

AGENDA

MONTEREY FOREST PARTNERSHIP

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NOTICE OF MEETING AND FOREST VISIT

The meeting and forest visit of Monterey Forest Partnership will be held at the Patutahi Community Hall on Sunday 23rd April 2017 commencing at 8.30am.

This is held in conjunction with Chatswood, Heywood, Eastwood, Woodside, Portobello, Eagle, Fairway, Fleetwood, Glen Alvon, Greens, Links, Pine Ridge, Stableford, Windsor, Young Nicks Forest Partnerships & Greenwood Forest LP. Roxburgh Forest Partnership (Meeting only).

PROGRAMME

8.30 - 8.45am	Registration and morning tea
8.45 - 9.00am	Welcome & opening of meeting
9.00 - 12.30pm	Forest visit – meeting continues.
12.30 - 1.00pm	Lunch at the Club Rooms
1.00 - 3.00pm	Afternoon session of the meeting continues

Times are approximate and the tour of the forests will proceed regardless of the weather, so please bring warm clothing, wet weather gear and suitable footwear that will handle mud and wet grass.

AGENDA

1. Welcome & Opening
2. Appointment of Chairperson
3. Apologies and Proxies
4. Presentation of Minutes from previous meeting
5. Matters arising from Minutes
6. Reports and Financial Statements - To receive and adopt the Roger Dickie Report and Forest Management New Zealand Ltd Report.
7. To receive the draft Financial Statements for the Year ending 28 February 2017 – To be approved by online voting once audited. (see note)
8. To consider and adopt the Public Liability Insurance
9. To receive and adopt the 2017-2018 Budget Cashflow
10. Consideration of the Resolutions
11. General Business

RESOLUTION

To consider and if thought appropriate, pass the following resolutions:

Resolution 1:

That the manager have authority to sell liability free New Zealand Units as deemed appropriate.

Background to resolution:

Since we secured liability free NZUs for your forest we have sold sufficient each year to cover the annual cost of running your forest, thus eliminating share calls.

The price of NZUs has fluctuated from an introductory price of \$20 to a low of \$1.55 following the GFC. NZUs are currently trading at around \$17-\$18. No one really knows what is going to happen to the price of carbon in the future.

It has been suggested by some that the government may re-introduce foreign carbon units which would lower the cost of the New Zealand units. The contrary to this is that New Zealand has emissions targets to meet as part of the Paris Accord on climate change so the NZU price may rise as New Zealand implements rules to achieve this.

The reality is that no one knows what is going to happen to the NZU price moving forward. Given the history of the ETS it would seem the greatest risk to the price of NZUs is political risk, be it international or local.

The updating of this resolution allows us the option to sell down more NZUs as appropriate.

Our thinking at this stage is that we lock in at the present NZU prices and sell down enough NZUs to cover the estimated running costs through to harvest. If we receive more market information implying that NZU prices will fall then this resolution allows us to sell further NZU's, hopefully before the price falls.

The sale of NZUs to cover forest costs through to harvest would incur a tax liability. We propose to sell enough NZU's to cover partners' tax costs and this portion of the proceeds would be paid out to partners.

It should be noted that the New Zealand NZU market is quite thin, large volumes of NZU's if traded can move the market quite significantly.

Resolution 2:

Funds earned from sale of NZUs be held in an interest bearing account and be used to meet future partnership operating expenses as required.

PROXY VOTING

Please complete the Proxy Form and return to our office by Wednesday 19th April:

- **Vote on-line** via the link to the Proxy (as sent to you via email); or
- **Scan and email** to abbey@rogerdickie.co.nz; or
- **Fax** to 06 346 5369; or
- **Mail** to Roger Dickie (NZ) Ltd, PO Box 43, WAVERLEY 4544.
- Partners are advised the budget is included with the Agenda and Proxy; however you may wish to wait for the Financial Statements and Reports before voting. These will be distributed shortly.
- **NOTE:** Previously, financial statements were passed 'subject to audit' however, under new FMCA rules only audited accounts can be approved. As audits will not be completed prior to the AGM, draft accounts will be distributed and discussed.
Audited accounts will then be distributed at a later date and partners will be asked to approve the accounts via online voting. In the unlikely event there is any change from the draft accounts partners will be advised.

DOCUMENTS

The following documents are included with the Agenda:

- Proxy Form (*can be completed online*)
- Budget Cashflow Statement for the Year Ending 28 February 2018

ATTENDANCE/CATERING

If you are attending the AGM please assist by advising the office as soon as possible. It is important we have accurate numbers for catering purposes.

Please advise if you are flying into Napier from Wellington or Auckland, we can arrange to collect you.

DIRECTIONS TO PATUTAHU COMMUNITY HALL

The Patutahi Hall is located on Biggs St in the Patutahi Township. Those travelling from Awapuni Rd, Gisborne, turn onto Wharerata Rd (SH2) and at the roundabout take the 3rd exit onto Wharekopae Rd. Turn right onto Patutahi Rd, then left at Atkins Rd. Turn right into Biggs St.

I look forward to seeing you all at the AGM

Regards

A handwritten signature in black ink, appearing to read 'Roger Dickie', with a stylized, cursive script.

Roger Dickie

Monterey Forest Partnership

Budget Cash flow Statement

Year Ending 28 February 2018

Cash flow is in NZ\$ and GST Exclusive													
	TOTAL	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
OPENING BALANCE	5,135												
INCOME													
Credit Interest	60	5	5	5	5	5	5	5	5	5	5	5	5
Investment Fund	12,866								12,866				
Sale of NZU's	45,000	15,000			30,000								
TOTAL INCOME	57,926	15,005	5	5	30,005	5	5	5	12,871	5	5	5	5
EXPENDITURE													
Forest Expenses													
Forest Management	10,125	2,072	600	665	1,468	600	960	600	660	700	600	600	600
Lidar	860	860											
Plot Imputation	3,540				3,540								
Operation Expenses													
Fire Protection/Training/Levy	300								300				
Health and Safety	75			75									
Pest Control	1,800						1,800						
R&M Fences/Gates/Yards	2,000	2,000											
R&M Tracks	4,750	4,500		250									
Weed Control	1,300				800					500			
Administration Expenses													
Accountancy Fees	2,958			2,735	223								
Administration	4,440	370	370	370	370	370	370	370	370	370	370	370	370
Audit Fees	1,575					1,575							
Bank Fees	60	5	5	5	5	5	5	5	5	5	5	5	5
Contingencies	2,000			1,000						1,000			
Meeting Costs	350				350								
Statutory Supervisor	1,500		375			375			375			375	
Subscriptions	470	470											
Compliance	2,239		1,000					1,000		239			
Financial & Standing Charges													
Insurance - Fire & Public Liability	12,866								12,866				
Legal Fees	600					600							
Rates	5,668			1,417			1,417			1,417			1,417
Valuation	580		580										
Other Expenses													
GST (refund)	0												
TOTAL EXPENDITURE	60,056	10,277	2,930	6,517	6,756	3,525	4,552	1,975	14,576	4,231	975	1,350	2,392
BALANCE	3,005	9,863	6,938	426	23,675	20,155	15,608	13,638	11,933	7,707	6,737	5,392	3,005

Notes to the Budget

Fence: Repair with Glen Hoffman - repairs not carried out last year

Weeds: Woolly Nightshade in June, then Blackberries in September along with Bush Nettle on track edge in stands 5 and 7

Lidar: @ \$4/stocked Ha - 214.4ha

Plot Imputation: @ \$16.50/per stocked ha

Tracking not finished last financial year - carried over.

NZU Sale: 1,000 to sell in March, 2,000 to sell June at \$15.00

Liability Free NZU Balance at 1 March 2017 - 34,365