

Special Resolutions Sought

Resolution sought that Maungaharuru-Tangitū Trust members approve the following changes to the Trust Deed (the Trust Deed is available on the website);

1. Clause 7, reporting under the new financial standards

Financial statements means the financial statements prepared **by a Chartered Accountant in public practice in accordance with applicable financial reporting that meet the needs of Maungaharuru-Tangitū Group.**

2. Clause 11.1, related party transactions

The Trustees must, within four months after the end of each Financial Year, cause to be prepared an annual report on the affairs of the Maungaharuru-Tangitū Group covering the accounting period to the end of that Financial Year. The report shall include a comparison of performance against the annual plan and Financial Statements including a balance sheet and income and expenditure statements and notes so as to give a true and fair view of the financial affairs of the Trust for that Financial Year. The financial statements shall include as a separate item details of any remuneration or fees paid to any Trustee or any Trustee's firm **solely in his or her capacity as a Trustee in accordance with clause 3.7 (Remuneration)** and details of any premiums paid in respect of Trustees' indemnity insurance in accordance with clause 15.1 (Indemnities).

Trust Deed Changes

The 2015 audit management letter provided the Trustees with some recommended changes to the Trust Deed clause to further protect the Trust regarding managing compliance, efficient use of resources and salary confidentiality for Trustees who are also staff.

Independent legal advice has been sought by Kensington Swan and financial advice by Price Waterhouse Coopers to determine the most pragmatic approach to managing the Trust affairs whilst maintaining a high degree of transparency and trust for the MTT members.

Two changes to the Trust Deed are sought:

- 1) to use our finances responsibly when valuing the assets of the Trust, and
- 2) to allow MTT to maintain confidentiality of the salaries of Trustees who are employed by MTT.

The changes proposed to Clauses 7 and 11 are in bold, italicised, underlined text below:

Clause 7, reporting under the new financial standards

Financial statements means the financial statements prepared **by a Chartered Accountant in public practice in accordance with applicable financial reporting that meet the needs of Maungaharuru-Tangitū Group.**

The purpose for this proposed change is to allow the Trust to avoid having to revalue property assets on an annual basis as per the Accounting Standards. Valuation of the property portfolio of the Farm, Forest and now Elwood Road is an expensive annual exercise. Whilst this would allow an accurate annual asset value, it is considered unnecessary unless the Trust would consider selling the commercial property or leveraging to raise debt. Should either of these situations occur, the Trust would need a current valuation anyhow.

The proposed resolution would allow the Trust to avoid having to value property assets on an annual basis, however, the Trust would revalue the assets on a 3 yearly basis to provide an accurate asset balance.

Clause 11.1, related party transactions

The Trustees must, within four months after the end of each Financial Year, cause to be prepared an annual report on the affairs of the Maungaharuru-Tangitū Group covering the accounting period to the end of that Financial Year. The report shall include a comparison of performance against the annual plan and Financial Statements including a balance sheet and income and expenditure statements and notes so as to give a true and fair view of the financial affairs of the Trust for that Financial Year. The financial statements shall include as a separate item details of any remuneration or fees paid to any Trustee or any Trustee's firm **solely in his or her capacity as a Trustee in accordance with clause 3.7 (Remuneration)** and details of any premiums paid in respect of Trustees' indemnity insurance in accordance with clause 15.1 (Indemnities).

The proposed change is to ensure that the Trust complies with the confidentiality of individual employees that are also Trustees. This clause would not apply to Trustees who might be contractors to the Trust but is intended to only protect the personal information of an individual's salary as an employee.



Strong People. Our Kaumātua enjoying a Christmas Lunch together at the RSA. Engaging and empowering Kaumātua is part of the Annual Plan for 2017.



Rangatahi are building their leadership skills during summer work at Tangoio Soil Conservation Reserve. Wiremu Taurima, Denzel Nelson and Bruce Morrell (team leader).



Kaumātua haerenga (trip) to Ratana Pā.



Rangatahi learning the road rules with Hōri Reti at the MTT office before sitting their Learner Driver License.