







## MISSION STATEMENT

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

Tiakina ō na putea, ō na  
Whenua i tukua

Ma te poari tē nei kauapapa  
Nui e whai 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 Land 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  
descendents of this and future generations.



# CONTENTS

GOVERNANCE SUMMARY	3
TRUSTEE'S REPORT	4
ACCOUNTANT'S REPORT	11
STATEMENT OF FINANCIAL PERFORMANCE	13
NOTES TO THE FINANCIAL ACCOUNTS	15
AUDITOR'S REPORT	23





# GOVERNANCE SUMMARY

KEY ISSUE	OBSERVATIONS
<p><b>Ethical Conduct</b> including the use of formal codes of ethics</p>	<p>The entity is developing a Code of Conduct which gives guidance on the standards of behaviour expected from the Kaiwhakahaere and Trustees. There are formal meeting guidelines for the AGM process.</p>
<p><b>Trust Board Composition and Performance</b></p>	<p>An independent Governance Review was conducted in 2006/07 and subsequent steps have been taken to implement revised governance recommendations. This is an ongoing process.</p> <p>The Trust Board performance should be regularly and formally assessed.</p>
<p><b>Sub-committees</b> including composition of committees</p>	<p>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.</p>
<p><b>Reporting and Disclosure</b> including quarterly reporting and certification of financial statements</p>	<p>The Trust Board reviews monthly management reports against budget, including the review of the annual business plan and approves the annual financial statements.</p>
<p><b>Remuneration of Trustees</b></p>	<p>Honorariums were approved by owners.</p>
<p><b>Risk Management</b> including levels of disclosure</p>	<p>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 or external resource management.</p>
<p><b>Auditors</b></p>	<p>An independent audit is completed on the Financial Statements each year. Feedback is provided on internal control systems and procedures.</p>
<p><b>Owner Relations</b> including institutional shareholders, public reporting</p>	<p>The Trust Board reports to owners via newsletters, the annual report, AGM and more recently via the website <a href="http://www.visitrakiura.co.nz">www.visitrakiura.co.nz</a></p>
<p><b>Stakeholder Interests</b> addressing the interests of stakeholders</p>	<p>The Trust Board addresses the interests of all stakeholders.</p>



## TRUSTEE'S REPORT

It is with a great deal of pleasure that I am able to report on the activities of the Rakiura Maori Land Trust on behalf of the Trustees for the 2007/2008 operating year. This year we reflect and celebrate the continuation of "The Journey" started on our land by our tipuna over 1200 years ago. It has conveyed us to today and will take us into the future Ake Ake Ake.

One of the most pleasing achievements for the Trust this year has been the continued progress on the development of Land blocks outside the Lords River sections. This year has been about initiating and preparing to get things done and our progression and accomplishments, as identified within this report.

Last year the Trust was looking at the identification of development opportunities to bring more Trust land into sustainable production. Having identified the significance of The Neck in our history we have also realised the potential of The Neck in our future and we are extremely pleased with the progress we have made with this project over the last twelve months.

While we have had a positive financial result from an operating perspective, that is we made a profit from our income and expenditure for the year, due to the major depreciation in financial stocks worldwide we have ended up with a financial loss for this year. This is covered in full detail within the financial section of our report.

There is a pleasing aspect to our financial management as the Trustees sought to remove the majority of our funds from our funds manager portfolios into fixed interest funds prior to the start of depreciation earlier this year. This also included withdrawal of funds from Canterbury Mortgages which has since found itself in difficulties. We estimate this move has saved us losses within the seven hundred and fifty thousand to one million dollar mark.

The Trustees identified their concerns about the annual fluctuations in the return on our investments due to market conditions in last years report and acted quickly to address these concerns. This resulted in our move to withdraw most of our managed funds into fixed interest. We now need to keep watching the future as there will be a point when fixed interest will not meet our needs and will necessitate looking at other investment options.



## GOVERNANCE

The Trustees have continued to work on the ongoing development of the Governance of the Trust to ensure that current and future Trustees 'manage' in an effective and appropriate manner. At this years AGM we have introduced a rule change that if supported will require current and future Trustees to maintain and continue to develop the governance policy that the current Trustees have put in place. This will ensure that high standards for the governance of the Trust are observed into the future. We have continued our association with the Institute of Directors in New Zealand to provide access to quality information and training. The Institute promotes excellence in corporate governance, represents directors' interests and facilitates their professional development through education and training. It is a membership organisation of around 4,000 individuals representing the spectrum of New Zealand enterprise, from the public and private sectors.

From a practical perspective the Trustees have,

- Successfully completed the five year review of the Trust with the Maori Land Court in November 2007. With the court congratulating us on the quality of the material and the report that was provided to them for our review.
- Completed the first round of our Trustee performance review programme, setting up goals of improvement for the coming year.
- Continued expansion of the Trusts governance policy guiding the governance of the Trust today and into the future.
- Increased the number of Trustees from six to seven to assist in the increasing work load of the Trust as it develops.
- Setup the first advisory group from volunteer's who put their names forward. The advisory were included in this years planning programme for the Trusts development and the additional Trustee, Suzanne Spencer, was selected from this group.

The Trustees see good governance as an essential component of the continued progress of the Trust and will ensure that appropriate resources are applied to continue this development.

We have sustained this by learning from others through involvement in a number of Maori training initiatives. Equally we are now activity participating with other Maori organizations through our FoMA (Federation of Maori Authorities) affiliation.



## BUSINESS IMPROVEMENT

The Trust continued its efforts to further develop the current hunting operation to obtain a better rate of return on this resource than has been employed over the years. Fundamentally we plan to turn it into a legitimate business operation rather than a low level pest eradication programme.

We have continued with the implementation of the changes we had identified for this operation, which were covered in last years report. Unfortunately while we have completed most of the changes we have struggled to gain appropriate supplier contracts and business partner support from transport providers to move hunters to the hunting blocks. This is one of the key components supporting this business activity and we need to establish good commercial contracts with capable suppliers to maximise the potential of this business.

We are now undertaking further investigations on how best to address the transportation issue, which may include doing it ourselves. We expect to receive a further report on the options open to us for further investigation in regard to transportation to the hunting blocks shortly after this year's AGM. If we are unable to find a satisfactory solution to this problem we must consider the entire future of the hunting operation. The effort required to operate this business for the break even returns is using resources that could be engaged in other areas for a superior return. Even as a pest control programme it is not an efficient means of achieving the outcome.

If we are able to resolve the transport issues then the next development for hunting will be a move towards an online booking system to improve efficiency and help us extend the catchment of potential hunters. With appropriate transport arrangements in place there is great potential to enhance and develop this business activity for the Trust.

## THE NECK PROJECT

The Trust reported last year on the opportunity to commence development of alternative land blocks as part of expanding the focus of Trust activities beyond Lords River. The area that offers the best potential was identified as "The Neck". Leading up to last years meeting we worked through a process to adopt the following vision by The Neck owners,

- To proactively manage The Neck for the advantage of all beneficial owners in accordance with the requirements of the Trust Deed.
- To preserve, respect, and protect the historical sites of The Neck placing special importance on our urupā.
- To put the lands where possible into productive use to fund the vision and generate benefits in an equitable way to all owners through sustainable and eco-friendly business developments.




- To remove animal pests and progress The Neck closer to pre-settlement conditions that will promote the survival and development of the native flora, fauna and landscape.
- Where possible and appropriate, provide occupancy that is eco friendly in presentation and use to the surrounding environment.

The above vision has now formed the basis of a management strategy to guide implementation and development potential of this area. The Trust will seek support for the management strategy at this year's AGM so that we can continue to make progress over the next 12 months.

In addition to the this we have also progressed a number of more practical objectives to keep the momentum of the development moving forward and these are summarized below,

- We have identified funding opportunities to progress the development of this project and are currently preparing an application for \$200,000 to undertake most of the initial work.
- We have begun emergent relationships with our neighbours to gain their support for this initiative.
- We have successfully removed the stock from continuing to damage the land.
- We have surveyed the boundary with section 16A, our neighbour who is currently running stock at The Neck, and are preparing to erect a secure stock fence on the correct boundary to eliminate accidental access in the future.
- We have setup a series of photo points to monitor the progress of the project in terms of the return of the native environment as we complete our various restoration activities.
- We have just completed the first stage of eradication of cats, rats, and opossums using ground based bait stations.
- We have setup a joint research group with DOC to research the longer term approach to eradication and its ongoing maintenance.
- We have started the first urupā restoration at the Newton's urupā fencing it off with a picket fence and gate.

We believe this is a sizable accomplishment given the remoteness of the area and we look forward to future achievements once the management strategy is in place to guide us through the next stage of development which will aim to implement tourism activities that will secure us the necessary ongoing funding to complete the project.



Rakiura and in particular “The Neck” has a unique and amazing history combined with breath taking beauty via its landscapes and more importantly its native flora and fauna. This provides the Trust and its owners with exceptional treasures. Being able to see Kiwi and other rare birds in the wild is something that can’t be realised anywhere else in the world and thus provides us with unique opportunities. In time we believe the Trust and its beneficial owners will finally be able to make full use of the land that was granted to us for productive purposes so many years ago.

## LAND MANAGEMENT

Land management continues as a major focus for the Trust and its primary reason for existence. Most of our activity in this area has been the continuation of the process by the Department of Conservation to extend the Rakiura National Park plan and review the Rakiura Management Strategy. We have continued throughout the year to work with them on this scheme.

These initiatives by DOC have far reaching implications for Trust lands as we are the biggest land owner on the island beside DOC. With 6% of the total island or 75% of the available land outside the National Park under RMLT administration we have a major interest in the way in which the Rakiura National Park plan and the review of the Rakiura Management Strategy once implemented by DOC, will affect the potential of our land.

Equally a large amount of our land borders and requires access through the DOC estate and it is important that we ensure that the Trust and its beneficial owners can continue to use these lands in the manner that was originally intended. This is one of the key focuses of our objectives within our submissions. We are very pleased with the progression of our relationship with DOC during this process and in general over the last few years. Equally we are encouraged by the support they are providing to us in other areas.

While the National Park Plan and Rakiura Management are a focus, work still continues in other areas. We must continue to manage our blocks and research opportunities to improve the future of much of the land under our administration. With the progress on the restoration of “The Neck” sections we are gaining a better understanding of pest control and this will help us as we look to make the same improvements on other bigger blocks such as Lords River.

Finally we have been successful in gaining funding to work with other interested parties in the South Island to have all Maori Land catalogued to include all legal information along with assessments on the type, quality, and potential use of this Land. The project will start with the Rakiura blocks and should be finished towards the end of next year when it will be published for all to see. We think this is a great initiative that will help us identify future development opportunities.





## COMMUNICATIONS

Good communications continues as a very important requirement for the Trust and our website [www.visitrakiura.co.nz](http://www.visitrakiura.co.nz) is proving to be a vital part of this process. The site is updated almost weekly and provides access to a large amount of Trust information. In addition it is also a good source of information on Rakiura itself. We will be continuing the development of this tool based on the support that we are getting. The site has been receiving up to 2000 visitors a week which we feel indicates a good level of support.

The major communication achievement for the last year has been the completion and distribution of our DVD. The feedback has been tremendous on the DVD and the information it contains. There have also been a large number of requests for additional copies to pass on to other family members and we are looking at addressing this in the coming year.

Following on from this production we have approved funding for another venture putting additional available footage into a more historical type DVD that will simply present the information that has been collected during the filming of the original DVD. We hope to have this completed within the next few months.

We have continued with a formal newsletter mid year and have again put together a very formal annual report. These traditional forms of communication still shape an important part of our overall communication strategies. We are trying to further develop email communication but it is a challenge to get email addresses for reasonable numbers of owners. We will be looking at how best to improve this to make email more useful in the future.

## PARTICIPATION

The Trust continues to see participation as an extremely important part of the Trust and its responsibilities. We have by means of advisory groups opened up another level of involvement in the Trust to improve many aspects of the Trusts activities as has been covered in this report.

This year we have put together another opportunity for owners to return to Rakiura providing the chance to spend time with the Trustees and other owners. This has been extremely successful with the trip sold out within weeks of opening and we have had a waiting list to fill any cancellations. The encouraging point for our Trust is the desire by so many to participate within Trust activities; this is extremely heartening and provides a very positive future for Rakiura and our lands.

With the high level of support we would like to increase opportunities for participation in all aspects of the Trust and we will continue to try and identify how best we can provide this in the year ahead. We have reached the physical limit with this years return to Rakiura in its current format but we are going to review how we can improve on this going forward.



## FUTURE DIRECTIONS

In the coming year the Rakiura Maori Land Trust will continue to build on completed achievements and persist with its development. We need to continue improving our performance as Trustees to meet the challenges that are ahead and help turn potential into real return.

There will be a big focus within the next twelve months towards bringing other income streams onboard to supplement and reduce our reliance on investment income and funding grants. Our journey must move from planning and preparing to simply getting the job done.

The development of partnerships will continue to be important to us as we seek to reduce errors, learn from the experience of others, and find individuals we wish to work with to enhance RMLT's development as a Trust worthy of the full support of its owners.

Finally as mentioned in last years report we must continue to look at the resources that the Trust uses to ensure our future objectives can be achieved in a timely and professional manner. We will strive for further developmental progress for your ultimate benefit and continue to work for you in the months ahead. We are getting closer to our dreams of a secure and productive future for the Trust and the lands that we administer for you.

Stephen Harteveld  
Chairperson



## ACCOUNTANT'S REPORT

Welcome to the 2008 financial section of the Annual report. The format of this report follows that used in previous years.

### Overview

The 31 March 2008 financial year was definitely one of two halves. The first half saw moderate investment returns and some increased activity in hunting. The second half saw a quiet hunting spell and tension in World Investment markets.

The surplus for the year before unrealized investment losses at balance date amounted to \$241,509. The Trust remains in a strong financial position, being debt free, and having sound financial governance in place.

Our independent auditors have given us a clean bill of health.

The Trust was reviewed by the Maori Land Court in December 2007 and the Judge was pleased with progress being made.

Our brief highlights of the year are best covered under the following headings.

### Investment Returns

Investment markets both in New Zealand and around the world have been affected by the global credit crunch, finance company failures and investor panic and magnified by media speculation. The Trust has weathered this storm largely unscathed but not without some inspired timely divestment decisions.

To explain the situation more clearly we refer you to note 8 on page 8 of the financial statements. In 2007 the Trust had over \$8 million on investment and 85% of these were in unit trusts or managed funds with a large exposure to equity markets (ie shares).

In October 2007 the Trust's Investment sub-committee became nervous about the Spicer funds and after further review a decision (instigated by the Chairman) was made to withdraw from the Conservative and Aggressive funds and to give the Trust more certainty of Income by investing directly into bonds and fixed interest investments. Approximately \$1.5million was retained in Equities only.

The Trust also sought exit from its Investment with Canterbury Mortgage Trust (CMT).





Both decisions have retrospectively seen the capital of the trust preserved. As global markets have fallen since November 2007, the estimated losses that have been prevented by this move are now between \$750K and \$1million. CMT recently announced a freezing of its funds as has occurred with other financial institutions. The Trust however had already withdrawn its funds many months prior.

The Trust is not without small fallout from the effects of world markets, firstly the ING funds in which the Trust initially had just under \$600K invested was one of the first funds in NZ to be frozen. The actual exposure of the funds to below quality grade investments was less than 5% i.e. \$30,000, but this has not prevented down grading of even high quality debentures stocks. The ING funds have been written down by \$170K over last year, but we reasonably expect these to reverse the closer the underlying funds get to the bond maturities. Interest is still being generated on the investment at slightly better than the official cash rates, which unlike some other frozen funds are getting no return.

The Equity investments that have remained with Spicer's also took a dip and this gives rise to the remaining un-realised losses recorded on page 1 of the Financials. The funds are closely monitored and as they only account for 15% of the total investments are seen as longer term investments.

Other investments are held with Westpac the Trusts main bank and Raboplus the highest rated bank in New Zealand. I believe the Investment sub-committee (in particular the Chairman and Secretary) deserve a vote of thanks for their research and inspired timely decisions.

### Special Projects

The Trustees worked tirelessly on a number of fronts, the special projects included:

- The Mahara DVD fulfilled its intentions.
- The Land Management Plan was completed and vegetation plots are being marked out on Lords River sections to monitor vegetation growth over the next few years.
- The Neck project has been a major focus, and more on this can be read in the Chairman's report.
- The website continues to have strong interest, both domestically and internationally.
- The Trust has now walked all the lands and are starting to frame opportunities available for future Tourism activities.

# RAKIURA MAORI LAND TRUST

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2008

	2008 \$	2007 \$
<b>INCOME</b>		
Gross Revenue (Note 4)	691,240	1,418,261
(Less) Operational Costs (Note 3)	(449,731)	(358,082)
<b>OPERATING SURPLUS BEFORE TAXATION</b>	<b>241,509</b>	<b>1,060,179</b>
Less Provision for Taxation (Note 7)	-	-
<b>OPERATING SURPLUS AFTER TAXATION</b>	<b>241,509</b>	<b>1,060,179</b>
Plus (less) Unrealised Investment Gains (losses)	(326,782)	(951,240)
<b>OPERATING DEFICIT AFTER UNREALISED INVESTMENT LOSSES</b>	<b>(85,273)</b>	<b>108,939</b>
Plus (less) Transfers to Special Funds	(241,509)	-
<b>TOTAL TO RETAINED EARNINGS</b>	<b>(326,782)</b>	<b>108,939</b>


## STATEMENT OF OF MOVEMENT IN EQUITY FOR THE YEAR ENDED 31 MARCH 2008

	2008 \$	2007 \$
<b>EQUITY AT BEGINNING OF THE YEAR</b>	<b>6,369,363</b>	<b>6,260,424</b>
Plus: Operating Deficit after Unrealised Investment Losses for the year.	(85,273)	108,939
<b>TOTAL RECOGNISED REVENUE &amp; EXPENSES</b>	<b>6,284,090</b>	<b>108,939</b>
Distributions declared in the year	-	-
<b>EQUITY AT THE END OF THE YEAR</b>	<b>6,284,090</b>	<b>6,369,363</b>
Represented By:		
Special Funds (Note 10)	4,465,603	4,346,225
Other Reserves (Note 11)	857,779	735,648
Accumulated Retained Earnings	960,708	1,287,490
<b>TOTAL TO TRUST FUNDS</b>	<b>6,284,090</b>	<b>6,369,363</b>

STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 MARCH 2008

	2008 \$	2007 \$
<b>EQUITY</b>		
TRUST FUNDS	6,284,090	6,369,363
<b>TOTAL EQUITY</b>	<b>6,284,090</b>	<b>6,369,363</b>
Represented by:		
CURRENT ASSETS (Note 5)	3,667,712	916,126
LESS: CURRENT LIABILITIES (Note 5)	(63,867)	(62,502)
WORKING CAPITAL SURPLUS (DEFICIT)	3,603,845	853,624
<b>NON CURRENT ASSETS</b>		
Fixed Assets (Note 6)	156,283	158,358
Investments (Note 8)	5,217,963	8,059,129
<b>TOTAL NON CURRENT ASSETS</b>	<b>5,374,246</b>	<b>8,217,487</b>
<b>LESS TERM LIABILITIES</b>		
Putea Account - Unclaimed Dividends (Note 9)	2,694,001	2,701,748
	2,694,001	2,701,748
	<b>6,284,090</b>	<b>6,369,363</b>

For and on behalf of the Trust, dated 3 September 2008

  
\_\_\_\_\_  
Stephen Hartevelde  
Kaiwhakahaere

  
\_\_\_\_\_  
Richard Manning  
Hekeretari





# NOTES TO THE FINANCIAL ACCOUNTS

## 1. STATEMENT OF ACCOUNTING POLICIES

Rakiura Maori Lands Trust is a Trust formed under the Te Ture Whenua Maori Land Act 1993.

Rakiura Maori Lands Trust is a reporting entity for the purposes of the Financial Reporting Act 1993.

The financial statements of Rakiura Maori Land Trust have been prepared in accordance with generally accepted accounting practice.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by Rakiura Maori Land Trust.

## 2. SPECIFIC ACCOUNTING POLICIES

### (a) FIXED ASSETS & DEPRECIATION

Fixed assets, are stated at cost less aggregate depreciation. Depreciation has been calculated using the maximum rates permitted by the Inland Revenue Department.

The following depreciation rates are applied: -

Office Buildings

Huts

Plant & Equipment

The lands owned by Rakiura Maori Land Trust (legally administered by the Trustees on behalf of the Beneficial Owners) was vested to the trust under the Te Ture Whenua Maori Land Act 1993.

The land was vested for nil consideration and as such is recorded at nil cost.

### (b) GOODS & SERVICES TAX

The financial statements have been prepared on a GST exclusive basis, except for Sundry Debtors and Creditors which are recorded inclusive of GST.

### (c) TAXATION

Taxation is calculated as per SSAP 12 using the liability method and calculated on the partial basis.

No provision has been made to deferred taxation due to there being no material timing differences.

### (d) UNSPENT GRANTS

Grants applied for but not fully expended are shown as liabilities.

### (e) SUNDRY DEBTORS

Sundry Debtors are stated at their estimated net realisable value.

### (f) INVESTMENTS

Investments are stated at market value. Changes in the unrealised value of investments are recognised in the statement of financial performance. Bonds and fixed interest investments are initially recorded at cost, with any difference to the face value on maturity being amortised over the life of the investment.

### (g) HUNTING RECEIPTS

Hunting receipts are accounted for on an accrual basis with receipts paid in advance recognised as a liability.

### (h) DIFFERENTIAL REPORTING

Rakiura Maori Land Trust is a qualifying entity as defined by the New Zealand Institute of Chartered Accountants Differential Reporting Framework.

The criteria establishing the entity as qualifying for differential reporting exemptions are;

- \* The entity does not have public accountability; (as defined by the ability to rate or levy) and
- \* The entity is not large as defined by the Differential Reporting Framework.

The entity has elected to take full advantage of all differential reporting exemptions.

### CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies since the date of the last financial statements.

All other policies have been applied on basis consistent with those used in previous years.

### 3. DETAILS OF EXPENSES

	2008	2007
	\$	\$
<b>ADMINISTRATION EXPENSES</b>		
(a) Trust Admin		
Accounting & Administration of Finances	45,101	36,663
Audit – External Costs	9,659	9,500
Bank & Credit Card Fees	481	641
Computer Costs	2,050	1,441
Employment Consultancy	2,375	-
Consultancy Fees	820	-
General Expenses	1,955	1,658
Koha Paid & Gifts	1,877	1,450
Legal Costs	5,135	3,010
Printing Postage & Stationery - General	2,210	2,816
Subscriptions & Licences	1,344	249
Telecommunications - General	2,131	1,244
	<hr/>	<hr/>
	75,138	58,672
(b) Owners Admin		
Administration of Owners Database	31,412	23,005
Newsletters	5,350	4,194
Printing Postage & Stationery	6,304	2,100
	<hr/>	<hr/>
	43,066	29,299
<b>INVESTING ACTIVITIES</b>		
Fund Manager Monitoring Fee	31,615	18,238
Investment Advice Consultancy	11,980	12,221
	<hr/>	<hr/>
	43,595	30,459
<b>HUNTING ACTIVITIES</b>		
Charter & Hunting Negotiations	381	2,950
Depreciation of Huts	4,468	3,752
Eftpos Terminal & Credit Card Fees	1,403	1,077
Office Costs – Share related to Hunting	38,950	37,054
	<hr/>	<hr/>
	45,202	44,833



	2008 \$	2007 \$
<b>PROPERTY – OFFICE ADMINISTRATION</b>		
Insurance of Office	3,200	3,171
Power	1,323	1,090
Rates	1,680	2,802
Repairs	1,167	1,332
Security Costs	513	347
Telecommunications	4,707	4,357
Wages/Office Services	9,738	0
Depreciation – Equipment & Office	6,330	5,815
	<b>28,658</b>	<b>18,914</b>
<b>GOVERNANCE</b>		
<b>(a) AGM</b>		
Advertising	3,361	5,750
AGM Expenses	4,901	29,170
Accommodation & Travel	7,414	14,606
Insurance	947	1,384
Marae Hire & Kai Costs	1,195	13,246
Contributions from Owners to AGM Costs		(8,720)
Printing Postage & Stationery	10,824	9,900
	<b>28,642</b>	<b>65,336</b>
<b>(b) Trustee</b>		
Allowances & Honoraria	32,125	32,264
Governance Trustee Training & Education	-	5,920
Executive/Trustee Role Descriptions	5,500	-
Honorarium Consultancy	895	-
Travel & Meeting costs	44,374	27,414
	<b>82,894</b>	<b>65,598</b>
<b>PROJECTS</b>		
Dancing Star	-	3,858
Land Management Planning	1,511	8,988
Logo Design	946	-
Mahara DVD Project	6,343	11,389
Port Adventure & Toitohi SILNA Blocks	8,500	-
Rakiura National Park Submissions	6,828	5,230
The Neck Project	62,291	-
TPK Expenditure	-	9,400
Tourism Consultancy & Development	16,117	6,105
	<b>102,536</b>	<b>44,970</b>
<b>TOTAL EXPENSES</b>	<b>449,731</b>	<b>358,082</b>





#### 4. DETAILS OF REVENUE

	2008 \$	2007 \$
Interest Received	367,688	179,986
Dividend & Investment Income	269,103	1,156,296
	<b>636,791</b>	<b>1,336,282</b>
Hunting & Charter Receipts	59,061	65,733
DOC Rent	2,985	8,935
	<b>62,046</b>	<b>74,668</b>
Realised Gains (Losses) on Investment	(7,597)	-
Grants	-	7,311
	<b>(7,597)</b>	<b>7,311</b>
<b>TOTAL EXPENSES</b>	<b>691,240</b>	<b>1,418,261</b>

#### 5. DETAIL OF CURRENT ASSETS AND CURRENT LIABILITIES

##### CURRENT ASSETS

Westpac Bank Short Term Deposit	700,000	700,000
Westpac Bank Accounts	134,811	131,627
AWH Electronic Dividend Account	25,773	24,281
National Bank Fixed Interest Investment	1,101,750	-
Bank of New Zealand Fixed Interest Investment	1,114,430	-
Sundry Debtors	30,475	14,771
Kiwi Bank Account	-	9,730
Rabo Plus on Call Account	512,723	-
Great Plains Software WIP	7,980	-
GST Receivable	16,856	16,705
Provision for Income Tax	7,781	6,315
Prepayments - AGM Experience 2008	15,133	-
Prepaid Rates	-	5,497
WIP/Prepaid Hut Expenditure	-	7,200
<b>TOTAL</b>	<b>3,667,712</b>	<b>916,126</b>

##### CURRENT LIABILITIES

Sundry Creditors	43,263	36,779
Hut Levies held	2,560	3,530
Hunting Receipts in Advance	18,044	22,193
<b>TOTAL</b>	<b>63,867</b>	<b>62,502</b>



6. PROPERTY PLANT & EQUIPMENT		2008	2007
Rakiura Maori Land Trust has the following classes of Fixed Assets:		\$	\$
<b>FIXED ASSETS</b>	<b>Maori Investment Property</b>		
	Bluff Office - Land	5,426	5,426
	Bluff Office - Buildings & Improvements	13,416	13,416
	Less Accumulated Depreciation	(3,062)	(2,794)
	<b>CARRYING AMOUNT</b>	<b>10,354</b>	<b>10,622</b>
	Property – Hunting Huts	118,529	114,763
	Less Accumulated Depreciation	(10,418)	(5,950)
	<b>CARRYING AMOUNT</b>	<b>108,111</b>	<b>108,813</b>
	Office Plant & Equipment	48,948	43,991
	Less Accumulated Depreciation	(35,954)	(29,892)
	<b>CARRYING AMOUNT</b>	<b>12,994</b>	<b>14,099</b>
<b>PROPERTY IMPROVEMENTS AT COST</b>			
	Sewerage Extension Scheme	19,398	19,398
	<b>TOTAL FIXED ASSETS</b>	<b>156,283</b>	<b>158,358</b>

The latest government valuation of the Bluff Office, dated 1 July 2005 is:-

Land	15,000
Buildings & Improvements	46,000
	<b>61,000</b>

7. TAXATION	2008	2007
Taxation is calculated as follows:	\$	\$
Operating Surplus Before Taxation	241,509	1,060,179
Add/(Less) Imputation Credits	103,098	566,208
Add/(Less) Non Deductible Items	18,231	26,893
Add/(Less) Non Assessable Items	(9,398)	(10,761)
	353,440	1,642,519
Less: Tax Losses Brought Forward from 2007	(1,666,818)	(405,706)
<b>ASSESSABLE INCOME FOR TAXATION</b>	<b>(1,313,378)</b>	<b>1,236,813</b>
Tax @ 19.5%	-	241,179
Less Imputation Credits	-	(241,179)
Resident Withholding & Other Tax Credits	(7,781)	(6,316)
<b>INCOME TAX PAYABLE (REFUND DUE) FOR YEAR</b>	<b>(7,781)</b>	<b>(6,316)</b>

Excess imputation Credits of \$103,098 will be converted to a loss to carry forward to the 2009 year of \$528,706 (2007: Excess imputation credits of \$325,029 were converted into losses of \$1,666,818)

#### 8. INVESTMENTS

##### **Spicers Portfolio Management - Conservative**

Opening Balance	4,009,275	3,875,993
Unrealised Movements in Fund	-	(426,191)
Withdrawals from Fund	(4,154,078)	-
Loss on sale of Fund	(11,596)	-
Realised Income	156,399	559,473
Closing Balance	-	4,009,275

##### **Spicers Portfolio Management - Aggressive**

Opening Balance	2,801,190	2,708,756
Unrealised Movements in Fund	-	(518,715)
Withdrawals from Fund	(2,920,790)	-
Gain on sale of Fund	3,999	-
Realised Income	115,601	611,149
Closing Balance	-	2,801,190





				2008	2007
				\$	\$
<b>Fixed Interest &amp; Bond</b>					
	Maturity	Face Value	Yield Rate %		
UDC	02/11/2009	\$1,100,000	8.55%	1,100,000	-
ANZ National Bank	02/03/2012	\$1,100,000	8.12%	1,096,491	-
Bank of New Zealand	15/09/2008	\$1,100,000	8.55%	1,114,430	-
Auckland International Airport	29/07/2009	\$1,100,000	8.53%	1,108,853	-
National Bank Of New Zealand	20/08/2008	\$1,100,000	8.62%	1,101,750	-
Cash Management Account	N/A	N/A	N/A	25,999	-
				5,547,523	-
Less Current Portion (maturing within 12 months)				(2,216,179)	-
				3,331,344	-
<b>Equities</b>					
Growth Assets				703,518	-
Focus Australasian Opportunities				749,603	-
				1,453,121	-
<b>Managed Funds</b>					
Canterbury Mortgage Trust				-	654,994
ING Regular Income Fund				330,415	493,560
ING Enhanced Yield Fund				103,083	100,106
				433,498	1,248,660
<b>Total Investments</b>				<b>5,217,963</b>	<b>8,059,129</b>

9. PUTEA ACCOUNT - UNCLAIMED DIVIDENDS

	2008	2007
	\$	\$
Opening Balance	2,701,748	2,756,399
Plus: Distribution to Owners	-	-
Less: Prior years distributions released in the Year	(7,747)	(54,651)
<b>Closing Balance</b>	<b>2,694,001</b>	<b>2,701,748</b>

## 10. SPECIAL FUNDS AND RESERVES

		2008	2007
		\$	\$
Land Management Reserve	note 1 below	2,402,762	2,324,511
Owners Register Administration Reserve	note 2 below	313,144	321,714
Lords River Section Distribution Reserve	note 3 below	535,500	500,000
Trust Administration Reserve	note 4 below	1,214,197	1,200,000
		<u>4,465,603</u>	<u>4,346,225</u>

(1) The Land Management Reserve is inflation adjusted annually to preserve the original provision set aside.

(2) The Owners Register Reserve is inflated by a notational annual return on Capital less the actual costs of running the owners database as recorded on page 4.

(3) The Lords River Sections Distrution reserve is inflated by a notational return on capital, and is subject to top ups as the trustee's determine.

(4) The Trust Administration Reserve is adjusted depending on the annual result less transfers to other reserves, including top ups as determined by the Trustee's in order for the trust to survive in perpetuity.

## 11. OTHER RESERVES

		2008	2007
		\$	\$
Section 218 Reserve	note 1 below	857,779	735,648
		<u>857,779</u>	<u>735,648</u>

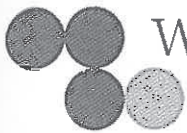
(1) The Section 218 reserve receives the interest on unclaimed dividends annually less special projects approved

## 12. RELATED PARTY TRANSACTIONS

Honorariums are paid to the trustee's in accordance with the approval of prior AGM's of owners. In addition meeting costs are paid to trustee's as is reimbursement of travel. In addition two trustee's have provided services beyond their role as Trustee's. Phillip Smith has hired his vessel for transportation purposes, and Stephen harteveld has provided consultancy expertise on special projects for which his time has been reimbursed. The amounts paid are on an arms length basis and in line with commercial rates.

## 13. CONTINGENCY LIABILITIES

There are no Contingent Liabilities outstanding at Balance date. (2007 nil)



## AUDIT REPORT

### To the Members of Rakiura Maori Land Trust

We have audited the financial report set out on pages 1 to 10. The financial report provides information about the past financial performance of the trust and its financial position as at 31 March 2008. This information is stated in accordance with the accounting policies set out on pages 3 to 4.

### Trustees' Responsibilities

The Trustees are responsible for the preparation of a financial report which fairly reflects the financial position of the trust as at 31 March 2008 and of the results of its operations for the year ended on that date.

### Auditors' Responsibilities

It is our responsibility to express to you an independent opinion on the financial report presented by the Trustees.

### Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the trustees in the preparation of the financial report, and
- whether the accounting policies are appropriate to the trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial report.

Other than in our capacity as auditors we have no relationship with or interests in the trust.

### Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the trust as far as appears from our examination of those records; and
- the financial report set out on pages 1 to 10:
  - complies with generally accepted accounting practice in New Zealand
  - fairly reflects the financial position of Rakiura Maori Land Trust as at 31 March 2008 and the results of its operations for the year ended on that date.

Our audit was completed on 3 September 2008 and our unqualified opinion is expressed as at that date.

WHK Cook Adam Ward Wilson  
Invercargill







