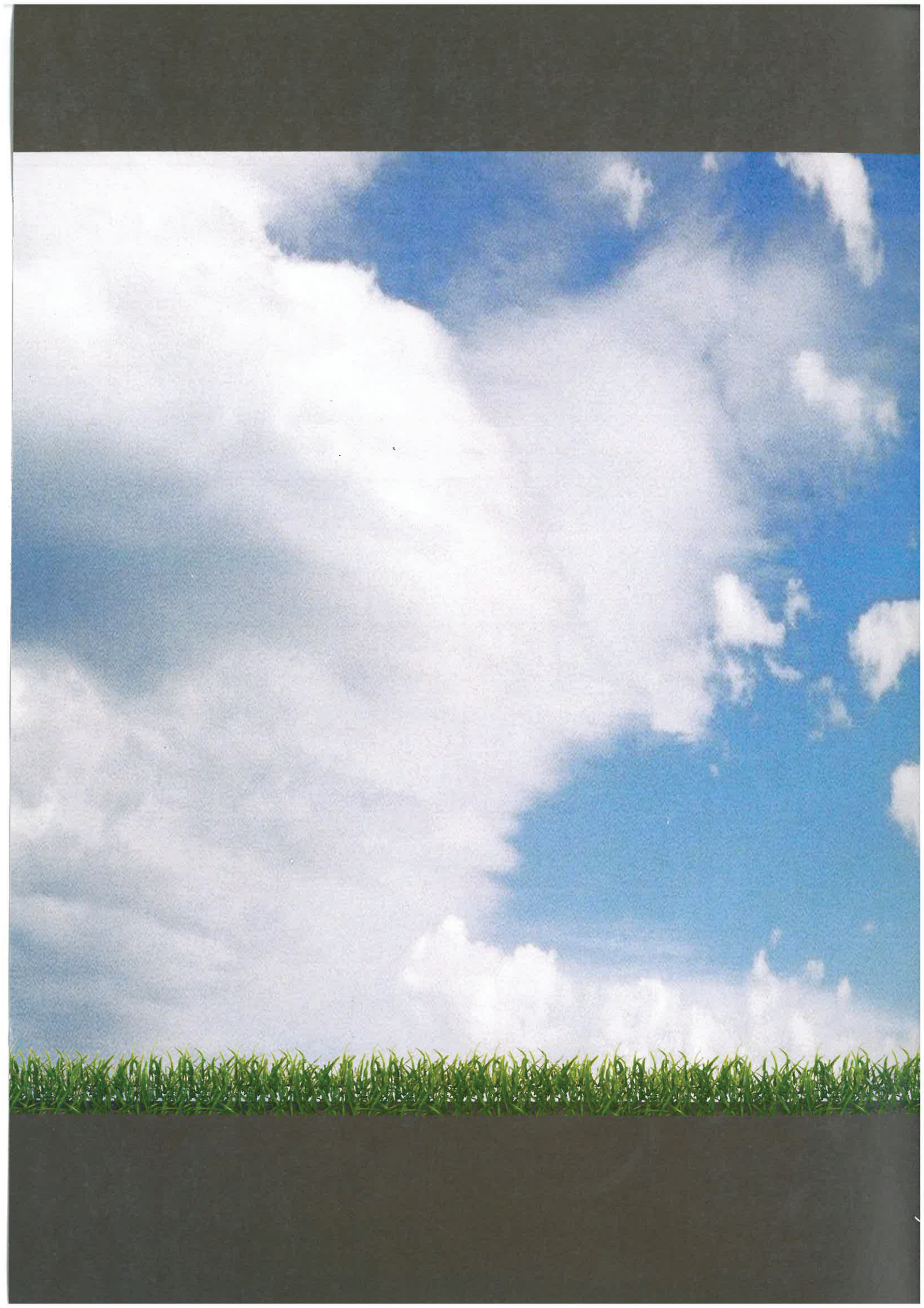


ANNUAL REPORT
2009

RAKURA

MAORI LAND TRUST







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 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 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.



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GOVERNANCE SUMMARY



Key Issue

Observations

Ethical conduct

including the use of formal codes of ethics

The entity 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.
Also, there are formal meeting guidelines for the owners AGM process

Trust Board Composition and Performance

Following the 2006/07 independent Governance Review, the number of trustees increased to both further share the workload and bring new ideas and skills on board.
The trustees attend training in the area of governance and in the areas of benefit to the Trust.
The trust board's 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.
An advisory subgroup was initially formed and contributed to the start of the Neck project. This subgroup is currently inactive.

Reporting and Disclosure

including regular reporting and certification of financial statements

The board of trustees reviews regular management reports against budget, including reviewing the annual business plan.
In addition they approve the annual financial statements.

Remuneration of Trustees

The meeting fee's and honorariums 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 or external resource management.
All trustees are involved in decision making.

Auditors

An independent audit is completed on the Financial Statements each year. Feedback is provided on internal controls, systems and procedures.

Owner Relations

The trust board reports to owners via newsletters, the annual report, AGM and more recently via the website www.visitrakiura.co.nz

Stakeholder Interests

addressing the interests of stakeholders

The trust board addresses 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 December 2007. A copy of the review is available to owners from the MLC.



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 2008/2009 operating year. This year we are able to reflect on the significant progress that has been achieved in the restoration project on The Neck. This is a continuation of the desire from the trust to focus on land outside of the Lords River blocks to bring more land into productive use.

Our year started with the great success of the pre-AGM visit to Rakiura by nearly two hundred owners. The success of this event has provided the motivation for many of the other accomplishments the trust has achieved throughout the year.

The leading focus achieved by the trust this year with great progress has been around The Neck project. This was greatly assisted by the successful application for funding from Te Puni Kōkiri (TPK) and Poutama Trust to undertake extensive research on our proposed activities, which we are well on the way to completing. We have been extremely lucky to have been given such a great opportunity to undertake the essential research that will underpin any realisation of our vision for The Neck. This work is on track for completion by the 31st December 2009.

While we have had what should be considered a neutral financial result this needs to be viewed in light of the recession we have all been facing, and where most of our income is derived from investments where investment returns are down around 4 to 5 % as a result of this recession. In addition we have still managed to achieve a lot of progress operationally this year. We believe we should now be able to look forward to progressing results over the next few years as our Hunting operation begins to improve and The Neck project comes on-stream reducing our reliance on investment income. Full details of our financial performance are covered within the financial reports that are included in this annual report.

Overall I am very happy with our progress during the last year as we and everyone else have faced a very tough time through the worldwide economic situation. The trust has continued to go forward in a very successful manner and I invite you to look at the rest of this report to get a more detailed perspective of our progress on your behalf throughout the last financial year.



Governance

The trustees continued to focus on a strong Governance Structure to underpin the successful administration of the trust now and into the future. At last years annual general meeting the trustees successfully gained the support of the beneficial owners to necessitate current and future trustees to implement and maintain an appropriate Governance Policy to guide the successful administration of the trust. Going into the future this will help ensure that high governance standards for the trust are observed by trustees.

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 annual review and planning programme in February 2009 to provide direction for the trust over the next few years.

Have continued with the trustee's performance review programme, which was initiated in the last financial year. This has once again identified improvements we can make to both individual and collective trustee performances.


Continue to expand and develop our governance policy to provide the quality and consistency to the governance of the trust.

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

Business Improvement

The trust continued its efforts to further develop hunting, currently our only true business activity. The Hunting operation needed to obtain an improved and more efficient rate of return on the resource that it requires. Progress has been slow and we have had to accept a poor financial result on the hunting in the last year as we progressed through the changes that are needed in this business activity to make it more successful.

The changes in structure are now complete and we are currently setting about improving the business. This new structure now provides us with the ability to successfully grow the business and get the best rate of return out of it. We have packaged the hunting trips up to provide a more manageable and effective way to undertake the bookings. In addition we have restructured the charter boat operation to provide for



greater logistical control and developed schedules that help us get better utilisation out of the individual blocks. Equally we reduced the risk of lost time through weather disruption by shifting to transportation across to the island by Ferry, which runs to timetable and is less affected by weather than most charter boat options.

The changes also provide us with the ability to offer improved options such as additional overnight stays in the Oban, which some hunters are now taking advantage of. The ability to offer better and bigger packages means a better rate of return for us as the amount spent on hunting trips by Hunters increases. Once the new hunting operation settles in we will then look at improving and bringing additional blocks into play to further increase the potential of this business for us.

As part of the development we have started a dedicated website www.huntrakjura.co.nz to provide improved information to Hunters on what is available. This will eventually include online bookings for the various blocks. However for the moment we are happy with the progress that has been made to date and we can now look forward to making some real advancement with the development of the Hunting business for the trust.

To support the business activities of the trust, we have also begun a major investment in business infrastructure through the purchase of a new financial system to help us with the overall management of the trust and its business activities. The installation of Microsoft's Great Plans accounting software will be completed by the end of 2009 and will provide us with the ability to better manage the trust from a financial perspective. While the software will not make things better it will provide superior more timely and comprehensive information to assist the trustees to make better decisions.

The Neck Project

The biggest achievement and use of resource for the trust has been the progress made in the implementation project on the following vision for The Neck that was adopted by The Neck owners at the 2007 Annual General Meeting,

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 pests and progress The Neck closer to pre-settlement condition to 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.



At last year's Annual General Meeting The Neck owners approved a management Strategy that will be used to govern the implementation of the initial vision. As a result of this we have over the last 12 months been able to focus more on implementation of this project. This has largely been possible through funding we achieved jointly with Te Puni Kōkiri (Ministry of Māori Development) and the Poutama Trust, which is being used to complete research that will help us identify and undertake appropriate business activities to fund the ongoing implementation and maintenance of our vision. The research is rapidly being completed and should be finished by the end of 2009.

In addition to the extensive research being undertaken the following more practical achievements have been realised during the last financial year on The Neck project.

We completed the erection of a new and secure stock fence on the correct boundary with section 16a that is now keeping the unwanted stock off our land.

The trust in conjunction with DoC completed RTC (Residual Trap Catch) monitoring on The Neck following our first eradication programme in the last financial year. The results indicated the eradication was very successful.

We completed a second round of photo point shoots to provide photo comparison of the progress that has been made. This activity will be undertaken again next year and each succeeding year thereafter.

We undertook a working bee with owners from the trust to clean up rubbish dumped on The Neck over many years.

A joint working group setup between the trust and DoC, (Department of Conservation), has continued to look at a long term solution for pest eradication on The Neck. Their initial proposal on how to achieve this is due by the end of this year

We have committed to ongoing research and monitoring on Yellow Eyed Penguins at The Neck to identify how we might be able to assist the survival of this rare and endangered Penguin on our land.

We have, in conjunction with the research programme, identified eco friendly business development opportunities to fund The Neck project into the future. Full information on this should be available early next year.

We have completed research on land usage at The Neck as part of the management strategy to determine the best use of the various sections within the overall restoration programme.

This project will continue to be a major focus for us as we complete the research to help develop the appropriate business activity to fund the overall success of our vision. We hope to have this activity, in place over the next 12 months. Once this project is fully self funding we will be able to look at other land blocks within the trust to achieve the same thing. If we are able to have more than one self funding project going, we should be in a position to look at developing multiple blocks at any one time providing the potential is there.



The Neck project is a very exciting development that has amazing potential in the future for everybody in the trust and especially those beneficial owners directly involved in The Neck sections.

Rakiura and in particular The Neck, has a unique and amazing history combined with breathtaking 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 that are getting closer to fruition.

Land Management

As the major land owner, outside of the crown, Land Management continues as a major focus for the trust and its primary reason for existence. The key work in this area continues to be actively participating in the programme by DoC to develop the Rakiura National Park plan and review the Rakiura Management Strategy. DoC has continued to progress this project throughout the year and we have been provided with a number of opportunities to have our input into these two activities.

The Draft Rakiura National Park Plan was produced in early 2009 and provided to us for further consideration. In late August we had a further opportunity to have input into the progress through formal presentation of our Oral Submissions before the DoC panel on the draft plan. At these submissions the DoC panel congratulated the Trust on the quality and content of the submissions that we had presented both at the meeting and to date within the overall process.

The process for both the Rakiura National Park plan and the review of the Rakiura Management Strategy is not finished. We will continue to participate to the fullest in these programmes to ensure our current and future interests in the use of the trust's land holdings on the island are protected. Our submissions are based around ensuring,

That a viable future for the community is maintained, one that offers growth potential equivalent to the mainland,

That there is an ability to facilitate a viable community through the opportunity to undertake sensible and environmentally capable commercial activity on the island and in the National Park,

That the original rights that are connected to our land are retained within both the plan and the strategy reviews to ensure these rights are not slowly eroded away.

The Manawhenua Project, designed to catalogue Maori Land in the South Island including Rakiura, has continued throughout the year to catalogue all Maori land to include all legal information along with assessments on the type, quality, and potential use of these lands in one easily accessible place. The Project has been funded by Te Puni Kōkiri and once finished will provide all Māori land owners with an excellent resource for basic land information in the South Island. The information associated with Rakiura, which has been obtained through the research for this project has just been completed and will be available



to the trust within the latter part of 2009. We will be looking at how best to make this information available to our owners once we have had an opportunity to see and study it.

In other areas we have continued with the day to day management of the nearly 100 blocks of land under the trusts administration. We have to deal with a number of routine things such as RMA consents to neighbouring properties, rating and other local body issues all of which take time and resource to complete. In addition to the routine work we have also spent a lot of time on Land Management at The Neck, (covered in more detail in this report) and the Ancillary Claims sections of Port Adventure and Toi Toi.

The trust administers the interests of the Ancillary Claims sections until current ownership is determined, which combined are nearly twice the size of the Lords River blocks. The SILNA sections while allocated were never formally titled to the owners of the day and now ownership needs to be determined through the difficult path of succession. We have applied a lot of pressure to the Māori Land Court to have this issue addressed and some progress is now being made. We hope that in the near future the rightful owners will be determined and that they will gain an opportunity to experience the benefit of their land on Rakiura.

Communications

Good communications continues to be an important issue for the trust and our website www.visitrakiura.co.nz is proving to be an extremely vital part of this. We are attracting three to four thousand hits a month on our website and we continue to get excellent feedback on the content that is available. 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.

Following the success of the last DVD we have initiated another project to make use of a lot of the unused footage from the original DVD. The next DVD will be a different format in that it will simply put together the information but will not follow a story line in the same way that the previous DVD did. We are hoping to have this completed in early 2010 and will make it available to owners soon after that. We were lucky enough to gain some funding to cover the majority of the cost of this production.

We have continued with a formal newsletter and an excellent mid year newsletter was once again put together along with our very formal annual report. These traditional forms of communication still shape an important part of our overall communication strategies. We unfortunately have not made the progress we had intended with email communication development and more focus will be placed on this next year. However, our biggest challenge for the coming year will be developing a way to better handle direct communication by telephone. We have engaged a telephone answering service to answer our calls but we need to address the issue of resource to handle these calls once received. We hope to have this organised early in the New Year.

Participation

The opportunity to participate within the trust beyond attending the annual general meeting will always be an important part of the trust and where appropriate we will look for opportunities to include involvement through advisory groups etc. This year prior to the annual general meeting we called for owners to take



part in a working bee at The Neck which was well supported. On behalf of the Owners I would like to thank those owners who came to the island and participated in this.

Next year (2010), will once again see us return to Rakiura for our annual general meeting. Meetings on the island are now proving to be the most supported with the best levels of participation and we intend to ensure this continues into the future. These meetings on the island also provide the Pre AGM event, the single best opportunity for owners to participate in the trust over a weekend and it is gratifying to the trustees to see such a great level of support for this event.

Future Directions

In the coming year the Rakiura Maori Land Trust will continue to focus on its development to better serve its owners and provide more opportunities for owners to remain connected and proud of their roots to Rakiura and its whenua. The trust is gaining a good reputation of being very active and making good progress towards providing benefits to its beneficial owners and we intend to continue with this approach.

The development of partnerships will continue to be important to us into the future 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 trustworthy organisation that has the full support of its owners.

The trustees are determined to ensure Rakiura Māori Land does not become just another mark on the map that everyone has forgotten about. We will ensure that everyone is proud to be associated and connected to their land. This is a long term objective and it is a long road to walk but we know we can get there with your support and commitment.

Last year our focus was on the journey we and our tipuna have travelled to get to where we are. The focus of the year ahead is to turn our journey into a destination that we can all enjoy and be proud of. We look forward to working with you all as we make progress towards achieving this. In 2010 we are looking forward to sharing Rakiura 'The Destination' with you as part of the Pre AGM event that will be held on the island prior to the 2010 Annual General Meeting.

Finally as mentioned in previous year's reports 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 2009 financial section of the Annual report.

Balance Date

In 2008 the trustees elected to move the balance date from 31 March to 30 June. Therefore the financial period covered under this report is for a 15 month period starting 1 April 2008 ending 30 June 2009. Please note this when comparing figures between 2009 and 2008.

Overview

The 30 June 2009 financial period will be remembered for the significant financial failure that littered the globe. This affected investment markets both domestically and globally.

At the same time, RMLT sought to renegotiate with the operators involved with the hunting activities and move forward with its own plans for the future. The owners that attended the 2008 AGM on Rakiura also heard the strategy for The Neck which has been a major focus for 2009.

The surplus before transfers for the 15 months and before unrealised investment losses amounted to \$210,969. Overall the trust Equity fell \$210,708, more than half of which is to do with unrealised losses which post balance date have already reversed. The trust remains in a strong financial position, being debt free, and having sound financial governance in place.

Our independent auditors have given the Trust a clean bill of health. Our brief highlights of the 15 months 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 magnified by media speculation. The trust has weathered this storm largely unscathed. A few points of note:

Interest rates on fixed interest type investments have declined in the period as expected and returns are below what had been budgeted for. The trustees take a prudent approach to investing in quality in preference to Interest rates and this has served the trust well.

The trust reacted quickly and withdrew its investment from ING Enhanced Yield fund, prior to it being frozen. Full recovery was achieved. The second ING investment was the Regular Income Fund which was frozen before the trustees could intervene. The trustees accepted the recent ING offer to pay 62% of the fund and invest it for up to 5 years at 8% in an ANZ investment account. This rate of return is clearly better than other options currently available and combined with tax advantages accrued to the trust, the ultimate level of recovery from this investment is measured at around 90%. Compared to many of the financial horror stories we hear the trust has achieved an excellent outcome.

The trust still has about \$1.37mill in equity investments (2008 \$1.45mill) through Spicers, which fell during the year (known as unrealised losses) but are again on the rise post balance date.

The trust has over \$8.5 mill in investments and 84% of these being Fixed Interest and Bonds. Investments are held with leading financial institutions including Westpac the trust's main bank and Rabopus the highest rated bank in New Zealand.



Special Projects

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

Working with Port Adventure and Toitoti SILNA blocks.

Revision of the Hunting activities.

Making a submission on the Rakiura National Park plan

The Neck project has been a major focus, and more on this can be read in the Chairman's report.

The start of a new computer reporting system.

The start of the Manawhenua project aimed at determining where Maori lands are located across the South Island.

In terms of the Land Management Plan, vegetation plots have been marked out on Lords River sections to monitor vegetation growth over the next few years.

Research and Feasibility work into possible tourism ventures.

The website continues to have strong interest, both domestically and internationally.

Financial Governance

The strong financial governance reported previously continues, and reporting will be enhanced further once the new reporting software is instigated later in the year. Funding avenues are explored where-ever possible to counter the costs of projects, for instance the Manawhenua project is fully funded from external parties. The funding proposals are time consuming but well worth the time when successful.

Tax Losses

The Trust holds an exemption certificate to enable it to receive Gross Interest with no Resident Withholding Tax (RWT) deducted, thereby utilising tax losses brought forward from prior years when dividend streams attracted Imputation credits. Tax losses stand at approximately \$2.2mill the cash effect to the trust is \$429,000, and our goal is to have this released as fast as possible by utilising the exemption certificate strategy.

Special Reserves

Funding from the Land Management Reserve was made to contribute to pest eradication costs on The Neck, in addition Section 218 contributions were made to the 'Journey' run in association with the 2008 AGM, and The Neck project as detailed in Note 11.

Database Management

A few substantial successions (one of over 13 pages in length) were presented in the period that ate into the Owners Register Administration reserve. In total a further \$150,607 was passed out from past distributions in the period.

Kia Ora
Mark Tynan
Director
Ashton Wheelans & Hegan Limited
ChristchurchTrust Accountants & Administrators

RAKIURA MAORI LAND TRUST



STATEMENT OF FINANCIAL PERFORMANCE FOR THE 15 MONTHS ENDED 30 JUNE 2009

	15 Month Period 2009 \$	12 Month Period 2008 \$
INCOME		
Gross Revenue (Note 4)	707,975	691,240
(Less) Operational Costs (Note 3)	(497,006)	(449,731)
OPERATING SURPLUS BEFORE TAXATION	210,969	241,509
Less Provision for Taxation (Note 7)	-	-
OPERATING SURPLUS AFTER TAXATION	210,969	241,509
Less Unrealised (losses)	(117,585)	(326,782)
OPERATING SURPLUS (DEFICIT) AFTER UNREALISED INVESTMENT LOSSES	93,384	(85,273)
Plus (less) Transfer to Special Funds	(199,753)	(241,509)
TOTAL TO RETAINED EARNINGS	\$(106,369)	\$(326,782)

STATEMENT OF MOVEMENT IN EQUITY FOR THE 15 MONTHS ENDED 30 JUNE 2009

	15 Month Period 2009 \$	12 Month Period 2008 \$
OPENING EQUITY	6,284,090	6,369,363
Plus: Operating Surplus / (Deficit) after Unrealised Investment Losses for the Period	93,384	(85,273)
Less: Transfers shown directly against costs (note 3)	(304,092)	-
TOTAL RECOGNISED REVENUE & EXPENSES	6,073,382	6,284,090
Distributions declared in the period	-	-
CLOSING EQUITY	6,073,382	6,284,090
Represented By: Special Reserves (Note 10)	4,495,306	4,465,603
Other Reserves (Note 11)	723,737	857,779
Accumulated Retained Earnings	854,339	960,708
TRUST FUNDS	\$6,073,382	\$6,284,090



**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2009**

	As at 30 June 2009 \$	As at 31 March 2008 \$
EQUITY		
TRUST FUNDS	6,073,382	6,284,090
TOTAL EQUITY	\$6,073,382	\$6,284,090
Represented by:		
CURRENT ASSETS (Note 5)	4,565,226	3,667,712
LESS: CURRENT LIABILITIES (Note 5)	(273,881)	(63,867)
NET WORKING CAPITAL	4,291,345	3,603,845
NON CURRENT ASSETS		
Fixed Assets (Note 6)	201,935	156,283
Investments (Note 8)	4,123,496	5,217,963
TOTAL NON CURRENT ASSETS	4,325,431	5,374,246
LESS TERM LIABILITIES		
Putea Account - Unclaimed Distributions (Note 9)	2,543,394	2,694,001
	2,543,394	2,694,001
NET ASSETS	\$6,073,382	\$6,284,090

For and on behalf of the Trust, dated 16 September 2009

Stephen Harteveld
Kaiwhakahaere

Richard Manning
Hekeretari



NOTES TO THE FINANCIAL ACCOUNTS



FOR THE 15 MONTHS ENDED 30 JUNE 2009

1. STATEMENT OF ACCOUNTING POLICIES

Rakiura Maori Land Trust is a Trust formed under the Te Ture Whenua Maori Land Act 1993. Rakiura Maori Land 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 in New Zealand.

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	2% Straight line
Huts Plant & Equipment	4% Diminishing Value
	11.4% - 60% Diminishing Value

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 recorded at nil cost.

(b) GOODS & SERVICES TAX (GST)

The financial statements have been prepared on a GST exclusive basis, except for 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 for deferred taxation due to there being no material timing differences.

(d) UNSPENT GRANTS

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

(e) 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 differences 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 a basis consistent with those used in previous years.

ACCOUNTING PERIOD

The balance date was changed to 30 June and the financial period reporting is for a 15 month period to 30 June 2009.

3. DETAILS OF EXPENSES

	15 Month Period	12 Month Period
	2009	2008
	\$	\$
ADMINISTRATION EXPENSES		
(a) Trust Admin		
Accounting & Administration of Finances	77,735	45,101
Audit – External Costs	9,371	9,659
Bank Fees	575	481
Computer Costs	4,988	2,050
Employment Consultancy	2,279	2,375
Consultancy Fees	9,596	820
General Expenses	1,606	1,955
Koha Paid and Gifts	5,340	1,877
Legal Costs	6,395	5,135
Printing Postage & Stationery - General	1,616	2,210
Subscriptions & Licences	835	1,344
Telecommunications – General	<u>2,841</u>	<u>2,131</u>
	123,177	75,138
(b) Owners Admin		
Administration of Owners Database	58,990	31,412
Newsletters	5,187	5,350
Printing Postage & Stationery	<u>5,529</u>	<u>6,304</u>
	69,706	43,066
INVESTING ACTIVITIES		
Fund Manager Monitoring Fee	18,384	31,615
Investment Advice Consultancy	<u>16,678</u>	<u>11,980</u>
	35,062	43,595



	15 Month Period 2009 \$	12 Month Period 2008 \$
HUNTING ACTIVITIES		
Charter & Hunting Negotiations	3,157	381
Depreciation of Huts	5,403	4,468
Eftpos Terminal & Credit Card Fees	1,672	1,403
Insurance on Huts	961	947
Office Costs – Share related to Hunting	<u>56,041</u>	<u>38,950</u>
	67,234	46,149
PROPERTY – OFFICE ADMINISTRATION		
Insurance of Office	746	3,200
Power	1,238	1,323
Rates	2,293	1,680
Repairs	31	1,167
Security Costs	678	513
Telecommunications	6,929	4,707
Wages/Office Services	9,655	9,738
Depreciation – Equipment & Office	<u>19,741</u>	<u>6,330</u>
	41,311	28,658
GOVERNANCE		
(a) AGM		
Advertising	847	3,361
AGM Expenses	4,558	4,901
Accommodation & Travel	5,826	7,414
Marae Hire & Kai Costs	1,148	1,195
Printing Postage & Stationery	12,965	
	25,344	27,695
(b) The Journey		
Journey Costs	207,453	-
Less Contribution from Owners	(16,509)	-
Less Contribution from Section 218 Reserve *	<u>(190,000)</u>	-
	944	-
(c) Trustee Governance		
Allowances & Honoraria	32,043	32,125
Trustee Training & Education	14,936	895
Executive/Trustee Role Descriptions	-	5,500
Travel & Meeting costs	<u>33,405</u>	<u>44,374</u>
	80,384	82,894
PROJECTS		
Land Management Planning	9,147	1,511
Mahara Project / Logo Design / Science Project	4,368	7,289
Port Adventure & Toitot SILNA Blocks	13,708	8,500
Rakiura National Park Submissions	5,634	6,828
The Neck Project – Eradication	37,912	-
The Neck Project – Restoration	1,830	-
The Neck Project Research & Feasibility costs	39,819	35,863
The Neck Project - Other	34,531	26,428
Less Contribution from Section 218 Reserve*	<u>(74,350)</u>	-

	15 Month Period 2009	12 Month Period 2008
	\$	\$
Less Contribution from Land Management Reserve*	<u>(39,742)</u>	-
Tourism Consultancy & Development	<u>20,987</u>	<u>16,117</u>
TOTAL EXPENSES	<u>53,844</u>	<u>102,536</u>
* \$(304.092) see page 14	<u>\$497,006</u>	<u>\$449,731</u>

4. DETAILS OF REVENUE

	15 Month Period 2009	12 Month Period 2008
	\$	\$
Interest Received	619,835	367,688
Investment Returns	<u>28,267</u>	<u>269,103</u>
	648,102	636,791
Hunting & Charter Receipts	52,316	59,061
DOC Rent - Non Lords Sections	<u>6,443</u>	<u>2,985</u>
	58,759	62,046
Realised Gains (Losses) on Investment Grants	(7,886)	(7,597)
	<u>9,000</u>	-
	1,114	<u>(7,597)</u>
TOTAL REVENUE	<u>\$ 707,975</u>	<u>\$691,240</u>

5. DETAIL OF CURRENT ASSETS AND CURRENT LIABILITIES

	2009	2008
	\$	\$
CURRENT ASSETS		
Westpac Bank Short Term Deposit	2,100,000	700,000
Westpac Bank Accounts	189,028	134,811
AWH Electronic Dividend Account	33,753	25,773
National Bank Investment	-	1,101,750
Bank of New Zealand Investment	-	1,114,430
Auckland International Airport Investment	1,151,686	-
Sundry Debtors	39,479	30,475
Rabo Plus on Call Account	904,780	512,723
Great Plains Computer Software WIP	117,102	7,980
GST Receivable	14,288	16,856
Provision for Income Tax	6,792	7,781
Prepayments	8,318	15,133
TOTAL	<u>\$4,565,226</u>	<u>\$3,667,712</u>



	2009 \$	2008 \$
CURRENT LIABILITIES		
Sundry Creditors	168,500	43,263
Unspent TPK Grants	104,910	-
Hut Levies held	382	2,560
Hunting Receipts in Advance	<u>89</u>	<u>18,044</u>
TOTAL	<u>\$ 273,881</u>	<u>\$63,867</u>

6. LAND AND BUILDINGS

Rakiura Maori Land Trust has the following classes of Fixed Assets:

	2009 \$	2008 \$
FIXED ASSETS		
Maori Investment Property		
Bluff Office - Land	5,426	5,426
Bluff Office - Buildings & Improvements	13,416	13,416
Less Accumulated Depreciation	<u>(3,397)</u>	<u>(3,062)</u>
CARRYING AMOUNT	10,019	10,354
Property – Hunting Huts	118,529	118,529
Less Accumulated Depreciation	<u>(15,821)</u>	<u>(10,418)</u>
CARRYING AMOUNT	102,708	108,111
Office Plant & Equipment	92,172	48,948
Less Accumulated Depreciation	<u>(55,069)</u>	<u>(35,954)</u>
CARRYING AMOUNT	37,103	12,994
PROPERTY IMPROVEMENTS AT COST		
Sewerage Extension Scheme section	19,398	19,398
Neck section Improvements	27,572	-
Less Accumulated Depreciation	<u>291</u>	<u>-</u>
CARRYING AMOUNT	46,679	19,398
TOTAL FIXED ASSETS	<u>\$201,935</u>	<u>\$156,283</u>

The latest government valuation of the Bluff Office, dated 1 July 2008 is:-

Valuation Date:-	1 July 2008	1 July 2005
Land	39,000	15,000
Buildings & Improvements	<u>65,000</u>	<u>46,000</u>
	<u>104,000</u>	<u>\$61,000</u>

7. TAXATION

Taxation is calculated as follows:

	2009 \$	2008 \$
Operating Surplus Before Taxation	210,969	241,509
Add/(Less) Imputation Credits	5,612	103,098
Add/(Less) Non Deductible Items	32,235	18,231
Add/(Less) Non Assessable Items	<u>(594,666)</u>	<u>(9,398)</u>
	(345,850)	353,440
Less: Loss Brought Forward	(1,842,085)	(1,666,818)
ASSESSABLE INCOME FOR TAXATION	<u>(2,187,935)</u>	<u>(1,313,378)</u>
Tax @ 19.5%	-	-
Less Imputation Credits	-	-
Resident Withholding Tax Credits	<u>\$(6,792)</u>	<u>\$(7,781)</u>
INCOME TAX PAYABLE (REFUND DUE)	<u>\$(6,792)</u>	<u>\$(7,781)</u>

8. INVESTMENTS

Investments are stated at market value. Changes in the unrealised value of investments are recognised in the statement of financial performance.

				2009 \$	2008 \$
Spicers Portfolio Management - Conservative					
Opening Balance				-	4,009,275
Unrealised Movements in Fund				-	
Withdrawals from Fund				-	(4,154,078)
Loss on sale of Fund				-	<u>(11,596)</u>
Realised Income				-	<u>156,399</u>
Closing Balance					-
Spicers Portfolio Management - Aggressive					
Opening Balance				-	2,801,190
Unrealised Movements in Fund				-	
Withdrawals from Fund				-	(2,920,790)
Gain on sale of Fund				-	3,999
Realised Income				-	<u>115,601</u>
Closing Balance					-
Fixed Interest & Bond	Maturity	Face Value	Yield Rate %		
UDC	02/11/2009	1,100,000	8.55	1,100,000	1,100,000
ANZ National Bank	02/03/2012	1,100,000	8.12	1,122,678	1,096,491
Bank of New Zealand Auckland International Airport	29/07/2009	1,100,000	8.53	1,151,686	1,108,853
National Bank of New Zealand				-	1,101,750
Cash Management Account	N/A	N/A	N/A	<u>234,646</u>	<u>25,999</u>
				3,609,010	5,547,523
Less Current Portion (maturing within 12 months)				<u>1,151,686</u>	<u>(2,216,179)</u>
				<u>2,457,324</u>	<u>3,331,344</u>



	2009	2008
Equities	\$	\$
Growth Assets	591,059	703,518
Focus Australasian Opportunities	777,586	749,603
	<u>1,368,645</u>	<u>1,453,121</u>
Canterbury Mortgage Trust (Putea)	-	-
ING Regular Income Fund *	297,326	330,415
ING Enhanced Yield Fund	-	103,083
CRT Shares	200	-
	<u>297,526</u>	<u>433,498</u>
Total Investments	<u>\$4,123,495</u>	<u>\$5,217,963</u>

*The ING RIF investment has been recorded at the value agreed between ING and the trustees to withdraw from this fund post balance date.

9. UNCLAIMED DISTRIBUTION LIABILITIES

Opening Balance	2,694,001	2,701,748
Plus: Distribution to Owners	-	-
Less: Prior Years Distributions Released in the Period	150,607	7,747
Closing Balance	<u>\$2,543,394</u>	<u>\$2,694,001</u>



10. SPECIAL FUNDS & RESERVES

		2009	2008
		\$	\$
Land Management Reserve	note a below	2,448,175	2,402,762
Owners Register Administration Reserve	note b below	270,124	313,144
Lords River Section Distribution Reserve	note c below	562,810	535,500
Trust Administration Reserve	note d below	1,214,197	1,214,197
		<u>4,495,306</u>	<u>4,465,603</u>

- (a) The Land Management Reserve is inflation adjusted annually to preserve the original provision set aside. The restoration work on The Neck was subsidised from this reserve in the period to 30 June 2009.
- (b) 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 16.
- (c) The Lords River Sections Distribution reserve is inflated by a notational return on capital, and is subject to top ups as the trustees determine.
- (d) The Trust Administration reserve is adjusted depending on the annual result less transfers to other reserves, including top ups as determined by the trustees in order for the trust to survive in perpetuity.

11. OTHER RESERVES

		2009	2008
		\$	\$
Opening Balance		857,779	735,648
Interest on unclaimed funds		130,308	122,131
Less Contribution to Neck Project (note 3)		(74,350)	-
Less Contribution to Journey (note 3)		(190,000)	-
Section 218 Reserve Closing balance	note a below	<u>723,737</u>	<u>857,779</u>

- (a) The Section 218 reserve receives the Interest on unclaimed dividends annually less special projects approved

12. RELATED PARTY TRANSACTIONS

Honorariums are paid to the trustees in accordance with the approval of prior AGMs of owners. In addition meeting costs are paid to trustees as is reimbursement of travel. In addition two trustees have provided services beyond their role as trustees. 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 the arms length basis and in line with commercial rates.

13. CONTINGENT LIABILITIES

There are no Contingent Liabilities outstanding at Balance date. (2008 nil)

AUDIT REPORT

To the Trustees of Rakiura Maori Land Trust

We have audited the financial report set out on pages 13 to 22. The financial report provides information about the past financial performance of the trust and its financial position as at 30 June 2009. This information is stated in accordance with the accounting policies set out on pages 15 to 16.

Trustees' Responsibilities

The Trustees are responsible for the preparation of a financial report which fairly reflects the financial position of the trust as at 30 June 2009 and of the results of its operations for the 15 months 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 13 to 22:
 - complies with generally accepted accounting practice in New Zealand
 - fairly reflects the financial position of Rakiura Maori Land Trust as at 30 June 2009 and the results of its operations for the 15 months ended on that date.

Our audit was completed on 16 September 2009 and our unqualified opinion is expressed as at that date.

WHK Cook Adam Ward Wilson

WHK Cook Adam Ward Wilson
Invercargill



WAIATA

Tērā ia te pure rangi - i

Haehae ana kei Hananui

Mā wai au e kawē-i

He rerenga tiwa ki Rakiura

Whakaripi rā e uru-i

Me puhi au ki Whenuahou rā e

RAKURA





LANDSCAPE