,594
TOTAL TRUSTEES FUNDS		<u><u>\$5,622,611</u></u>	<u><u>\$5,247,736</u></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 2019

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 2019

(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. Utakura 7 Incorporation is GST registered.

(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>2019</u>	<u>2018</u>
Land	Not Depreciated		
At Cost		2,483,000	2,483,000
		<u>2,483,000</u>	<u>2,483,000</u>
Buildings	Not Depreciated		
At Cost		293,000	293,000
		<u>293,000</u>	<u>293,000</u>
Office Equipment	39 - 50% DV		
At Cost		9,578	9,578
Less Accumulated Depreciation		(8,089)	(7,117)
		<u>1,489</u>	<u>2,461</u>
Total Property, Plant & Equipment		<u>2,777,489</u>	<u>2,778,461</u>
Total Depreciation for the Year		<u>972</u>	<u>1,876</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 (2018:\$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 2019

5. **INVESTMENTS**

Cost Value of Investments at Balance Date were \$889,560. (2018:\$989,259). This consists of:

	<u>2019</u>	<u>2018</u>
ASB Preference Shares	-	100,000
Craigs Investments	191,394	190,689
Westpac Share Portfolio	446,473	444,572
Advice First Share Portfolio	186,129	187,098
Cash Management Accounts	36,969	35,624
R Anderson Loan	18,452	21,130
Mercury Shares	10,000	10,000
Craigs Accrued Interest Account	143	146
	<u>889,560</u>	<u>989,259</u>

Market Value of Investments at Balance Date were \$1,193,646 (2018: \$1,216,741). 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
Market Value Westpac Shares	669,054	635,478
Advice First Portfolio Market Value	224,984	213,470
Craigs Investments Shares Market Value	224,948	208,363
Cash Management Accounts	36,929	35,635
R Anderson Loan	18,452	21,130
Mercury Shares	19,136	14,019
Craigs Accrued Interest Account	143	146
	<u>1,193,646</u>	<u>1,216,741</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	2,666
OPI Pacific Finance Debenture Stock	3,028	3,028
	<u>5,694</u>	<u>5,694</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	2,666
OPI Pacific Finance Debenture Stock	2,925	3,062
	<u>5,591</u>	<u>5,728</u>

Utakura 7 Incorporation
Notes to the Financial Statements
For the Year ended 30 June 2019

6. **TAXATION**

	<u>2019</u>	<u>2018</u>
Operating Surplus before tax	450,978	413,904
<u>PLUS (LESS)</u>		
Non Deductible Expenditure	10,430	9,242
Movement in Audit Fees Accrued	-	(400)
Non Assessable Income	(1,477)	(2,524)
PIE and FIF Adjustments	23,617	23,257
<u>NET TAXABLE SURPLUS / (DEFICIT)</u>	<u>483,548</u>	<u>443,479</u>
Income Tax @ 17.5%	<u>84,621</u>	<u>77,609</u>
<u>Provision for Income Tax</u>		
Opening Balance	(44,794)	(15,990)
Tax Expense/Adjustments	(84,621)	(77,609)
RWT Paid	11,744	9,918
Provisional Tax paid	34,169	20,133
Terminal Tax paid / (refunded)	44,794	15,245
Imputation Credits	2,811	2,914
Foreign Tax Credits	709	594
<u>Total (Tax To Pay) / Refund Due</u>	<u>(35,188)</u>	<u>(44,794)</u>

Utakura 7 Incorporation has tax losses of \$Nil available to carry forward to offset against future income. (2018:\$Nil).

7. **MAORI AUTHORITY CREDIT ACCOUNT**

At 31 March 2019 Maori Authority Credits available to the shareholders were:

Opening Balance	508,583	451,543
Payments to / (from) IRD	78,963	45,378
Interest Withholding Tax Paid	10,556	8,536
Imputation Credits Received	2,791	3,125
Closing Balance	<u>600,893</u>	<u>508,583</u>

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 \$22.85 per unit (2018:\$21.10), giving a market value of \$1,712,379 (2018:\$1,581,234).

9. **CAPITAL COMMITMENTS**

There were no future capital commitments at balance date (2018: Nil).

10. **CONTINGENT LIABILITIES**

There are no contingent liabilities at year end (2018):nil).

11. **SUBSEQUENT EVENTS**

Subsequent to balance date the Trustees have commenced investigations into the feasibility of developing tourism and forestry training activities with the long term objectives of creating training and employment opportunities for the beneficiaries of Utakura 7 Inc. (2018:Invoice issued to Ben Anihana to recoup unauthorised expenditure)

A funding agreement has been signed with the Ministry for Primary Industries pertaining to afforestation of designated blocks (59.92 ha) in manuka. A \$107,856 grant will be paid upon completion of the forest establishment to the specified minimum standard.

Utakura 7 Incorporation
Notes to the Financial Statements
For the Year ended 30 June 2019

12. **SHAREHOLDERS' EQUITY**

		<u>2019</u>	<u>2018</u>
(a) Capital Reserves			
Land Revaluation Reserve Opening Balance	2,887,206		2,887,206
Land Revaluation Movement for Period	-		-
Land Revaluation Reserve	<u>2,887,206</u>		<u>2,887,206</u>
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	102,477		92,312
Capital Profit Movement for Period	<u>8,518</u>		<u>10,164</u>
Capital Profit on Sale of Shares	<u>110,995</u>		<u>102,477</u>
		2,970,660	<u>2,962,142</u>
(b) Retained Earnings			
Retained Earnings	2,285,594		1,949,299
Net Surplus / (Deficit) for the Year	366,357		336,295
Total Available for Distribution		2,651,951	2,285,594
Retained Earnings closing balance		<u>2,651,951</u>	<u>2,285,594</u>
TOTAL SHAREHOLDERS FUNDS		<u>5,622,611</u>	<u>5,247,736</u>

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>2019</u>	<u>2018</u>
Nellie Robertson	Honorarium	Trustee/Committee Member	11,940	11,940
Nellie Robertson	Meeting Fees	Trustee/Committee Member	2,507	2,686
Nellie Robertson	Office Expenses	Trustee/Committee Member	4,520	4,135
Tiraroa Bucknell-Webb	Meeting Fees	Trustee/Committee Member	1,433	-
John Panoho	Honorarium	Trustee/Committee Member	7,462	7,462
John Panoho	Meeting Fees	Trustee/Committee Member	3,045	1,791
Haratua Ihimaera	Meeting Fees	Trustee/Committee Member	-	716
Murray Painting	Meeting Fees	Trustee/Committee Member	1,254	-
David Culham	Meeting Fees	Trustee/Committee Member	1,970	1,253
Ben Anihana	Meeting Fees	Trustee/Committee Member	-	179
Annie Walker	Meeting Fees	Trustee/Committee Member	179	1,791
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	1,612	1,791
Dawson Joyce	Land Lease	Trustee/Committee Member	1,200	1,200
Adele M Maraki	Audit Fees	Related to Shareholder	1,984	1,322

Balances owed to or receivable from related parties as at 30 June 2019 were as follows:

Nellie Robertson	Net Honorarium Payable	Trustee/Committee Member	-	2,000
Nellie Robertson	Office Expenses Payable	Trustee/Committee Member	-	1,130
Ellen Hepehi	Storage Fees Payable	Nellie's Sister	100	50
Dawson Joyce	Lease Receivable	Trustee/Committee Member	-	1,410
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 2019

Asset	Private Use	Cost Price	Book Value 01/07/2018	Additions Disposals	Gain/Loss on Disposal	Capital Profit	Mth	---- Depreciation ---- Rate \$	Accum Deprec 30/06/2019	Book Value 30/06/2019
<u>Land</u>										
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							2,483,000
<u>Improvements</u>										
Buildings at Valuation 01/08/2016		293,000	293,000				12	0.0% DV	0	293,000
Total Improvements		293,000	293,000							293,000
<u>Office Equipment</u>										
Office Fitout		2,099	679				12	12.0% DV	81	1,501
HP Laptop Computer		583	34				12	50.0% DV	17	566
Computer - HP Pavilion Notebook		995	119				12	50.0% DV	60	936
Website Development - First Stage		2,950	706				12	50.0% DV	353	2,597
Website Development - Final Stage		2,950	922				12	50.0% DV	461	2,489
Total Office Equipment		9,578	2,461						972	8,089
TOTAL FIXED ASSETS		2,785,578	2,778,461						972	2,777,489

*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 2019 and the statement of financial performance for the year ended 30 June 2019, 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 stat 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
1 October 2019

Scholarship Applicants Reports for 2019

Tamati Panoho

2019 has been a year of discovery for me. I am now in my second year at the University of Auckland, studying a Bachelors of Arts (majoring in Criminology) and Laws. With all the recent events surrounding Te Ao Maori, most noticeably at Ihumatao, this has connected me more to tikanga Maori and begin to look at how we can benefit our place in Aotearoa. These areas are something that I am passionate about and cannot wait to learn more about in the coming years.

My Law degree has allowed me start looking at more specialist areas. Most notably criminal and public law. These areas of the law have made me understand more about our judicial system and given me the chance to be more practical with the law as I have attended both High Court and Rangatahi Court proceedings throughout the year. I have become drawn to the areas of Human Rights and Te Tiriti o Waitangi where I have learnt more about customary rights and legislation that has been enacted to both benefit and disadvantage Maori.

Criminology has opened my eyes to different justice systems around the world. At the beginning of the year I was introduced to certain theories and ideas around the study of criminology. As I am writing, I have moved into looking at punishment in the justice system. This is an area of study that creates a lot of debate and we look to try and reform our failing system that plague's us today.

Overall, as this year comes to a close I am very happy with the knowledge and experiences I have gained over the year. I am looking forward to putting these skills to the test as exams are creeping even closer.

Nga mihi,

Tamati Panoho

Tēnā koutou,

Firstly I would like to sincerely thank the Incorporation for the financial support given towards my studies in 2019. Without the ongoing tautoko from my whānau and wider iwi it would not be possible for me to be in this privileged position of studying Medicine at Otago University, ngā mihi nui kia koutou katoa.

I am currently preparing for end of year examinations which I am sitting in a few weeks' time. However so far this year I have been successful in completing and passing all my internal assessments and exams. This year I was also acknowledged by the Ministry of Health, Hauora Māori award for recognition of achievement in my studies and ongoing contribution to Māori health. I have also been actively involved in the Tuakana/Teina programme at Otago Uni supporting

first year Māori students. I was also successful in gaining the position of Te Ao Māori Officer on the Otago University Medical Students Association with the primary focus of promoting Māoritanga amongst medical students here in Dunedin. It has always been a goal of mine to become a doctor, so again I am grateful for the ongoing tautoko. I look forward to making a positive contribution to the health and wellbeing of my people.

Logan Murray

Studying towards Bachelor of Medicine and Bachelor of Surgery (MB ChB)

Kia ora everyone,

Firstly, I would just like to thank everyone again for allowing me to be one of your scholarship applicants for 2019. I am in my second year of University and I am studying a conjoint degree in Law and Political Science and International Relations at The University of Auckland. This year has been exciting for me in terms of study, I am involved in the Maori law programme and I'm currently mentoring one of the Maori Part I law students with her studies. Also, I recently just spent the day shadowing a partner at Bell Gully which is one of the top tiered law firms in New Zealand. I had this opportunity through the Maori Law Association at the University. I'm currently prepping for exams as they begin at the start of November, however, I look forward to seeing you all soon and discussing my studies further.

Ngā mihi,

Maryann Panoho

To the Committee of Management of Utakura 7 Incorporation

Tena koutou katoa,

Thank you very much for the scholarship that I have received that has gone towards my tuition fees in my 3rd year of studying a Bachelor of Science at the University of Waikato. Throughout this year I have passed my A semester papers which were in Soil and Water Management, Coastal Oceanography, Cartography and Spatial Analysis and Geographical Information Systems (GIS). For my B semester papers, I am enrolled in four papers which are Principles of Ecology, Hydrology, Coastal Geomorphology and Management and Science and Mātauranga Māori. I am currently in exam mode and hoping to pass my exams.

After I finish my bachelor degree this year, I will continue my study towards a Master of Science where I am interested in learning more about hydrology/coastal aspects, maori development and environmental development. I am hoping to use the skills and knowledge that I gain to help towards my hapu, iwi and whanau.

Nga mihi nui, Courtney Sanson

Shareholding update 2019

Current shareholding status

- There are 31,596.660 shares in the Utakura 7 incorporation and 1,193 shareholders.
- 40 Whanau Trusts hold 2,476.681 shares (close to 10% of the total shares).
- 61 shareholders with more than 100 shares each hold 15,217 shares (nearly half the total).
- 1,132 shareholders hold less than 100 shares each, of these:
 - 461 have between 10 and 99 shares
 - 672 have less than 10 shares
 - 135 have less than 1 share
- A large number of shareholders are deceased (30 to 50%) – some have not been succeeded for several generations, and many we do not have contact details to follow-up with whanau.

Succession - to transfer ownership of shares from a deceased shareholder

Many shareholdings need to be succeeded. It can be a big job especially if it involves sorting out other whanau land issues as well. But the job never gets any easier; it gets harder as each generation passes there are more and more whanau involved. We can give you all the information that you need and can help with the form filling - you don't need a lawyer. Someone in the whanau needs to take responsibility to do the paperwork, it doesn't have to be the eldest in the whanau. Don't leave it for the next generation to deal with, get onto it now!

Succession can only be done by applying to the Maori Land Court (MLC, using their forms available from their offices or their website) - it costs \$60. Whanau, we urge you get onto to your successions and to set up a Whanau Trust to stop the fragmentation of shares.

Whanau Trusts

Kia ora to the 40 whanau who have set up Whanau Trusts for their shares. A Whanau Trust stops ongoing successions and splitting shares among individual whanau members as each generation passes; instead the shares are held collectively for your whanau (direct descendants i.e. your children and mokopuna, existing and future). The Whanau Trust is managed by the trustees that you choose. Shares in any land blocks around the country can be included in the same Whanau Trust – as long as the beneficiaries are the same - so it is a good way of tidying up all whanau shares. Living shareholders can also set up a Whanau Trust.

Shareholder postal addresses and emails

We only have contact addresses for a quarter of our shareholders – we need your help! Also let us know of any address or email changes so that we can keep in touch - thanks to whanau who do this. It's really important because if mail is returned 'undelivered' you drop off our mailing list and no longer receive panui. Whanau living overseas can receive panui if we have their email address also.

- If you have any queries about succession, please contact:

Wendy Henwood (Shareholder administrator)

- Phone: 09 405 7857 or Mobile: 021 2693034
- Email: tirairaka@outlook.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 5974 853

WHITE CLIFFS UTAKURA INCORPORATION FOREST SCHOLARSHIP 2019/20

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: 24th January, 2020

**WHITE CLIFFS UTAKURA INCORPORATION FOREST SCHOLARSHIP
APPLICATION FORM – 2019/2020**

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: 24th January, 2020

UTAKURA 7 INCORPORATION AGM 2019

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 Utakura 7 Incorporation on Saturday 9th November 2019, 10.00am at Mokouiarangi Marae, Utakura

MOVER	(Must be a Shareholder)
Name:	
Address:	
Signature:	
SECONDER	(Must be a Shareholder)
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 5th November 2019

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 9th November 2019 at Mokonuiarangi 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 7^h November 2019, 5pm**

