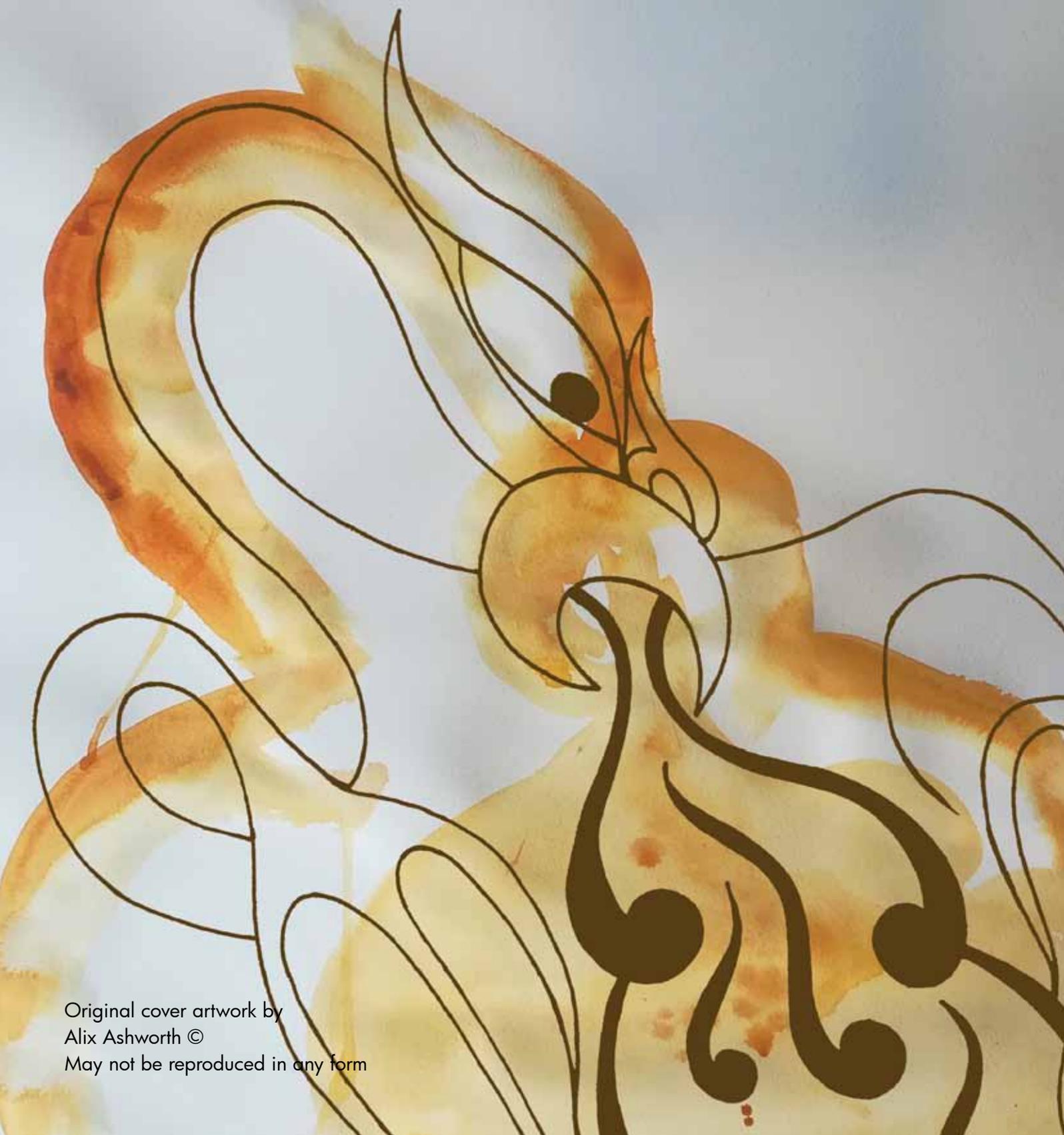


RAKIURA MĀORI LANDS TRUST

ANNUAL REPORT

2019



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MISSION STATEMENT

Tē nei kaupapa nui o te
Kapareihana tiaki whenua
Mā ori ki rakiura:

Tiakina ō na putea, ō na
Whenua i tukua;

Ma tē poari te nei pauapapa
Nui e ehai ake nei:

Ka kō rerotia ki ō na rō pū
Honohono;

Ka whakahā ere ō na take
Katoa i te pono;

Ka whanaketia tō na ohā ki
I tukua mō ngā rō pū
Honohono, mō ngā uri e
Muri ake nei.

This is the mission statement for
Rakiura Maori Lands Trust:

To guard/protect its financial resources and its
land holdings it has received; it is for the board
in its pursuits, to: liaise with its affiliated groups;
manage all of its affairs transparently/truthfully;
advance its legacy it has received for its affiliated
groups and for the descendants of this and future
generations.



GOVERNANCE SUMMARY

KEY ISSUES	OBSERVATIONS
Ethical Conduct – including the use of formal codes of ethics	The Trust continues to develop its Code of Conduct in line with the Governance policy document, which gives guidance on the standards of behaviour expected from Trustees. There are also formal meeting guidelines for the owners AGM process.
Trust Board Composition and Performance	The trustees attend training in the area of governance and in the area of benefit to the trust. The Trust Board performance is reviewed annually.
Sub-committees – including composition of committees	Sub-committees are formed to monitor and manage specific aspects of operations, investments or special projects. The committees include trustees and seek external involvement where necessary.
Reporting and Disclosure – including regular reporting and certification of financial statements	The board of trustees reviews annually management reports against budget, including reviewing the annual business plan. In addition they approve the annual financial statements.
Remuneration – of Trustees	The meeting fees and honoraria paid to trustees were approved by owners. Services provided to the trust by the trustees in their professional capacity are approved by the Trustee group and reported in the annual report.
Risk Management – including levels of disclosure	Risk Management practices are reviewed informally by the Trust Board throughout the year, whether these be investment risks, hunting or walking track activities, land management obligations, legal considerations, project Management, staffing and external resource management. All trustees are involved in decision making.
Subsidiary Board	The governance structure for Rakiura Wildlife Experiences Limited is managed by the appointment of directors to this subsidiary entity. Currently two Trustees and a minimum of one and up to two independent directors.
Auditors	An independent audit is completed on the Financial Statements each year. Feedback is provided on internal controls systems and procedures. However, this is under review because of the excessive costs involved and the fact the Trust has an external and independent party handling all financial transactions.
Owner Relations	The Trust Board reports to owners via the annual report, AGM and their website www.rmlt.co.nz , the website also provides information on current news relating to Rakiura.
Stakeholder Interests – addressing the interests of stakeholders	The Trust Board endeavours to address the interests of all stakeholders.
Maori Land Court (MLC) Review	The Maori Land Court undertakes a review of the trust on a five yearly cycle. The last review was undertaken in 2018. A copy is available to owners from the MLC.

TRUSTEE REPORT

Tena koutou katoa

The second half of 2018 and the first six months for 2019 has been a whirlwind of work for the Trustees. Eliza Snelgar resigned for health reasons and was replaced by Kylie Moxham as a trustee and Secretary at the 2018 AGM. We thank Eliza for her work for the trust and working to help get the AGM planned. Kylie Moxham has taken up the challenge, and the Trustees are very grateful for the smooth transition. The Trustees have agreed that the workload has grown to the stage that now we are planning to engage a part time professional assistant to take on all the organisational details of our meetings. We now have four 1- or 2-day meetings each year, as well as several one-hour online meetings.

We have had 51 successions with 149 new shareholders. All that have provided addresses have been sent owners update forms, not all have replied and not all will be due any dividend payment. Forty five dividend payments totalling \$46,091.67 (some of the 45 will have been existing shareholders who have recently updated their contact details etc). There was one payment of \$29k to a Whanau Trust. The dividend payments are not usually so high.

Under the guidance of the late Tahu Potiki, RMLT was inspired to bid for a share of the Provincial Growth Fund. This was signalled at last year's AGM. The path to the fund has been a tortuous one but we now have a business case and have started preliminary investigations on what tourism opportunities we could explore on the Neck and beyond.

We have submitted a proposal which asked for funding support to look at the feasibility of developing a guided walk from the Neck to Lords River. The focus is on a low impact high value tourist offering. We are already in discussions with Real Journeys on what products we can develop on the Neck.

The company (RWEL) has concluded another year of steady development, building towards a sustainable and inter-generational business model that aims to provide greater opportunities for the beneficial owners to experience use and enjoyment from their interests.

The Wild Kiwi Encounter partnership performed within budget targets. The director's annual Operation Plan was to increase pricing and customise the product further by limiting group numbers to eight persons per guide. Customer satisfaction improved noticeably and total paying customers reached budget of more than 2,200 tickets. Inclement weather and increased competition continue to feature as risks to this market sector, so evolving and testing new products is a high priority for directors and the operation management team at Real Journey's. Co-branding of partnership products is also a high priority in the coming year.

The waterfront building remains an asset with long term potential. People come and go with the best intentions for this building, but at the final hurdle they are confronted by too many issues. No more so than the lack of staffing accommodation on the Island. This is a land-bank asset that sooner, rather than later, will fit into our plans. The slipway which is an asset that the community operates on our behalf continues to receive good support by local boat owners and repayment of the initial capital sum to make it operational and safe is making steady progress.

The hunting season that functions between February and May each year continues to make a modest positive financial contribution. Occupancy remains consistent year after year. The Trust pest eradication policy and the recent signing of the Predator Free Rakiura agreement will eventually have an effect on the hunting activity. Consideration regarding hunting income and finding usage for our six huts is evolving through the Great Ocean Walk initiative.

Our investment portfolio has shown an 8.7% growth before tax for the year. Our brokers (formerly known as New Zealand First Capital) have had a name change to Jarden.

Our strategic relationships with other stakeholders continue to gain strength, and to this end we have signed an MOU with Predator Free Rakiura and several other stakeholders which aims to have Rakiura Predator free by 2050.

A new contractor, Shane Anderson has been employed by the Trust to look after The Neck. Shane brings with him years of experience in the pest eradication field and his expertise has been invaluable in maintaining and improving on the good work done by his predecessors. One of his first jobs was to tackle the deer problem at The Neck and he is confident that it will be deer free soon.

The Trust has applied for funding from the DOC Community fund to carry out rat and cat eradication at The Neck and possum control at Lords River. The successful applicants are announced in August and hopefully we will be able to report a successful outcome at the AGM.

The Trust continues to be part of the Predator Free Rakiura group (PFR) and all the participating organisations which make up PFR, confirm their commitment to the removal of possum, rats and cats from Rakiura.



Simon Gomez
Chairman
Rakiura Maori Lands Trust

SPECIAL PROJECTS PROFILE

Steve Donaldson has been undertaking research into the early settlers and their partners who lived at The Neck and Bravo Island over the last ten years.

The Neck area is a great place to research in terms of a case study of an early southern Māori/Pākehā community. There is a good variety of interesting and challenging biographical subjects. Where appropriate Steve has woven many related topics into the various profiles to ensure the end result will be as interesting as is possible. These topics have been progressively collected over the many years he has been actively researching southern wāhine.

Initially, this exercise has involved compiling a list of all known occupants. It was then followed by in-depth research as a prerequisite to the preparation of draft individual biographical profiles on each wāhine and their sealer or whaler partners. Some other later occupants and their partners are included in the project. If there was more than one partner Steve has researched all partners.

His work examines the dynamics of those personalities which comprised the early Neck community.

This study is advanced. The base research has in the main been completed. This year 18 draft profiles have been prepared and others are still being prepared. In total there will be approximately 50 essays involved. All profiles are stand-alone documents and can be read in isolation.

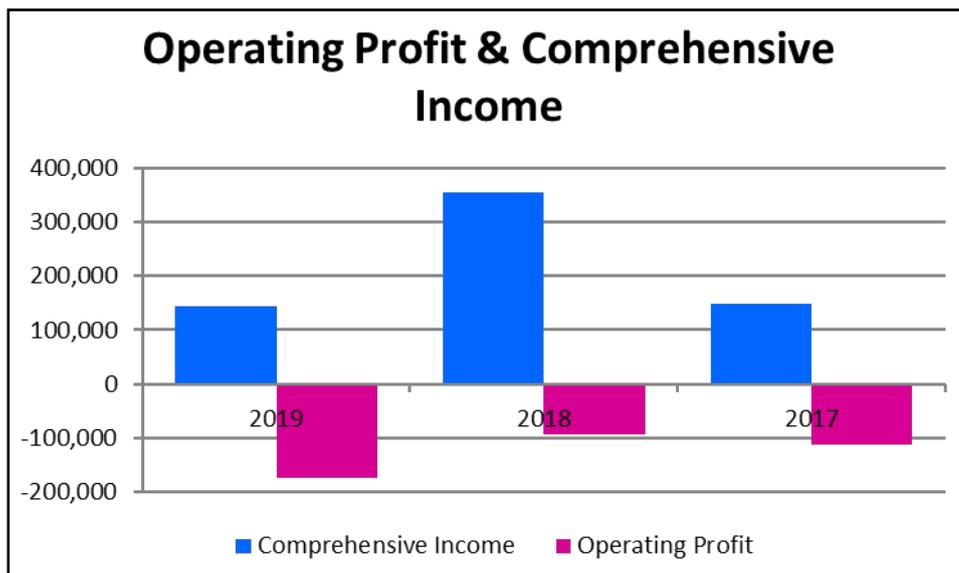
Steve has also collated notes on the general history of the area and related matters. More information can be found about his research interests and background at whalerswahine.com



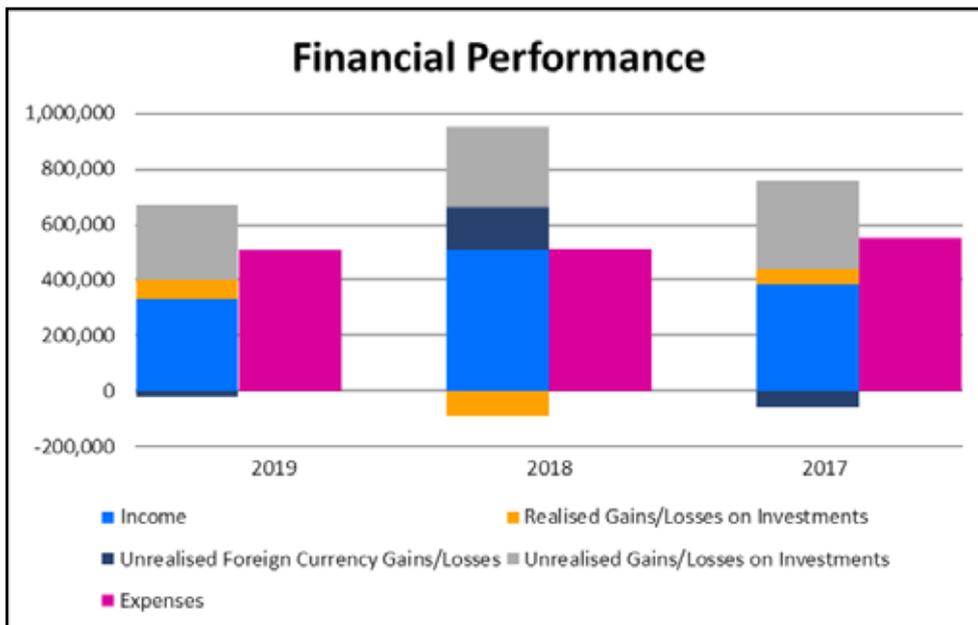
FINANCIAL REPORT SUMMARY

Profit or Loss

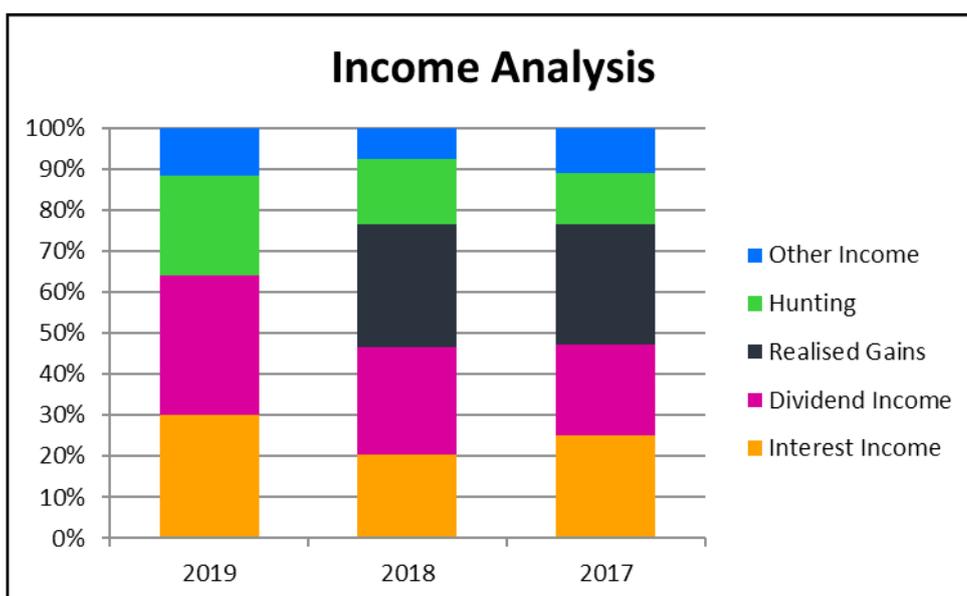
	2019	2018	2017
Income	333,552	420,337	439,691
Expenses	506,821	514,098	550,392
Operating Profit	-173,269	-93,761	-110,701
Comprehensive Income	144,387	353,413	148,394



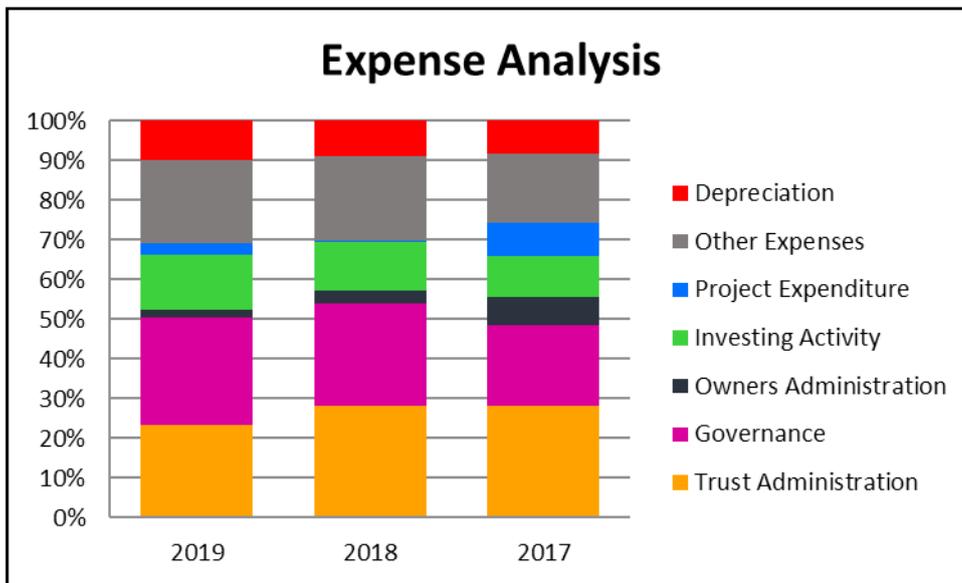
Operating Profit is made up of cash profit less depreciation, while comprehensive income includes an adjustment for both realised and unrealised gains on investments. The financial performance graph below includes all sources of income included in comprehensive income. As you can see, this is down on last year, however all sources of income still exceed expenses for the year.



Operating Income is down overall for the 2019 year, however this is mainly due to the treatment of realised gains on investment sales which are no longer recorded as income in the Profit or Loss.



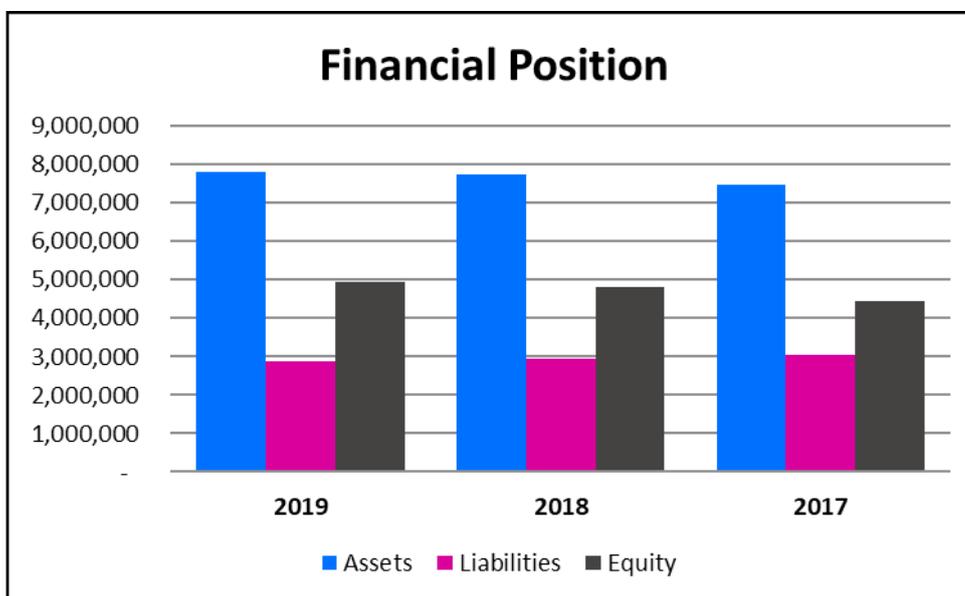
Dividend and interest income combined make up the majority of the income for 2019 financial year. Interest income is up due to an increase in the number of Bonds held, while Dividend income is down. This will be in part due to the current economic conditions. Hunting income continues to increase, with 6% growth for the 2019 financial year.



Administration & governance expenses again make up half of the expenses for the Group, with administration making up 23% of total expenses (down from 28% in 2018), and governance making up 27% of expenses (up from 26% in 2018). Owners administration expenses have further decreased in the 2019 financial year, going from 3% of overall expenses in 2018, to 2% of overall expenses in 2019.

Financial Position

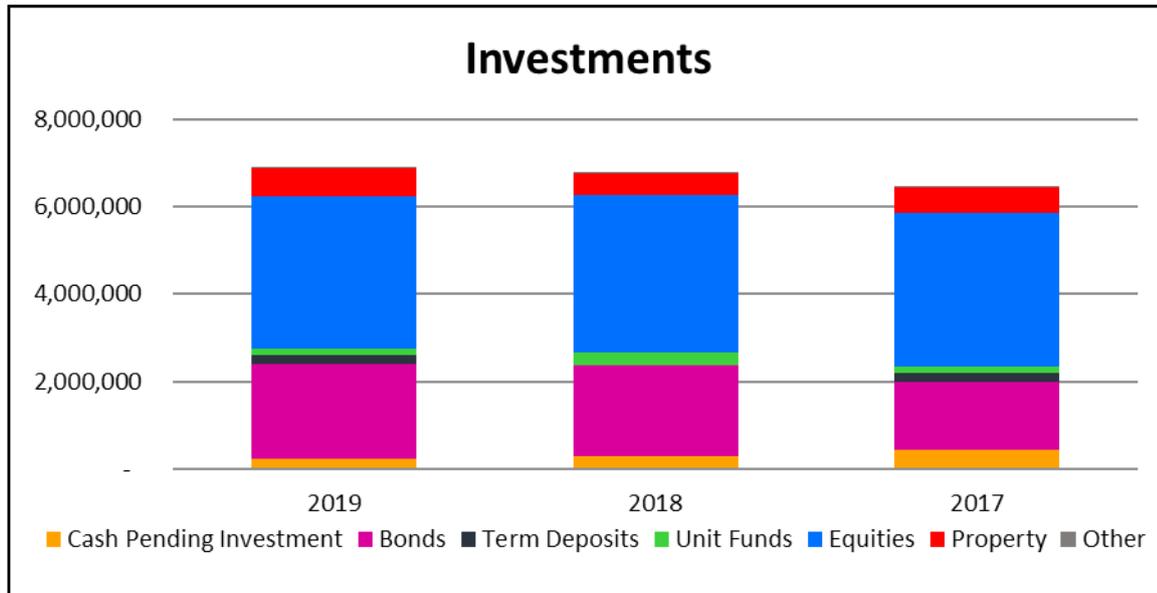
	2019	2018	2017
Assets	7,804,971	7,724,596	7,473,305
Liabilities	2,867,469	2,931,480	3,033,602
Equity	4,937,503	4,793,116	4,439,703



The financial position of the Group remains relatively unchanged, with the Group holding over \$7million in total assets. Unclaimed Dividends make up the majority of the liabilities of the group.

Investments

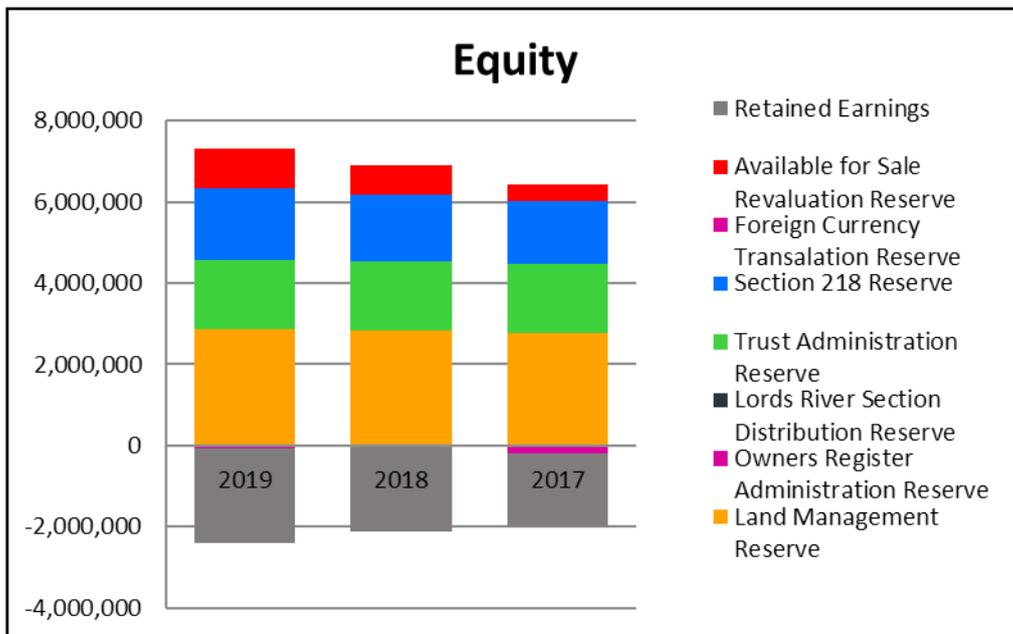
	2019	2018	2017
Cash Pending Investment	225,839	276,127	427,472
Bonds	2,169,800	2,087,461	1,559,786
Term Deposits	200,000	-	200,000
Unit Funds	159,240	297,595	146,958
Equities	3,476,877	3,592,571	3,525,366
Property	657,735	515,889	584,028
Other	19,679	9,270	6,517



Investments make up the majority of the assets held by the group. Despite withdrawals to fund operating expenditure, and current market conditions, markets have performed well and resulted in an overall increase in portfolio value.

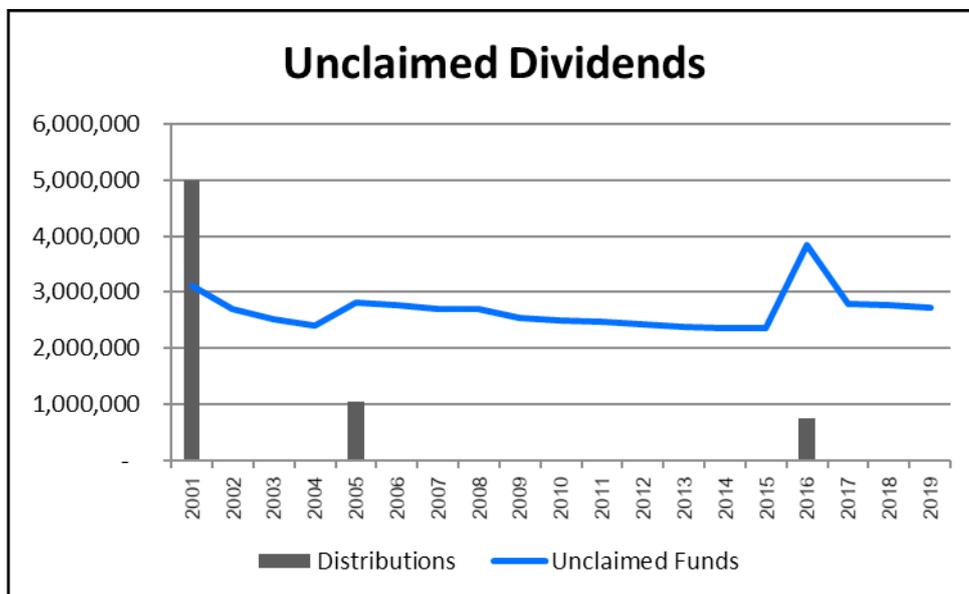
Equity

	2019	2018	2017
Land Management Reserve	2,870,911	2,823,619	2,781,890
Owners Register Administration	0	0	0
Lords River Section Distribution	0	0	0
Trust Administration Reserve	1,700,560	1,700,560	1,700,560
Section 218 Reserve	1,766,623	1,656,309	1,526,669
Foreign Currency Translation Reserve	-53,283	-34,145	-190,596
Available for Sale Revaluation Reserve	990,621	723,180	432,457
Retained Earnings	-2,337,929	-2,076,407	-1,811,277



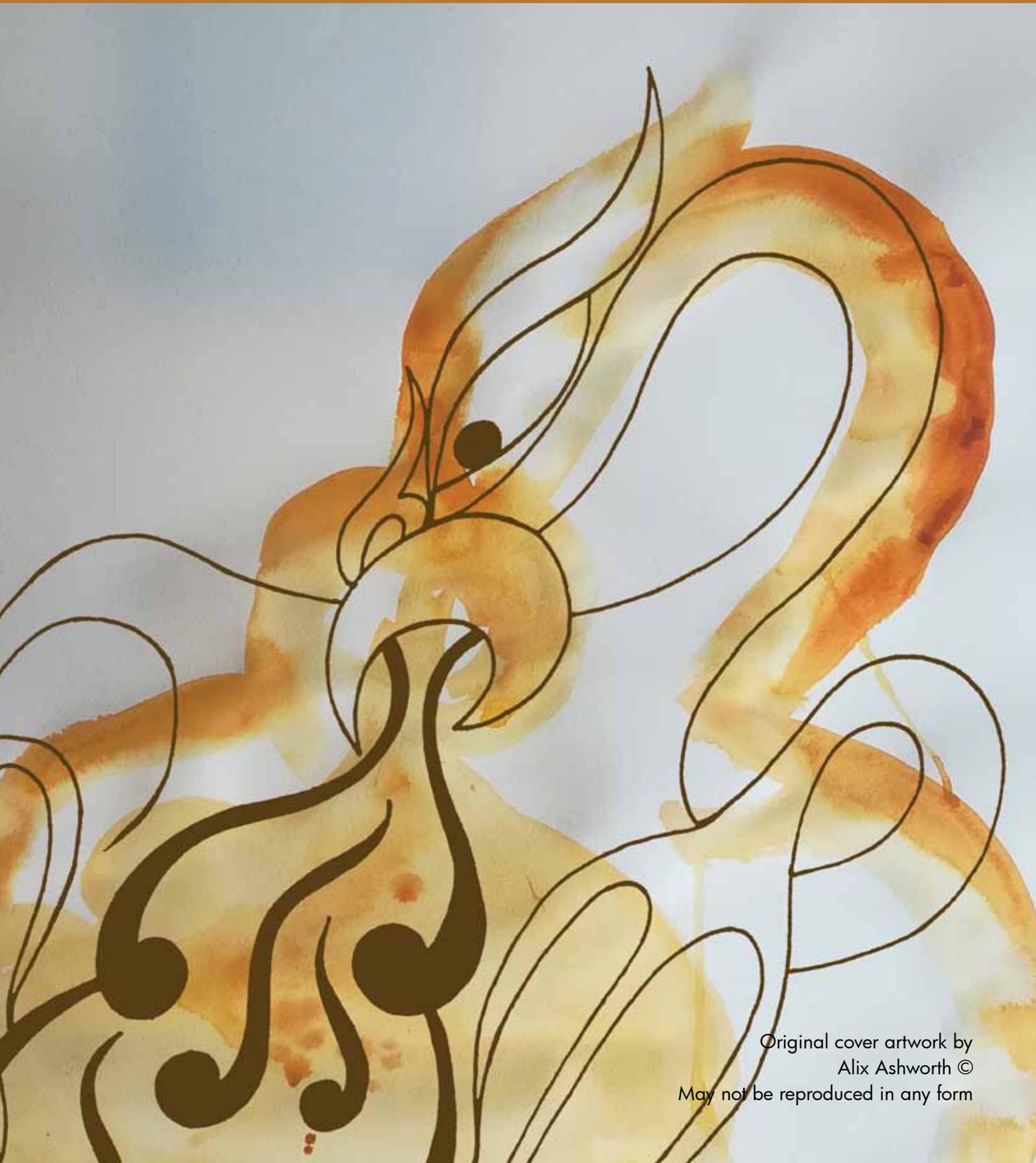
Equity for the group is broken down between retained earnings and reserves. These reserves were set aside under the trust deed and are adjusted on an annual basis. The Owners Register Administration Reserve and the Lords River Section Distribution reserve were fully depleted in 2016.

Dividends



Following the distribution in 2016, dividends continue to be paid out to owners as they come forward. As there is not anticipated to be any distributions in the near future, the \$10 minimum threshold was removed.

Agenda	Item No.	Details
	7.4	<p>Receive the Land Management Report Chair asked the meeting to receive the Land Management Report. <i>"That the Land Management report for 2018 be noted as received by the meeting"</i> Moved: Ulva Goodwillie Seconded: Peter Goomes All in favour</p>
	7.5	<p>Rakiura Wildlife Experience (RWEL) report Chair called for a motion from the floor <i>"That the Directors of RWEL Richard Manning and Tina Nixon be asked to present the report"</i> Moved: Simon Gomez Seconded: Eliza Snelger All in favour</p>
	7.6	<p>Receive the RWEL Report Chair asked the meeting to receive the RWEL Report. <i>"That the RWEL report for 2018 RMLT be noted as received by the meeting"</i> Moved: Jill Skerrett Seconded: Peter Goomes All in favour</p>
8.	8.1	<p>Financial Statements Chair called for support from the meeting for the presentation of the Financial Statements by Simon Gomez through the following motion: <i>"That the 2018 Financial Statements for RMLT be presented to the meeting by Simon Gomez"</i> Moved: Richard Manning Seconded: Tina Nixon All in favour</p>
	8.2	<p>Receive Financial Statement Chair asked the meeting to receive the Financial Report. <i>"That the Financial report for 2018 be noted as received by the meeting"</i> Moved: Aroha Gibb Seconded: Betty Henry All in favour</p>
9.	9.1	<p>General Discussion - 2019 AGM 2019 AGM will be held on Rakiura the weekend of 28 29 September 2019.</p>
10.	10.1	<p>Chairman invites Eliza Snelgar (Trustee) to close the meeting with a Karakia</p> <p>Eliza thanked everyone for their support during her time served as Trustee RMLT.</p> <p>Chairman thanked everything for their participation</p>
11.		<p>Chairman declared the meeting closed.</p>



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