BAYVIEW FOREST PARTNERSHIP

MINUTES OF ANNUAL GENERAL MEETING
HELD AT NAPIER CONFERENCE CENTER AND THE PROPERTY
ON SUNDAY 29th APRIL 2018 AT 8:30AM

PRESENT
Anna Tyler & Mike Candy, David Cotton, Glengourie Forestry Limited (Jim Norris), Jacqueline & John Gyenge, Mainly Forests Limited (Micheal Holden & Louise Thomas), Newland Directions Limited (Gareth & John Newland), Brian & Pamela Rae Elliott

ATTENDING
Steve Bell, Rory Bennison, Paul van der Vort, Richard Airey (Forest Management (NZ) Limited), Will Dickie, Richard Bourne, Grant Morris (Roger Dickie (NZ) Limited), Jeff Whitlock, Margaret Prince (Moore Stephens Markham's Waverley)

APPOINTMENT OF CHAIRMAN
Nominations were called for the position of Chairman for this meeting.
John Gyenge/Mike Candy THAT Richard Bourne be appointed Chairman for this meeting.

CARRIED

APOLOGIES AND PROXIES
Anthony Richard Nixon, Bernadette Phillips, Cedar Enterprises Limited, Colin Gordon Thomas Whitefield, Cranleigh Forests Limited, David Arnott, David Brian Nixon, Diane Kerr, Eskbay Investments Limited, Ian Armitage, John Richard Wild, Martyn Dickie, Michael Yokell, Roger Dickie (No 6) Limited, The Tawa Trust, Wagin Park Forests Limited. Proxies were held for the above named, establishing a quorum for the meeting.
Anna Tyler/Jackie Gyenge THAT apologies and proxies be sustained.

CARRIED

MINUTES OF THE PREVIOUS MEETING
The Minutes of the April 2017 general meeting had been circulated.
Mike Candy/Jim Norris THAT the minutes be confirmed.

CARRIED

ARISING FROM THE MINUTES
Nil

REPORTS AND DRAFT FINANCIAL STATEMENTS
The reports from Roger Dickie, Forest Management (NZ) Ltd, PF Olsen's 2018 Tree Crop Valuation and the 2018 Draft Financial Statements were tabled and discussed.

PUBLIC LIABILTY INSURANCE
John Newlands/Anna Tyler THAT Public Liability Insurance be effected for $10 million.

CARRIED

ADMINISTRATION
Mike Candy/Pam Elliott THAT the administrators' remuneration be at a rate of $378 (GST excl.) per month. CARRIED

BUDGET/CASHFLOW
John Gyenge/Anna Tyler THAT the Budget Cashflow Statement for the year to 28th February 2019 be approved. CARRIED

It was noted the NZU sales shown in March are a drawdown of funds from the partnerships investment account where funds from the sale of NZUs are held. It is to cover the tax partners are required to pay on the sale of NZUs. It is also shown as a distribution, to partners, in April. Any further amounts shown on the NZU sales line during the year are not further sales but are draw downs from the investment account. The balance of funds remain in the interest bearing investment account (as shown in Financial Statements) to cover ongoing holding costs thus eliminating share calls as voted for in 2017.

It was stressed that with roadlining and harvest planning going on, figures were best estimates. There are a number of variables that can affect the cost and timing of activities, such as weather, availability of roading and harvesting contractors and crews etc.

GENERAL BUSINESS

Presentation

Steve Bell and Rory Bennison FMNZ gave a presentation covering harvest planning and preparation *(Note this was a joint presentation with Eskdale and has been uploaded to the Bayview web pages)*

Activity Reports, Harvest reports, clearfell payments and timing of same

During roadlining partners are sent a monthly 'Activity Report'. Funds generated from the sale of road lining logs are retained within the partnership to fund engineering expenses. Disbursements to partners only begin once clearfell commences. Partners were shown an example of a clearfell 'Harvest Report' that will be sent monthly once clearfell begins. It was pointed out that logs harvested in say January are paid for by the exporter at the end of February. The manager then has to check and reconcile all figures, have it signed off with the Statutory Supervisor, with disbursements made to partners within the first two weeks of March – along with the corresponding January Harvest Report and disbursement schedule.

Health and Safety

In answer to a question Steve Bell gave an overview of FMNZs Health and Safety policy and procedures. It was suggested a H & S audit report be provided

Quarry

Steve advised the partnership can use its own metal within the forest however, FMNZ are looking at a possible consent for the quarry which if granted would allow sale of aggregate off site. Any consent would be subject to National Environmental Standards.

Harvest Cash-flow

Partners requested this to be sent – Richard advised it will be distributed with the minutes
Note: it has been uploaded to the Bayview pages of the website

2019 Agenda items

Partners requested the balance of the NZUs and what happens after harvest be agenda items at the 2019 meeting.

Richard commented that with more and more forests approaching harvest "What happens after harvest"? is an often asked question and has been discussed in general terms at the last two RDNZ conferences. As per the FMNZ presentation the land will be replanted to maintain the asset value. Richard advised a scenario that is finding favour with many is to pre-fund the next rotation so there are no further inputs required. This would allow partners to leave a totally unencumbered fully funded legacy to their beneficiaries. Those wanting to exit could offer their share to those who are keen to continue or on the secondary market. If on the other hand the majority vote to sell the newly planted land and forest, then with pre-funding, the forest is funded until such time as a buyer can be found. Richard confirmed this will be an ongoing discussion but no decisions are required until the last year or two of harvest.

Tax

Jeff Whitlock from Markham's Accountants (the partnerships accountant) commented that harvest income in some cases can be spread back over the 3 previous years as well over the harvesting years. Jeff stressed that as everyone's situation is different partners should take accounting advice – sooner rather than later. *(note: Jeff can be contacted at Markham's Wanganui and Waverley)*

MEETING CLOSED: 3:00pm

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Chairman
Bayview Forest Partnership 2018