AGENDA

STONEY RIVER FOREST PARTNERSHIP

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NOTICE OF MEETING AND FOREST VISIT

The meeting and forest visit of Stoney River Forest Partnership will be held at the Putere Accommodation Complex on Saturday 22nd April 2017 commencing at 10.00am.

This is held in conjunction with Cricklewood, Glenlea, Oak Bridge, Quail Ridge, Sherwood & Woodlands Forest Partnerships.

PROGRAMME

10.00 - 10.15am	Registration and morning tea
10.15 - 10.30am	Welcome & opening of meeting
10.30 - 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 - Harvest Planning

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 PUTERE

The Putere Accommodation Complex is located at 2526 Putere Rd, approx 106km (1 hour 40 mins) from Napier, travelling along (SH2) towards Wairoa. Turn left at the Raupunga township onto Putere Rd or, if travelling from Wairoa, turn right at Raupunga. Follow Putere Rd inwards approx 24km. Farm sign is on the right.

I look forward to seeing you all at the AGM

Regards

Roger Dickie

Stoney River 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	**6,942**												
INCOME													
Credit Interest	**60**	5	5	5	5	5	5	5	5	5	5	5	5
Investment Fund	**11,757**								11,757				
Sale of NZU's	**70,500**		40,500					30,000					
Roadlining Revenue	**600,000**										300,000	300,000	
TOTAL INCOME	**682,317**	**5**	**40,505**	**5**	**5**	**5**	**5**	**30,005**	**11,762**	**5**	**300,005**	**300,005**	**5**
EXPENDITURE													
Harvest Roadlining													
Harvest Roading	**288,000**										144,000	144,000	
Harvest Cost	**180,000**										90,000	90,000	
Cartage	**105,000**										52,500	52,500	
Miscellaneous	**3,000**										1,500	1,500	
Harvest Management	**24,000**										12,000	12,000	
Forest Expenses													
Forest Management	**12,859**	640	3,068	2,843	640	600	600	640	660	1,200	768	600	600
Plot Imputation	**11,780**		11,140								640		
Harvest Planning	**11,140**			11,140									
Operation Expenses													
Fire Protection/Training/Levy	**300**								300				
Complex Maintenance	**2,000**	200	1,200		200			200			200		
R&M Tracks	**2,500**									2,500			
Weed Control	**500**									500			
Health and Safety	**75**			75									
Administration Expenses													
Accountancy Fees	**2,957**			2,735	222								
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	**11,757**								11,757				
Insurance - Building	**400**								400				
Legal Fees	**600**					600							
Rates	**4,524**			1,131			1,131			1,131			1,131
Valuation	**580**		580										
Other Expenses													
GST (refund)	**0**												
TOTAL EXPENDITURE	**674,606**	**1,685**	**17,738**	**19,299**	**1,787**	**3,525**	**2,106**	**2,215**	**13,867**	**6,945**	**301,983**	**301,350**	**2,106**
BALANCE	**14,653**	**5,262**	**28,029**	**8,735**	**6,953**	**3,433**	**1,332**	**29,122**	**27,017**	**20,077**	**18,099**	**16,754**	**14,653**

Notes to the Budget

Roadlining Revenue is from the harvest of the trees to form the road and skids. It is an assumption based on 500 tonnes recoverable logs per hectare at $100/tonne average
On average 32 lineal metres of road is required per 1 hectare of forest. For the first 100 hectares they will form 3200 metres of road.
It is assumed that 12ha will be harvested for the roadlining and skid sites for the first 100ha of forest. This is based on 15 metres each side of the road and 10 skids.
Roading cost are assumed at $90,000 per km. 3.2km of road to establish for first 100ha.
Harvest cost are based on $30 per tonne
Cartage cost are based on $17.50 per tonne
Miscellaneous includes Forest Levy, Weighbridge
Harvest Management is 4% of gross revenue
The above expenditure is estimated
Plot imputation: Infield measurement for yield and recoverable volume. @ $50/ha - 222.8ha
Pest Control: Possums staying in AHB control
Reconfigure water system at water system
Harvest Planning: @ $50/ha
NZU Sale: 2,700 to be sold in April, 2,000 to be sold in September at $15.00
Liability Free NZU Balance at 1 March 2017 - 41,339