KC SECURITIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2017

KC Securities Limited
Financial Statements for the year ended 31 March 2017

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Introduction and Basis of Preparation

These financial statements are for KC Securities Limited ("the Company"), which lends money and invests in property in New Zealand. They comply with NZ GAAP as appropriate for Tier 1, for-profit entities, NZIFRS and IFRS. The Company is registered under the Companies Act 1993, and is an Issuer under the transitional provisions of section 55 of the Financial Reporting Act 2013.

The functional currency of the Company and the presentation currency of the financial statements is NZD.

Apart from the correction of the classification of Redeemable Preference Shares (see note 5), the accounting policies have been applied consistently with prior periods. There are no accounting standards that are expected to have a material impact on these financial statements, and that have been issued but are not yet effective.

The material estimations in preparing these financial statements are the valuation of loans receivable, guarantees given and investment properties, as discussed in notes 1 and 2.

COMPANY PARTICULARS

PRINCIPAL BUSINESS:
Property lending and investment

REGISTERED OFFICE:
First Floor, Shed 20
Prince's Wharf
Downtown
Auckland 1143

DIRECTORS:
Cameron Dargaville
Kerry Knight
Keith Rushbrook (Chairman)

SOLICITORS:
Knight Coldicutt Limited
Shed 20
Prince's Wharf
PO Box 106-214
Downtown
Auckland 1143

BANKERS:
Bank of New Zealand
125 Queen Street
PO Box 995
Auckland 1142

AUDITORS:
KPMG
18 Viaduct Harbour Avenue
Auckland 1140

CHAIRMAN'S REPORT

The Directors have pleasure in presenting their report for the year ended 31 March 2017. As mentioned last year, we have begun a process of gradual realisation of assets into a more liquid form ahead of the plan to return capital to shareholders in a couple of years time.

The form of accounts this year have changed dramatically from previous years. We changed auditors to KPMG and as part of that process took the chance to review the level of disclosures that were required under existing accounting standards. I am pleased to say that the result has been a financial report which is more compact and easier to understand. There has been one major reclassification relating to the Preference Shares which are now recorded as debt rather than equity, which is a requirement of current reporting standards. The effect is that the dividend is now shown in the Profit & Loss Account as an expense rather than as a distribution.

Since Balance date, we have commenced a process to sell the Wellington building. Our advice was that given the events following the latest big earthquake and the fact that so many Wellington buildings were affected, that now was a good time to look to realise on that investment.

The Directors have continued to work hard to ensure the Company's capital base is preserved and that sufficient cash is realised from operations to continue to pay quarterly dividends. Apart from the Wellington building, the major assets are advances to the Orakei and Grove Road developments. We continue to monitor progress in both of these to ensure that our position is secure.

Keith Rushbrook
Chairman
27th July 2017

ANNUAL REPORT - GENERAL DISCLOSURES

Introduction

This is the sixteenth annual report for KC Securities Limited which commenced trading on 21 December 2001 following the allotment of shares to investors. The annual report incorporates the chairman's report, independent auditors' report, financial statements, and the statutory information for the year ended 31 March 2017.

Principal Activity of the Company

Property lending and investment

	Company
Results for the year ended 31 March 2017	
	$
Operating Profit before income tax	435,328
Income Tax Expense	(302,726)
Net Profit for the period	132,602

Auditors

A recommendation to re-appoint KPMG as auditors of the Company for the forthcoming year has been made to the ordinary shareholders.

Fees paid or payable to KPMG over the period include:

Audit - 2017	$	37,800

Donations

Nil

Directors

Directors are listed in the company particulars section and also under the Statutory Information attached to this report.

Directors Benefits

Remuneration and Fees:

Total Directors fees	$	49,833
Other Benefits		-
Management contract fees	$	621,431

Details of the nature and amount are disclosed in the Statutory Information attached to this report on pages 13 to 14 and note 3, Page 10 of the Financial Statements.

On behalf of the Board of Directors on 27th July 2017

Director

Director

KPMG

Independent Auditor's Report

To the shareholders of KC Securities Limited

Report on the financial statements

Opinion

In our opinion, the accompanying financial statements of KC Securities Limited (the company) on pages 7 to 14:

i. present fairly in all material respects the company's financial position as at 31 March 2017 and its financial performance and cash flows for the year ended on that date; and

ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

— the statement of financial position as at 31 March 2017;

— the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended; and

— notes, including a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the company in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company. Subject to certain restrictions, partners and employees of our firm may also deal with the company on normal terms within the ordinary course of trading activities of the business of the company. These matters have not impaired our independence as auditor of the company. The firm has no other relationship with, or interest in, the company.

Other Information

The Directors, on behalf of the company, are responsible for the other information included in the entity's Annual Report. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this Independent Auditor's Report

This report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the Independent Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this report, or any of the opinions we have formed.

Responsibilities of the Directors for the financial statements

The Directors, on behalf of the company, are responsible for:

— the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;

— implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error;; and

— assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the financial statements

Our objective is:

— to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and

— to issue an Independent Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page6.aspx.

This description forms part of our Independent Auditor's Report.

Matthew Prichard

For and on behalf of

KPMG
Auckland

27 July 2017

KC Securities Limited

Financial Statements for the year ended 31 March 2017

PROFIT OR LOSS

	Note	31/03/2017	31/03/2016
Interest income		1,540,473	2,371,247
Investment property rental income		777,897	1,524,343
Investment property revaluation	2	468,796	2,352,486
Investment property gain on sale	2	11,652	16,739
		2,798,818	**6,264,815**
Management fees	3	621,431	1,030,625
Dividends to preference shareholders	5	920,073	825,564
Bank loan interest expense		391,664	905,636
Impairment	1	238,880	385,564
Other expenses	8	191,442	315,244
		2,363,490	**3,462,633**
Profit before tax		**435,328**	**2,802,182**
Tax expense	7	302,726	1,107,385
Profit after tax		**132,602**	**1,694,797**

BALANCE SHEET

	Note	31/03/2017	31/03/2016
Cash		391,542	-
Loans receivable	1	21,834,391	20,657,677
Investment properties	2	9,328,261	20,382,260
Other assets	9	726,979	676,200
Total assets		**32,281,173**	**41,716,137**
Overdraft		-	239,948
Bank loans	4	8,900,000	15,500,000
Other liabilities	9	643,527	1,772,717
Redeemable preference shares	5	21,460,189	23,058,617
Total liabilities		**31,003,716**	**40,571,282**
Ordinary shares	5	10,000	10,000
Retained earnings		1,267,457	1,134,855
Total Equity		**1,277,457**	**1,144,855**

CHANGES IN EQUITY

		31/03/2017	31/03/2016
Opening equity		1,144,855	(549,942)
Profit after tax		132,602	1,694,797
Closing equity		**1,277,457**	**1,144,855**

For and on behalf of the Board of Directors on 27th July, 2017

Director

Director

KPMG

The attached notes form an integral part of and should be read in conjunction with these financial statements

CASH FLOWS	31/03/2017	31/03/2016
Interest income	1,940,480	283,945
Investment property rental income	777,897	1,497,779
Repayments of loans receivable	7,834,399	228,855
Management fees	(914,069)	(954,355)
Tax paid	(330,000)	(338,272)
Other expenses	(353,021)	(199,340)
Disbursement of loans receivable	(9,650,000)	(300,000)
Net cash flows from operating activities	**(694,314)**	**218,612**
Sale of investment property	10,854,000	845,000
Purchase of investment property	(81,205)	(42,817)
Repayment of Bank Loans	(6,600,000)	-
Other investing activities	-	(8,180)
Net cash flows from investment activities	**4,172,795**	**794,003**
Bank loan interest expense	(391,664)	(941,397)
Share Buy Back	(1,798,429)	-
New Shares issued	200,000	-
Preference share dividends paid	(856,898)	(823,306)
Net cashflows from financing activities	**(2,846,991)**	**(1,764,703)**
Opening cash	**(239,948)**	**512,140**
Net increase/(decrease) in cash	**631,490**	**(752,088)**
Closing cash	**391,542**	**(239,948)**

RECONCILIATION TO PROFIT AFTER TAX

Profit after tax	**132,602**	**1,694,797**
Bank loan interest expense	391,664	941,397
Preference share dividends paid	856,898	823,306
Capitalised interest income	400,007	(1,105,356)
Investment property revaluation	(468,796)	(2,352,486)
Investment property gain on sale	11,652	16,739
Impairment	238,880	385,564
Repayments of loans receivable	7,834,399	228,855
Disbursement of loans receivable	(9,650,000)	(300,000)
Changes in other assets and liabilities	(441,620)	(114,204)
Net cash flows from operating activities	**(694,314)**	**218,612**

The attached notes form an integral part of and should be read in conjunction with these financial statements

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1 Loans receivable, guarantees given and credit risk

All loans are to related parties in which Kerry Knight or Cameron Dargaville is a director and shareholder. They are carried on an accruals basis, adjusted for impairment where there is evidence that a loss has been incurred. This carrying value approximates fair value. All of the current loans are classified as impaired. Cash balances are held with New Zealand Banks with a minimum 'A' rating. The Company has no other material credit risk.

31/03/2017	Opening balance	Advances/ (repayment)	Interest capitalised	Interest / (repayment)	Impairment (charge)/ credit	Closing balance	Advance	Impairment
Grove Road	10,413,865	1,650,000	799,741	-	(560,227)	**12,303,379**	13,524,384	(1,221,005)
Takanini	8,461,612	(7,534,399)	216,330	(1,535,285)	391,742	-	-	-
Wanaka	1,064,726	-	-	-	(70,395)	**994,331**	1,203,140	(208,809)
Golden Fund	717,474	-	86,097	-	-	**803,571**	803,571	-
Orakei	-	8,000,000	428,110	(695,000)	-	**7,733,110**	7,733,110	-
	20,657,677	2,115,601	1,530,278	(2,230,285)	(238,880)	**21,834,391**	**23,264,205**	**(1,429,814)**

31/03/2016	Opening balance	Advances/ (repayment)	Interest capitalised	Interest / (repayment)	Impairment (charge)/ credit	Closing balance	Advance	Impairment
Grove Road	8,874,913	300,000	704,361	-	534,591	**10,413,865**	11,074,643	(660,778)
Takanini	8,151,830	-	604,124	(280,000)	(14,342)	**8,461,612**	8,853,354	(391,742)
Wanaka	1,064,726	-	-	-	-	**1,064,726**	1,203,140	(138,414)
Golden Fund	640,603	-	76,871	-	-	**717,474**	717,474	-
	18,732,072	300,000	1,385,356	(280,000)	520,249	**20,657,677**	**21,848,611**	**(1,190,934)**

	Contractual maturity	Primary Security description
Grove Road	28/03/2016	Second mortgage
Takanini	30/09/2015	Second mortgage
Wanaka	None	Second mortgage
Golden Fund	31/03/2018	Second mortgage
Orakei	31/08/2019	Second mortgage

The Grove Road, Takanini and Wanaka loans arose following historic defaults by borrowers. Following a 2013 agreement with Equinox Capital Limited (a company in which Kerry Knight is a shareholder and director) that company took ownership of the Takanini and Grove Road land. The agreement also covered an existing loan to Equinox relating to land in Wanaka. The agreement provides for a fixed 8% non-compounding return to the Company (Wanaka 0%), with an uplift to 13% should certain income targets be met (since waived), and a mortgage security behind the prime bank funder for the respective subdivision and construction works together with cross-guarantees, and in the case of Grove Road, behind funds introduced by an Equinox entity.

Golden Fund Limited is a related party by virtue of Kerry Knight's directorship and shareholding. The Golden Fund loan is at nil interest. Accordingly, the $900,000 loan was initially discounted at a market rate of 12%. $86,097 of effective interest was recorded in 2017 (2016: $76,872).

Based on current circumstances and forecasts, the directors expect to recover the advances at the amounts recorded in these financial statements, and not to be called on the guarantee given. Uncertainties include possible movements in selling prices or development costs, and the timing and nature of consents, construction and sales.

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2 Investment properties and rental income

Investment properties are initially recognised at cost, and subsequently carried valued at fair value, with changes in fair value recognised in profit or loss. Fair value for investment properties are determined by independent valuers with appropriate, relevant qualifications and experience annually based on discounted future cashflows and direct capitalisation models ("Level 3" fair values). Changes in the key assumptions disclosed below could materially impact the resulting valuations. Lease incentives are recognised over the period of the lease as an adjustment to rental income.

Property	Valuer	Fair value 31/3/17	Capital movements	Fair value changes	Fair value 31/3/16	Capital movements	Fair value changes	Fair value 31/3/15
Catalyst IT House, Wgtn	Darroch	9,250,000	81,204	468,796	8,700,000	42,817	207,183	8,450,000
Topia Drive, Turangi	Sold	78,261	(103,999)	-	182,260	(78,261)	(4,697)	265,218
Ponsonby Road, Auck	Sold	-	(11,500,000)	-	11,500,000	-	2,150,000	9,350,000
		9,328,261	(11,522,795)	468,796	20,382,260	(35,444)	2,352,486	18,065,218

The Ponsonby Road property, sold for $11,500,000, settled on 1 April 2016.

The valuation of Catalyst IT House is based on the following key assumptions:		Investment period	Cap rate	Discount rate	Rental growth
	31/12/17	10 years	8.50%	9.00%	2.38%
	31/12/16	10 years	8.75%	9.25%	2.17%

Non-cancellable lease receivables	2017	2016
Not longer than one year	1,142,461	775,784
One year to five years	975,925	1,649,690
Longer than five years	-	-
	2,118,386	2,425,474

3 Related parties

The following transactions are in addition to the related party loans disclosed in note 1 relating to the 2016 and 2017 years
The Statutory Information on page 12 also provides related party transactions including management agreement fees.

Related Party	Nature of relationship	Description	2017 Transaction amount	Balance at 31/3/17	2016 Transaction amount	Balance at 31/3/16
KC Management Ltd	Directors Dargaville and Knight have financial interests in this entity	Management Fees Commission	621,431	62,770	800,625 230,000	430,000 ($200,000 to be settled in pref shares)
Equinox Capital Limited	Director Kerry Knight has a financial interest in this entity	Rent and reimbursement of sundry office costs	31,610	861	27,633	125
The Grove Land Company Ltd	Director Kerry Knight has a financial interest in this entity	Further Mortgage advances 17/8/16	1,650,000	-	-	-
		Further Mortgage advances 15/11/15	-	-	300,000	-
K Rushbrook	Independent Director	Increase in director fees from $40,000 to $50,000 pa	50,000	-	40,000	-
ORC Limited	Kerry Knight has financial interests in this entity. Cameron Dargaville, alternate director to Kerry Knight	Mortgage advance	8,000,000	7,733,110	-	-

Directors' remuneration	31/03/2017	31/03/2016
Keith Rushbrook (Chairman)	49,833	40,000
Cameron Dargaville	-	-
Douglas Hitchcock	-	28,000
Kerry Knight	-	-
	49,833	68,000

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4 Bank loans

	31/03/2017	31/03/2016	Expires	Rate
Bank-credit facility	5,900,000	7,000,000	30/06/18	5.35%
Wellington property term facility	3,000,000	3,000,000	29/05/2020	5.34%
Ponsonby property term facility	-	5,500,000	31/05/17	5.35%
	8,900,000	15,500,000		

The Bank of New Zealand has lent the Company monies under the facilities referred to above. The Bank Credit and the investment property term loan facilities are interest only and expire as referred to above. All facilities are subject to annual review and have been shown as a current liability. The facilities include a number of banking covenants which are required to be reported to the bank on a quarterly basis. All of which have been complied with.

All bank facilities attract interest at the bank prime interest rate plus 1.75% margin. The credit facility of $6,150,000 was drawn to $5,900,000 and expected to reduce to $5,400,000 by 31 December 2017. The Wellington Investment Property Term Loan facility of $3,000,000 is all fully drawn.

The Investment Property term loan facilities are secured by first mortgage over the Wellington investment property.

All facilities are secured by first registered general security agreement over the assets of the Company. The Company relies solely on the Bank of New Zealand to provide funding other than equity sources.

5 Capital and capital management

The Company's capital management objective is to fund the investing activities in a way that provides an appropriate return on capital for the risk accepted. Bank covenants require the company to maintain minimum equity of $22,500,000. RPS are treated as equity for the purposes of calculating that covenant.

	31/03/2017				31/03/2016			
	Ord shares		RPS		Ord shares		RPS	
	Number	Value	Number	Value	Number	Value	Number	Value
Outstanding	10,000	10,000	20,905,014	21,460,189	10,000	10,000	22,871,795	23,058,617
Net asset backing	$ 1.00		$ 1.09		$ 1.00		$ 1.06	

	31/03/2017	31/03/2016
Dividends (paid)	3.08 cents	2.72 cents
(accrued)	1.24 cents	0.90 cents
Total	4.32 cents	3.62 cents

RPS carry a right to receive dividends declared by the Board. The Company may redeem RPS, or a vote carried by 75% of RPS holders can call for redemption of RPS. RPS holders are entitled to receive updates on the Company's activities, and to vote on any proposal to liquidate the Company, or on any matter directly affecting the rights, privileges, limitations and conditions attaching to RPS. On liquidation of the company or redemption, RPS rank above ordinary shares for repayment of their face value, and are then entitled to 100% of the surplus net assets of the Company after repayment of the $10,000 contributed capital of Ordinary Shares.

Following the introduction of NZIFRS 13, *Fair Value Measurement* and the appointment of new auditors, the Company has reviewed and revised its accounting treatment of RPS. RPS were previously classified as equity instruments, but have been reclassifed as liability instruments in these financial statements. Likewise, RPS dividends are now shown as an expense. The reclassification also has the impact of reducing opening equity by $23,058,617 (being the balance of RPS at that date).

Ordinary shares are entiled to one vote per share, and the return of their contributed capital on winding up of the Company. A 75% vote of ordinary shares may appoint a director, and the directors may appoint any person to be an additional director.

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6 Interest rate and liquidity risk management

Liquidity risk is the risk of the Company having insufficient cash available to pay its debts as they fall due. The Company manages this risk by monitoring its liquidity position, maintaining adequate banking facilities, and managing its relationship with its primary banker.

The Company's liquidity is reliant on continued support from BNZ as its primary banker, and RPS holders. The directors expect the BNZ facilities to be extended at their next contractual maturity. Any unexpected requirement to repay the Company's bank facilities or redeem RPS prior to realisation of Loan receivables and Investment properties in the ordinary course of business could materially effect the values realised on those assets.

Interest rate risk is the risk of changes in interest rates impacting the future cash flows of the Company. The Company is exposed to interest rate risk due to the mismatch in timing and amount of the variable rate interest paid on its bank loans, versus the fixed rate interest earned on its loans receivables.

Details of the amount and maturity of those loans receivable and bank loans are set out in notes 1 and 4 respectively.

7 Income tax

Tax Expense	31/03/2017	31/03/2016
Profit before tax	435,328	2,802,182
Non-deductible expenses	919,640	888,231
	1,354,968	3,690,413
Prima facie tax at 28%	379,391	1,033,316
Under accrual in prior years	(76,665)	74,069
Income tax expense	302,726	1,107,385
Current tax expense	275,198	620,845
Deferred tax expense	27,527	486,540
	302,726	1,107,385

Deferred tax liability	31/03/2017	31/03/2016
Opening balance	(140,938)	345,602
Deferred tax expense	(27,527)	(486,540)
Closing balance	(168,465)	(140,938)
Arises from:		
Impairment allowance	400,348	333,461
Investment property	(573,421)	(478,128)
Accrued expenses	4,608	3,729
	(168,465)	(140,938)
Exepected to settle:		
Within 12 months	-	-
In excess of 12 months	(168,465)	(140,938)
	(168,465)	(140,938)

Imputation credits		
Opening balance	11,524	(5,768)
Provisional tax payment	330,000	331,126
Attached to dividends	(329,939)	(313,834)
	11,585	11,524

8 Other expenses

	31/03/2017	31/03/2016
Investment property costs	11,089	33,716
Audit Fees - audit (KPMG/BDO, BDO is a prior year auditor)	37,800	48,399
- tax services (BDO)	15,000	8,885
Other	127,553	224,244
	191,442	315,244

9 Other assets and liabilities

Other assets	31/03/2017	31/03/2016
Income tax receivable	680,426	618,514
Trade receivables	40,802	47,800
Property, Plant & Equipment	5,751	9,886
	726,979	676,200

Other liabilities	31/03/2017	31/03/2016
Trade payables	115,418	288,678
GST payable	10,328	14,388
Accruals	80,879	373,451
Accrued dividend	268,437	205,262
Deferred tax liability	168,465	140,938
Deposit on Ponsonby property sale	-	750,000
	643,527	1,772,717

KPMG

10 Events occuring after the balance sheet date

There were no events post balance date that would cause a material misstatement to the financial information presented in this financial report.

STATUTORY INFORMATION

The following entries were recorded in the interests register of the Company during the year relate to ongoing matters:

i) DIRECTORS' INTERESTS IN TRANSACTIONS

Transactions during the year and subsequent to year end with entities that the directors have disclosed an interest in.

Director	Entity	Transaction / description	Date of agreement / transaction	Amount
K Knight: C Dargaville	KC Management Ltd	KC Securities Management Agreement Variation of Agreement	5 Sep 2001 30 Sep 2005	Total Management Fees charged for the year were $621,431 (31 March 2016 $1,030,625)
K Knight	Equinox Capital Limtied	Tenancy Rent Reimburse Sundry Office Costs	June 2002 month by month	$2,103 per month: (31 March 2016 $2,132) Sundry office costs charged for the year $2,264 (31 March 2016: $2,048)
K Knight: C Dargaville	KC Management Ltd	Variation to Management Agreement, Asset Improvement	30-Sep-05	20% of high watermark, increase in value of investment property
K Rushbrook	Independent director	Increase in director fees from $40,000 to $50,000 pa	17 June 2016 board meeting	$49,833 pa
K Knight: C Dargaville	ORC Ltd and other Equinox Orakei entities	Mortgage advance	17 June 2016 board meeting	$8,000,000
K Knight	The Grove Land Company Ltd	Further mortgage advance	17 Aug 2016 board meeting	$1,650,000
K Knight: C Dargaville	KC Management Ltd	Purchase of Turangi section owned by KCSL	17 May 2017 board meeting	$81,000

ii) DIRECTORS AND REMUNERATION

Details of the nature and the amount of each major element of the emoluments received by each Director of the Company are detailed below:

31/03/2017 Director	**Director Fee $**	**Other Benefit $**	**Total $**
Cameron Dargaville	-	-	-
Kerry Knight	-	-	-
Keith Rushbrook (Chairman)	49,833	-	49,833
TOTAL	49,833	-	49,833

31/03/2016 Director	**Director Fee $**	**Other Benefit $**	**Total $**
Cameron Dargaville	-	-	-
Douglas Hitchcock (resigned 24 March 2016)	28,000	-	28,000
Kerry Knight	-	-	-
Keith Rushbrook (Chairman)	40,000	-	40,000
TOTAL	68,000	-	68,000

	31/03/2017 *Number*	**31/03/2016 *Number***
Ordinary Shares		
Knight Trust (K Knight)	5,000	5,000
Marlin Investment Trust (C Dargaville)	5,000	5,000
Total Ordinary Shares	10,000	10,000

KPMG

STATUTORY INFORMATION

iii) SHARE DEALINGS OF DIRECTORS

Redeemable Preference Shares

(either held in trust or by related parties of the directors)

(a) Beneficially Held

	DIRECTOR	*Increase/ (Decrease)*	*31/03/2017 Number*	*31/03/2016 Number*
Rushbrook Finance Trust	K Rushbrook	-	238,495	238,495
KC Management Limited	K Knight/ C Dargaville	200,000	925,860	725,860
Knight Trust	K Knight/ C Dargaville	20,000	1,852,746	1,832,746
D Hitchcock	D Hitchcock	-	30,000	30,000
Marlin Investment Trust	C Dargaville	-	334,608	334,608
		220,000	3,381,709	3,161,709

(b) Held by Associated Persons

	DIRECTOR	*Increase/ (Decrease)*	*31/03/2017 Number*	*31/03/2016 Number*
Dargaville Family Trust	C Dargaville	-	205,000	205,000
Diana Walker Family Trust	C Dargaville	-	200,000	200,000
Bowling Ave Trust	K Knight	20,000	42,500	62,500
Natasha Knight	K Knight	-	16,581	16,581
		(20,000)	464,081	484,081

iv) LOANS TO DIRECTORS

There were no loans to any of the directors. Details of loans to entities that director's have an interest in can be found in note 3 and (i) of the Statutory Information on page 13.

v) DIRECTORS' INDEMNITY AND INSURANCE

The Company does not have indemnity insurance however it has agreed to indemnify its Directors against liabilities to other parties (except the Company) that may arise from their positions as Directors. The indemnity does not cover liabilities arising from criminal acts or breaches of duty specified in Section 131 of the Companies Act 1993.