

AGENDA

ROMNEY FOREST PARTNERSHIP

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NOTICE OF MEETING AND FOREST VISIT - NEW VENUE

The meeting and forest visit of Romney Forest Partnership will be held at the **Napier War Memorial Centre** on Saturday 29th April 2017 commencing at 8.30am.

PLEASE NOTE - THIS IS A NEW VENUE - NAPIER WAR MEMORIAL CENTRE on MARINE PARADE

This is held in conjunction with Aberdeen, Arborfield, Augusta, Castle Peak, Nottingham, Ridgemount, Sovereign, Stone House & Totara Valley Forest Partnerships & Granity Forest Ltd.

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 War Memorial Centre
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 26th 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.
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- 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 meeting, 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 at the AGM. 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 meeting 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 NAPIER WAR MEMORIAL CENTRE

The Napier War Memorial Centre is located on the waterfront at 48 Marine Parade.

I look forward to seeing you all at the meeting.

Regards

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

Roger Dickie

Romney 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	4,014												
INCOME													
Credit Interest	60	5	5	5	5	5	5	5	5	5	5	5	5
Investment Fund	11,290								11,290				
Sale of NZU's	42,000		21,000					21,000					
TOTAL INCOME	53,350	5	21,005	5	5	5	5	21,005	11,295	5	5	5	5
EXPENDITURE													
Forest Expenses													
Forest Management	10,181	1,248	600	1,307	600	600	600	600	1,360	738	728	1,200	600
Plot Imputation	4,100			3,460							640		
Lidar	840	840											
Operation Expenses													
Fire Protection/Training/Levy	990								300	690			
Pest Control	2,400	2,400											
R&M Tracks	3,500								3,500				
R&M Fences/Gates/Yards	3,000											3,000	
Health and Safety	75			75									
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					1575							
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	11,290								11,290				
Legal Fees	600					600							
Rates	3,024			756			756			756			756
Valuation	580		580										
Other Expenses													
GST (refund)	0												
TOTAL EXPENDITURE	56,172	5,333	2,930	9,708	1,548	3,525	1,731	1,975	17,200	3,798	1,743	4,950	1,731
BALANCE	1,192	(1,314)	16,761	7,058	5,515	1,995	269	19,299	13,394	9,601	7,863	2,918	1,192

Notes to the Budget

Lidar @ \$4/stocked hectare - 209.7 ha

Plot Imputation @ \$16.50/per stocked hectare

Fencing repair McMillan boundary

NZU Sale: 1,400 to sell in April, 1,400 to sell in September at \$15.00

Liability Free NZU Balance at 1 March 2017 - 32,678