

TIROA E & TE HAPE B TRUSTS

REREAHU MANU KORERO



December 2020



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CRUSADER MEATS NZ LTD - SGM

A Special General Meeting was held on 3 October 2020 at the Les Munro Centre in Te Kuiti. The purpose of this meeting was to receive and discuss the proposed new lease between the Trusts and Crusader Meats NZ Ltd.

Some key points considered if approved by shareholders were:

- ◇ Contribution towards lease negotiation costs of up to \$100,000.
- ◇ Increase in annual rental from \$3,709 to \$80,000.
- ◇ Contribution to Cultural Environment Advisor of \$50,000 for the first year and \$25,000 for each year thereafter.
- ◇ 24 year lease term would end 2043.
- ◇ 4 x 6 year lease reviews.
- ◇ All improvements will be the responsibility of Crusader Meats NZ Ltd.

Some key points considered if declined by shareholders were:

- ◇ Pay compensation to Crusader Meats NZ Ltd for all improvements situated on the land at the termination of the lease.
- ◇ Litigation fees - up to and above \$150,000 to \$300,000.
- ◇ Current lease states the Trust is liable for the removal of improvements - costs range from \$3m to \$6m.
- ◇ Total opportunity lost over 24 years - \$26.5m.
- ◇ Crusader Meats NZ Ltd will not continue to support local community activities.
- ◇ Loss of employment for over 150 people.

The above key points were discussed and considered by all attending shareholders. In addition to the above points the Draft Memorandum of Understanding (MOU) to engage a Cultural & Environmental Advisor was considered, and Marc Dresser from BECA gave a presentation regarding 'Freshwater and the Environment'.

After lengthy discussions took place regarding all the pros and cons, voting was completed with the majority of shareholders voting in favour of a new lease. A new lease document is due to be signed by both parties.

Deepest Condolences



Kimihia, rangahaua!
Kei whea koutou ka ngaro nei?
Tena ka riro ki Paerau,
Ki te huinga o te Kahurangi
Ka oti atu koutou e!

We take this opportunity to acknowledge kuia, kaumatua and whanau members who have passed on during 2020.



CHRISTMAS - OFFICE CLOSURE

The Tiroa House administration office will be closed from midday on Wednesday 23 December 2020 and will reopen on Monday 11 January 2021.

EDUCATION GRANTS

These grants are now open and they close 26 March 2021. Application forms were included in the AGM mailout to all shareholders dispatched early November 2020. Additional forms can be found on our website: www.tiroatehape.maori.nz or alternatively you can contact the office to request.

You will note all secondary grants are now required to be paid directly to the school the recipient is attending.

Grant amounts remain the same as follows:

* Secondary	\$200.00
* Tertiary (1st Year)	\$300.00
* Tertiary (2nd & Subsequent Years)	\$500.00

NEW EMPLOYEES

We welcome the following new employees:

- ◇ Christine Brooky - Head Shepherd (Tiroa E Trust - Tiroa Station).
- ◇ Hoka Osborne - promotion to Head Shepherd (Tiroa E Trust - Waipa Station).
- ◇ Levi Turner - Nathan - Shepherd General (Tiroa E Trust - Wharekiri Station).
- ◇ Richard Whitoria - Head Shepherd (Tiroa E Trust - Wharekiri Station)
- ◇ Lateesha Nathan - Junior Shepherd (Te Awa Rua).

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We are currently filling two Shepherd positions on Tiroa E Trust.

COVID - 19 (Tiroa E & Te Hape B Charitable Trust)

As we are all aware this year has been very different from a lot of others. With the Coronavirus rearing its ugly head at the end of March, we all faced uncertain, rough and tough times. In the last shareholder newsletter we invited shareholders to complete a questionnaire / application for monetary assistance if required. It was our way of reaching out to whānau in need. To date we have paid out \$11,640.00 to 26 shareholders. We also donated to the local food banks and service providers such as St Johns Ambulance, Fire Brigade, Womens Refuge and Westpac Rescue Helicopter.

If any shareholders are requiring assistance, please contact the office for a questionnaire / application form to complete and return. We will then consider this for approval and payment.

In New Zealand, plans are underway for delivery of vaccines in 2021. Any vaccines distributed will be approved by Medsafe to ensure it meets strict health and safety requirements. Safe and effective vaccines are priority. There will be a sequenced roll out plan so that the appropriate vaccines are made available to people at the right time.

Stay Safe - "Unite Against Covid-19"



ACCOUNTANT & AUDITOR

As part of our preferred supplier reviews, we have now engaged a new Accountant (Bailey Ingham from Otorohanga) and Auditor (Silks Audit from Whanganui). We look forward to working with their teams and welcome them to our business.



We take this opportunity to thank PWC Accountants and KPMG Auditors for their assistance over the many years they worked for the Trusts.



We are hoping to have a 6 monthly financial report update available to shareholders each year so you (the shareholders) will have the latest information available.

ANNUAL GENERAL MEETING - 29 November 2020, Waitete Rugby Clubrooms, Te Kuiti

There was a good shareholder turnout at the AGM held recently. It was a long meeting, commencing with shareholder registrations at 9am and finishing at 6.30pm. Some key points from the meeting are as follows:

Financial Statements - Tiroa E Trust had a consolidated loss of \$766k. Te Hape B Trust resulted in a loss of \$368k. These losses were mainly due to the following:

- Impact of Covid-19
- 1 in 100 year drought
- Reduced Cattle Numbers & Values
- Softening Sheep Values

Trustee Election

Five Trustees (Rowyne Yeatman, Barbara Moana, Maxine Nathan, Karyn Nathan and Charles Taituha) retired by rotation this year, and were eligible for re-election.

Nominations were called prior to the AGM - nine nominations were received. The successful candidates (in no particular order) are: Rowyne Yeatman, Maxine Nathan, Karyn Nathan, Tutahunga Tepu and Donna Tamaki. They will join Destiny Ordish and Te Rahui Hepi whom are current responsible Trustees.

We take this opportunity to thank Charles and Hine very much for their contributions over the past term as Trustees.

Charitable Trust

Nominees were called from the floor to fill two Committee Member positions. The successful candidates were Barbara Moana & Carolyn Makiri.

There were also several Deed amendments and these were approved by the majority of shareholders.

Nga Whenua Rahui - A resolution was carried to enter the Trusts into a new 25 year Kawenata with Nga Whenua Rahui. The protected areas are significant with 1055ha on Tiroa and 1168ha on Te Hape. NWR have funding available to fence these areas and control pests (eg goats).

Tiroa E & Te Hape B Limited Partnership - Te Awa Rua Farm

First full year of operations resulted in a loss of \$211k. All losses/profits flow equally back to the Trust farms. This financial year has been a 'building' year (eg - still increasing stock numbers). In the long term this farm will be a great investment. Will also look into other investment opportunities, as this will be key for further diversification and growth of the Trusts

Farm Update

Challenging year with a rocky road ahead for a while. Covid-19 caused major disruption to supply chains and processing stock came to a halt, and once the drought began this proved a real challenge, however we were lucky to remain as an 'essential service' so this helped the farms to keep functioning.

Overall farm production has reduced during the 2020 financial year. This has dropped to levels in line with those in 2013 which was when the last big drought hit the region.

Farmers have little impact over what the markets will do. We continually seek to optimise the productivity of the farming operations. This comes from setting clear targets for all key areas of pasture and livestock production, and over the last year the Trusts have put significant focus on this to ensure we remain on the right track.

There has been mix of capital and maintenance expenditure of assets during the year as follows:

- Tiroa E Trust - Capital Expenditure = \$372k; Maintenance of Assets = \$678k
- Te Hape B Trust - Capital Expenditure = \$402k; Maintenance of Assets = \$1,046m

New Zealand has a new love affair with farmers after the impact of Covid -19 but it has been tough. There is some heart that can be taken from the market returns that are being achieved at present after the world has been in a state of turmoil.

Trust Deed Review (Rotation of Trustees amendment)

As per previous notifications, when the majority of trustees are due to retire by rotation all at once, it becomes risky and may have implications to carry on 'business as normal' for the Trusts.

An amendment was tabled and approved as follows (note: this is an additional clause under section 40 in the Trust Deed):

"In the case where the majority of Trustees have been elected in the same year then the term shall be a rotation of two (2) trustees in the third (3rd) year, then two (2) trustees in the fourth (4th) year and then the remaining three (3) trustees in the fifth (5th) year.

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AGM Continued.....

Dividend Distribution

It was resolved that the sum of \$150k be paid out to shareholders in Tiroa E Trust in the form of a dividend. It was also resolved that no dividend will be paid out to the Shareholders in Te Hape B Trust - this is due to not having sufficient cash reserves.



* **Neil McCrae for the hireage of the Waitete Rugby Clubrooms.**

* **Daphne Nathan and her catering team for the awesome kai.**

* **The Shareholders and all others that contributed & helped make the day a success.**

* **And a BIG THANK YOU to the Shareholders that bought their letter with the barcode included. This simplifies the registration process, making it faster, more organised & efficient. This will be our process for all future meetings, so please ensure to have this letter with you - there may even be an incentive.....wait and see at the next meeting!!**

If any Shareholders would like the full Annual Report Booklet, please contact the office and this will be couriered to your door.

Prize Winners - We congratulate the following shareholders

Pei Whatarangi
Noti Matena
Karen Chase
Aroha Kingi

Leanne Hughes
Putangi Wehi
Terrence Charles
Rangi Whatarangi
Te Kakenga Kingi WT
Jack Mita Taupopoki Pai WT
Jenny Crown
Teina Bhana

Wayne Fraser
Paul Thackray
Lawrence Tuwhangai
Te Irirangi Shefford
Tui Anderson
Jack Mau
Edna Taituha
Pehikino Crown
Steven Turner
Ruth Turu (Cuthbertson)
Cynthia Russell
Sharon Tutaki
Odette Bailey



Some prizes received from our sponsors



Our generous Sponsors - THANK YOU !

Appliance Plus, BNZ, Action Electrical, Ag First, Atkinson Vets, Ballance Fertilisers, Copier World, CT Shearing, Crusader Meats, Flooring Xtra, FMG, KPMG, Lamb Bain Laubscher, Norwoods, Otorohonda, PGG Wrightson, Robinsons Water Services, Rusec Security, Te Kuiti Plumbing & Gas, Farmlands

PROVINCIAL GROWTH FUND (PGF) - WAIPA AWA

We have secured \$915k funding from PGF to complete 30km of fencing along the Waipa Awa. This will include 40ha of riparian planting to restore the river margins and wetland areas. This work has begun, and should be fully completed by November 2021.



Tiroa E & Te Hape B Trusts wish all whanau a safe and happy festive season. We look forward to another positive year ahead.

MERE KIRIHIMETE