

# TE WHAITI NUI A TOI TRUST

## 2021 DECEMBER PANUI

Kia ora tatou whanau,

We had intended to hold a general meeting of owners in November however the environment changed significantly due to the Covid-19 pandemic with the closure of the Waikato border and uncertainty with the location of virus cases and risk of spread to low vaccinated areas. As with most land Trusts the risk was considered too great and we will defer until a safer time. Instead we are issuing this newsletter update on Trust activities.

The Trustees intended to have a planning wananga to review our strategic direction and planning for the future forestry return but again this was frustrated with border closures and has also been deferred until things are more settled next year and we have learned to live with the virus.

A key action this year was the 5 year forest lease rent review. Typically these types of reviews are complex and lessors and lessees approach this from different perspectives. The Forestry industry has seen buoyancy in recent times with higher prices and this has flowed through to rent levels. The challenge is to determine comparable rental evidence to our lease terms but with the assistance of independent valuers we were able to negotiate a fair settlement with the Crown. The annual forestry rental has been agreed at \$207,500 p.a. for the next five years subject to an annual CPI adjustment. This is an increase of \$47,128 (29.4%) over the previous rent of \$160,372.

Here is a view of the forest at Matera:



The Crown as lessee continue to maintain the forestry roads and suppress weeds such as blackberry, broom, gorse and maintain security and fire watch. In August 2020 they replaced the bridge on Old Te Whaiti Road across the Rautahi Stream and here are photos during construction and the completed bridge:



## **TRUSTEES**

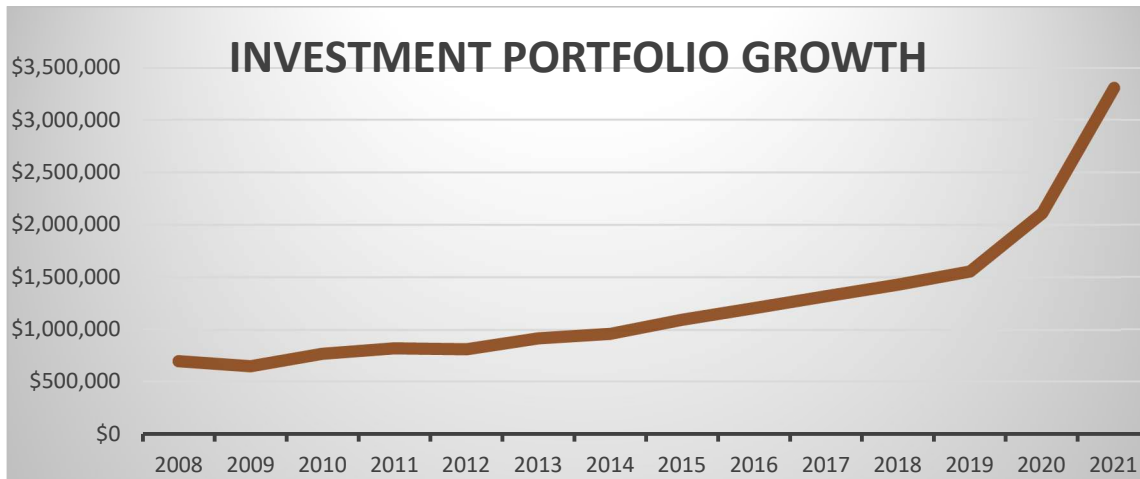
*In accordance with the Trust Order Anaru Te Amo stood for re-election this year. Nominations were advertised closing on 30 September 2021 and as there were no further nominations Anaru is automatically re-elected for a further 5 year term. The other Trustees are Doug Rewi, Peter White and Renee Rewi. Rama Rewi is the current trainee Trustee. Our Secretary is Murray Patchell who now operates independent of Deloitte through his company Karamea Professional Services Limited.*

## **WEBSITE**

We are currently working on a website for the Trust that will contain more detailed information on the Trust and its history. This will be completed in the new year and we will advise details when it is operating. Going forward we expect to communicate more with owners electronically and we encourage owners to provide their email contacts to share registry.

## **INVESTMENTS**

The investment markets have continued their strong growth. Initially \$700,000 was invested in December 2008 in a mixed investment portfolio of bonds, property and shares locally and internationally through Private Asset Management Ltd (Brent Sheather). Additional funds from the sale of Carbon credits totaling \$1,500,000 were added in 2020 and 2021. The current value of the portfolio is \$3,400,000.



The annualized return from the portfolio since 2008 is 8.84% (income and capital). In the 12 months to 30 September 2021 the return was 13.63%.

This fund will ensure we have the capability to manage our own forest when it eventually comes back from the Crown.

## FINANCIAL RESULTS

### 2021 SUMMARY OF RESULTS

Income and Expenditure	2020	2021
<b>Revenue</b>		
Forest Rental	157,634	159,989
Investment Income	110,194	82,534
	<b>267,828</b>	<b>242,523</b>
<b>Expenses</b>	<b>125,230</b>	<b>123,579</b>
<b>Operating Surplus</b>	<b>142,599</b>	<b>118,944</b>
<b>Less Tax</b>	<b>20,628</b>	<b>21,500</b>
<b>Net Surplus After Tax</b>	121,971	97,444
Grants (owners and education)	42,218	36,982
<b>Net Surplus after Tax and Grants</b>	<b>\$79,753</b>	<b>60,462</b>
<b>Change in Investment Values</b>	<b>253,746</b>	<b>434,349</b>
<b>TOTAL NET SURPLUS (Deficit)</b>	<b>(\$131,775)</b>	<b>\$531,713</b>

Interest and dividends declined during the year in line with global trends due to the pandemic. Our administration costs have been maintained although we continue to incur legal costs with ongoing licence to occupy costs.

In 2020 the investment portfolio incurred a drop in value as at 31 March 2020 due to the Covid-19 Pandemic impact on world markets. This drop reversed very quickly and has been fully recovered in the subsequent 18 months.

Overall the Trust's Net Assets grew by 8.1% in the year ended 31 March 2021:

<b>Assets</b>	<b>2020</b>	<b>2021</b>
<b>Bank accounts</b>	1,243,067	548,417
<b>Investment Portfolio</b>	2,107,368	3,301,336
<b>Land</b>	2,784,822	2,784,789
	<b>\$6,135,257</b>	<b>6,634,542</b>
<b>Less Liabilities</b>		
<b>Taxation and prepayments</b>	33,823	38,466
<b>Unclaimed Dividends</b>	54,015	53,926
<b>Net Assets</b>	<b>\$6,047,419</b>	<b>\$6,542,150</b>

Full detailed audited financial reports will be provided at the next General Meeting.

## GRANTS

The Trustees recently approved the annual owner's grant, and this has been paid to owners who have supplied their address and bank account number to the Trust.

Applications for Education grants (2nd year tertiary and above) will be available from February 2022 online only.

These are certainly challenging times. While we welcome the opening of our internal borders, we must all remain vigilant and take care as we learn to live in a Covid – 19 world.

We wish you all a Mere Kirihimete and pray that you and your whanau remain safe.

Tena koutou katoa



**Anaru Te Amo**  
Chairman  
December 2021

### TRUST CONTACTS:

#### Secretary:

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