

**WAIPAPA 2B2 TRUST**  
***Reports***  
***and***  
***Financial Statements***  
***For the Year ended 31 March 2020***

# WAIPAPA 2B2 TRUST

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## WAIPAPA 2B2 TRUST

### Agenda

Meeting of owners to be held on Saturday 6 March 2021

1. Mihi/karakia.
2. Introductions.
3. Trustees Report.
4. Forestry Report.
5. Finances

Moved:

Seconded:

***"That the Trustees Report, Forestry Report, and financial statements for the year ended 31 March 2020 and the Supplementary Summarized Statements covering the past 3 years be adopted and received"***

#### Matters Arising from the Reports

6. General Business
7. Whakamutunga

## WAIPAPA 2B2 TRUST

Notice is hereby given that a general meeting of beneficial owners of the Waipapa 2B2 Trust will be held at TE TAKINGA MARAE, 402 State Highway 33, Mourea 3074, on Saturday 6<sup>th</sup> March 2021, commencing at 10.30am (Registration from 10.00am).

Business.

1. To receive the Trustees Reports, Forestry Report, and the Financial Statements for the year ended 31<sup>st</sup> March 2020.
2. General Business

Lunch to follow. Please bring a plate to share.

Petera Tapsell  
(Chairman)

WAIPAPA 2B2 TRUST

	<p><b><u>Minutes of the meeting of beneficial owners of the Trust</u></b>  <b><u>Held at TE TAKINGA MARAE, 402 State Highway 33, Mourea 3074 on Saturday 29<sup>th</sup></u></b>  <b><u>October 2016 commencing at 10.30am (registration from 10.00am)</u></b></p>	
<b>PRESENT:</b>	Petera Tapsell (chair), Rae Wharerau, Santy Pua Wharerau, Wai Morrison, Peter Morrison, Mary Stanton, Lorraine Inia, Raimona Inia, Brett Newton, Maxine Newton, Fred Whata (Snr), Fred Whata (Jnr), Pare Aratema, Margaret Ambrose, George Thomas,	
<b>IN ATTENDANCE:</b>	Lau Lasike (Accountant/Secretary), Shane Parrett (Forest advisor)	
<b>KARAKIA/MIHI:</b>	Was offered by Petera Tapsell. He welcomed everyone to the table	
<b>APOLOGIES:</b>	Nil	
<b>SECRETARIAL:</b>	<p style="text-align: center;"><b><u>Minutes of the previous general meeting – 07/07/2013</u></b></p> <p>The minutes were read by Mr Tapsell.</p> <p><b><i>Corrections</i></b>  He noted the day and venue of the meeting are incorrect. The meeting was held on <i>Sunday 7<sup>th</sup> July 2013 at Mr Willie Newton's residence</i> and not <i>Saturday 7<sup>th</sup> July 2013 at Te Takinga Marae, Mourea.</i></p> <p>Shane Parrett noted that Fletcher Forests Ltd assigned its interest in the forest to <i>GSL</i> and not <i>GDL</i></p> <p><b>MOVED</b>  <i>Mary Stanton/Pare Aratema</i></p> <p><b>RESOLVED</b>  <i>"That the minutes of the general meeting of owners held on Sunday 7<sup>th</sup> July 2013 as circulated are hereby confirmed as a true and correct record of proceedings at that meeting subject to above mentioned corrections."</i></p> <p><b>CARRIED (by voice)</b></p> <p><b><u>Matters arising</u></b></p> <p><i>Mercury (formerly Mighty River Power) access</i>  It was agreed that Mercury's access will be renewed if it is required.</p> <p><i>Frequency of meeting</i>  Mary Stanton suggested the Trust needs more meetings if it is to move forward.</p>	
<b>TRUST'S REPORT</b>	<p>Mr Tapsell spoke to it. It covered:</p> <ul style="list-style-type: none"> <li>✓ <i>Trustees</i>  Rae Wharerau has resigned as a trustee. He felt it is time to bring some new blood in to the fold. So today we are going to elect 3 new trustees to replace the late Te Paki O Rangi Inia, the late Willie Newton, and Mr Wharerau</li> <li>✓ <i>Eucalypts</i>  We have not been able to sell the standing Eucalypts despite numerous attempts.</li> <li>✓ <i>Forestry right</i>  The Trust has engaged the service of Mr Shane Perrett to assist with finding a way forward. He has been in discussion with Red Stag Timber who has provided an expression of interest in entering into a Forestry Right arrangement with the Trust.</li> </ul>	

WAIPAPA 2B2 TRUST

	<p>✓ <i>Financial Statements</i>          The Trust has incurred very little financial transactions over the years and this is likely to carry on in the foreseeable future. Therefore, it is recommended that the Trust Ordered is amended so that the Trust's financial statements are no longer required to be audited. However, they must be prepared by a chartered accountant.</p> <p>Mary Stanton wanted more information on this matter. The Secretary responded. Fred Whata (Snr) suggested that the trustees' recommendation be adopted.</p> <p><b>MOVED</b>  <i>Pare Aratema/Petera Tapsell</i></p> <p><b>RESOLVED</b>  <i>"That the Trust's financial statements are not required to be audited, however, they must be prepared by a chartered accountant"</i></p> <p><b>CARRIED (No opposition)</b></p> <p><b>MOVED</b>  <i>Pare Aratema/Mary Stanton</i></p> <p><b>RESOLVED</b>  <i>"That the trustees' report be received and adopted"</i></p> <p><b>CARRIED (by voice)</b></p>
<p><b>FORESTRY REPORT:</b></p>	<p>Joel Hensman read and elaborated upon his comprehensive farm report. It covered:</p> <p>✓ <i>Current state</i>          The forest comprises about 110 ha of Eucalyptus and 19 ha of Fastigata. The Eucalyptus is considered a failed crop of no commercial value. It is a liability.</p> <p>The Fastigata is in good health but of various sizes with limited value</p> <p>✓ <i>Key points relating to work on the block</i>          Removal of failed Eucalypt is not commercial viable. Firewood merchants we have approached were not interested.</p> <p>Red Stag have provided a written expression on interest to enter into a forestry right arrangement with the Trust as part of their medium to long term fibre security strategy.</p> <p>NZ Carbon Farming is interested in carbon leasing depending on forestry right arrangement</p> <p>✓ <i>Where to from here?</i></p> <ul style="list-style-type: none"> <li>○ Progress a forestry right agreement with Red Stag</li> <li>○ Remove any trees possible at no cost to land owners</li> <li>○ Progress rates relief with RLC</li> </ul> <p>Pare Aratema said the forestry report shows there is progress and she suggested that Mr Parrett is allowed to proceed with his recommendations. However, Fred Whata (Snr)</p>

WAIPAPA 2B2 TRUST

	<p>asked that the new Board is given the opportunity to peruse Mr Parrett's report then make a decision as the new trustees may have other ideas.</p> <p><b>MOVED</b> <i>Fred Whata (Snr)/Mary Stanton</i></p> <p><b>RESOLVED</b> <i>"That the forestry report be received"</i></p> <p><b>CARRIED (by voice)</b></p>	
<b>FINANCIAL:</b>	<p>The 2016 financial statements having been circulated prior to the meeting were presented and elaborated upon by Lau Lasike.</p> <p><b>MOVED</b> <i>Mary Stanton/Petera Tapsell</i></p> <p><b>RESOLVED</b> <i>"That the audited financial statements be received"</i></p> <p><b>CARRIED (by voice)</b></p>	
<b>ELECTION:</b>	<p>The Secretary advised that there are only 3 nominees to replace the late Te Paki O Rangi Inia, the late Willie Newton, and Rae Wharerau. They are Mary Stanton, Peter Morrison, and Fred Whata (Jnr). No election was required. Mrs Stanton, Mr Morrison, and Mr Whata were duly appointed as trustees.</p> <p><b>MOVED</b> <i>Fred Whata (Snr)/Maxine Newton</i></p> <p><b>RESOLVED</b> <i>"That Mrs Mary Stanton, Mr Peter Morrison, and Mr Fred Whata (Jnr) are appointed as new trustees"</i></p> <p><b>CARRIED (no opposition)</b></p> <p>Fred Whata (Snr) asked whether the number of trustees is increased to 7 and he provided several reasons for his recommendation. After further discussion, it was agreed that the number of trustees be increased to 7 and the Trust Order be amended accordingly.</p> <p><b>MOVED</b> <i>Pare Aratem/Fred Whata (Snr)</i></p> <p><b>RESOLVED</b> <i>"That the number of trustees be increased to 7"</i></p> <p><b>CARRIED (by voice)</b></p> <p>Further 3 new trustees were elected. They are:</p> <ol style="list-style-type: none"> <li>1. Thomas Wharerau (nominated by Fred Whata (Snr) seconded by Pare Aratema)</li> <li>2. Loraine Inia (nominated by Margaret Ambrose seconded by Mary Stanton)</li> <li>3. Brett Newton (nominated by Mary Stanton seconded by Pare Aratema).</li> </ol>	

WAIPAPA 2B2 TRUST

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<b>MEETING CLOSED:</b>	<p>Fred Whata (Snr) thanked the chair and his co-trustee for the hard work the Trust has done over the past years. He acknowledged that today's meeting was one of the better ones he has been involved in because of the young owners showing interest in Trust's business.</p> <p>There was no further business. Mr Petera closed the meeting with a karakia at 11.45am. He invited everyone for lunch following the conclusion of the meeting.</p>	
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## Waipapa 2B2 Trust

### Report of the Trustees

The trustees have pleasure in presenting this report on the activities of the Trust since our last meeting in October 2016.

#### **Trust Order**

The Trust Order has been amended following the resolutions from the October 2016 meeting. The Trust's financial statements are no longer required to be audited. However, they must be prepared by a Chartered Accountant. This was ratified by the Maori Land Court in November 2017. Furthermore, the Trust can now be governed by at least five trustees and cannot have more than seven trustees at any one time. Therefore, Mary Stanton, Peter Morrison, Fred Whata (Jnr), Thomas Wharerau, Loraine Inia, and Brett Newton's appointments were also ratified by the Maori Land Court in November 2017.

#### **Forestry Right**

In April 2019 the Trust entered into a Forestry Right with Crown Forestry to establish a Pinus Radiata crop on approximately 141 hectares at the Trust's whenua, under the Government's One Billion Trees Scheme. Under the agreement, the Crown is responsible for managing the forest. They have engaged PF Olsen as the management contractor. The Crown also agrees to pay:

- ✓ Annual ground rent of \$50 per hectare of plantable area
- ✓ Rates in respect of the forest area and the un-plantable areas adjacent to the forest area
- ✓ All costs relating to maintaining of the trees
- ✓ All costs relating to replanting of the harvested forest area (the second rotation)

It is anticipated the ground rent is sufficient to cover the Trust's administration costs. The Trust received ground rent for the first time last year.

Also, the Crown is entitled to 68% of stumpage. The Trust's share is the remaining 32%. The Trust is the sole owner of stumpage from the second rotation.

The agreement stipulates a one-off market rent review 15 years from the commencement date to ensure that the annual rent is still in line with the market.

John Hornby (Crown Forestry Operations Manager) has written a report covering the activities relating to the forest since March 2019. His report is included in today's presentation. In the report, he noted that 69.8 hectares has been planted. It also covers:

- ✓ Land preparation
- ✓ Archaeological Survey
- ✓ Pest control
- ✓ Blanking
- ✓ Releasing
- ✓ Health & Safety
- ✓ Mapping
- ✓ Future operation

**Eucalypts**

Under the Forestry Right, the Trust is responsible for harvesting of the Eucalypts. After countless attempts by the trustees and their forest advisor to harvest the Eucalypts, in August 2019 the Trust approved a proposal from Complete Logging Limited to harvest 300 tonnes as a trial run at no cost to the Trust. If it goes well, Complete Logging would harvest the remaining trees. There is 35.48 hectares of Eucalypts left to be harvested. The Trust still awaits Mr Major Nelson's harvest report. At this stage the Trust does not know whether the harvest was financially viable.

**Financial Statements**

The Secretary will speak to the Trust's financial affairs shortly. However, it is worth noting that the Trust has incurred very little financial transactions over the last four years.

In conclusion, the trustees thank you all for your attendance today.

P Tapsell  
Chair



**Te Uru Rākau**  
Forestry New Zealand



*crown*  
*forestry*

Waipapa 2B2 Ahu Whenua Trust  
C/- Lau Lasike  
Kusabs Lasike Ltd  
PO Box 441  
Rotorua 3040

Via Email: [lau@kll.co.nz](mailto:lau@kll.co.nz); [Petera.tapsell@westernbay.govt.nz](mailto:Petera.tapsell@westernbay.govt.nz)

22 February 2021

Kia ora Petera, Lau,

### **Operations Report for Waipapa 2B2 Forest**

Please find below a report on the operations successfully completed to date. Our Forest Management Plan (FMP) will be sent to you in April 2021.

#### **Background**

The Forestry Right was signed on 1 April 2019 between Crown Forestry and Waipapa 2B2 Ahu Whenua Trust. Crown Forestry undertook a Request for Proposal and selected PF Olsen (PFO) as the forest management contractor to manage the establishment and ongoing day-to-day operations in the forest. Waipapa 2B2 Trust is currently managing the harvest operation of the standing Eucalypt trees, independent of Crown Forestry's operation (refer email 09/07/19 – Waipapa2b2 meeting summary).

#### **Operations Report**

##### **Land preparation**

###### 2019 Planting area

Aerial desiccation (pre-plant spray) was carried out during summer 2018/19. A roller-crusher was used. Smaller dead standing Eucalypts in Cpt 1/03 were cleared with a roller-crusher where practicable. Line raking was subsequently carried out in some parts of the stand, and manual felling of the remaining dead standing trees was undertaken. Areas that contained significant blackberry growth were line-cut to maximise planting areas.

###### 2020 Planting area

Clear-fell harvesting of this area was carried out by Complete Logging Ltd (engaged directly by the Trust) over a 6-month period and completed in May 2020. The land was subsequently handed back to the Trust for Crown Forestry to aerially desiccate in the same month.

### Archaeological survey

The forest contains three previously identified archaeological sites (U15/704, U15/705, U15/716). During the roller crushing operation, U15/704 and U15/705 were accidentally damaged by the machine tracking over these sites. Heritage NZ and the Trust were notified of the damage and an investigation was subsequently undertaken. Recommendations from Heritage NZ were adhered to, and a review into the sub-contractor management was carried out by PFO. After consultation with the archaeologist, Heritage NZ and iwi, a General Authority was applied for. Further land preparation and planting was delayed until the General Authority (2021/026) approval from Heritage NZ was given on the 17<sup>th</sup> August 2020 (attached for reference).

### Pest-control

A local operator has spent several days in the forest culling possums and wallabies. To date, there are approximately 80 possums and 10 wallabies culled.

### Planting

Approximately 53.5 hectares (ha) was planted in September and October 2019. A further 16.3 ha was planted in August 2020; this later than planned, due to the delays in the approval of General Authority from Heritage NZ. The prescribed stocking for 2019 was 1250 stems per hectare (sph) and 1000 sph for 2020 plantings.

The overall weighted average final planted stocking was as follows:

Planting Year	Cpt	Planted Area	Average Stocking (sph)
2019	1/03	53.5	1323
2020	1/05	16.3	972
<b>Weighted Average</b>		69.8	1242

### Blanking

Survival assessments identified reasonable mortality in the initial 2019 plantings; most likely due to late planting and summer drought conditions. However, the high initial planted stocking removed the requirement for any blanking. Scattered small areas subsequently damaged or destroyed by pests and fibre removal will require blanking in 2021. The full extent of blanking requirements for the 2020 crop will be determined from the upcoming formal survey.

### Releasing

Aerial releasing was completed during summer following planting each year (December and February respectively). Some areas of the 2019 plantings received a second aerial release to target inkberry weed regrowth.

### Harvest Operation of Eucalypt Stands

Complete Logging was engaged directly by the Trust to carry out the harvesting and marketing of the standing Eucalypts. This is independent of both Crown Forestry and PFO operations. Harvesting of Cpt 1/02 (35.5ha) was scheduled to be finished by Summer 2020/21, however, the operation appears to have stalled. Crown Forestry has delayed planning any further operations for this area pending further updates from the Trust on the status of this harvesting.



### **Health and Safety (H&S)**

PFO regularly undertake systems, operational and environmental audits on all sub-contractors. There were no reported H&S incidents, nor drug tests failures for the works completed at this property.

Due to two independently managed operations occurring on the land, Crown Forestry, Waipapa2b2 Trust, PFO, and other approved contractors are PCBUs under the Health & Safety at Work Act 2015. All parties will continue to ensure all requirements are met with regular communication and monitoring of operations. There have been some incidents of unknown/unpermitted firewood collection in the forest to date. Other than the approved contractors with the appropriate insurances in place, there should be no other visitors to the worksite unless prior approval from both Crown Forestry and the Trust. A review of the forest security will need to be undertaken to ensure all parties are able to meet the legal obligations.

### **Mapping**

The Net Stock Area (NSA) of the new plantings has been initially measured as 69.8 ha. Note that operational mapping of the forest will be on-going and will result in changes to the Net Stock Area. Updated forest maps and stand record summaries will be sent with the FMP.

### **Future Operations**

Operations scheduled for 2021 include:

- Pest control.
- Manual clearing of dead standing areas in Cpt 1/01 (where feasible).
- Survival survey of the 2020 crop.
- Planting 5ha of cutover.
- Replanting of damaged areas.
- Review forest security in conjunction with the Trust.
- Plan further land preparation pending update from the trust on harvest operation.
- External fences will be monitored for stock breaches.

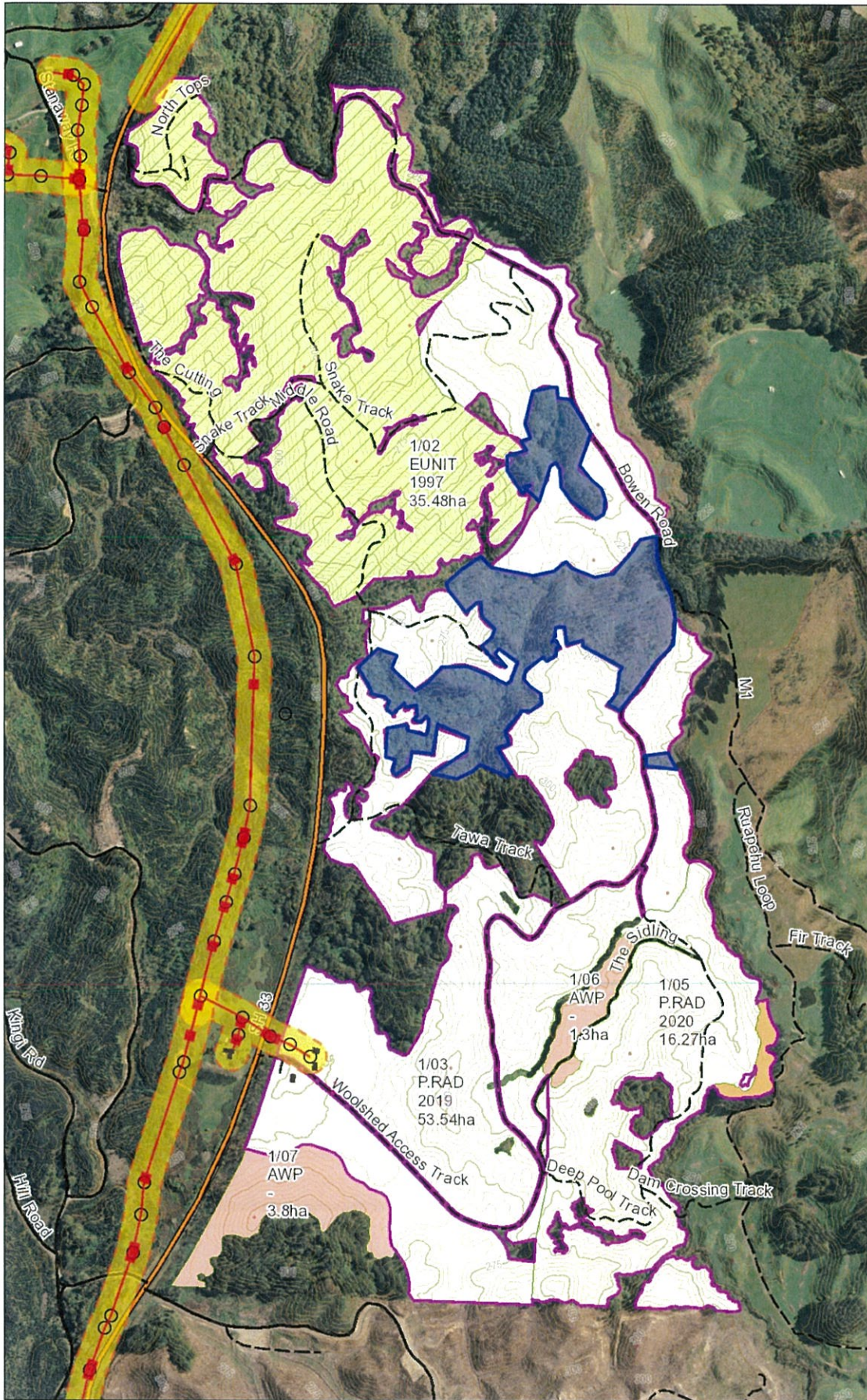
If you have any further queries, feel free to contact Boon K. Tan on 027 211 9712

Ngā Mihi,

**John Hornby**  
Operations Manager

# PF Olsen Map

Date Printed: 28 January 2021



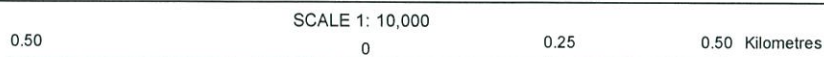
## Legend



- Airstrip
- Helipad
- Stream Crossing**
  - Bridge
  - Culvert
  - Ford
- Structure**
- Utility Line**
  - Electricity Line
  - Telephone Line
  - Effluent Pipeline
  - Gas Pipeline
  - Geo-Thermal Pipeline
  - Water Pipeline
- Utility Point**
  - Communications Tower
  - Power Pole
  - Pylon
  - Repeater Station
  - Wind Turbine
- Utility 30m Buffer**
- Spot Height**
- Contour**
  - Index
  - Intermediate
  - Depression
- Transport**
  - 4WD Track
  - Arterial
  - Disused Track
  - Railway
  - Road - Sealed
  - Road - Unsealed
  - Track
  - Tunnel
  - Cycle Track
  - Walking Track
- Forest**
- Patches**
  - <all other values>
  - Cutover
  - Awaiting Planting - Non

This map may contain proprietary information from LINZ or NZ Archaeological Association Site Recording Scheme. Map Disclaimer: This map is distributed as-is, without warranties of any kind, either expressed or implied, including but not limited to warranties of suitability to a particular purpose or use. This map is intended for use only at the published scale. This map was compiled using data believed to be correct, however, a degree of error is inherent in all maps.

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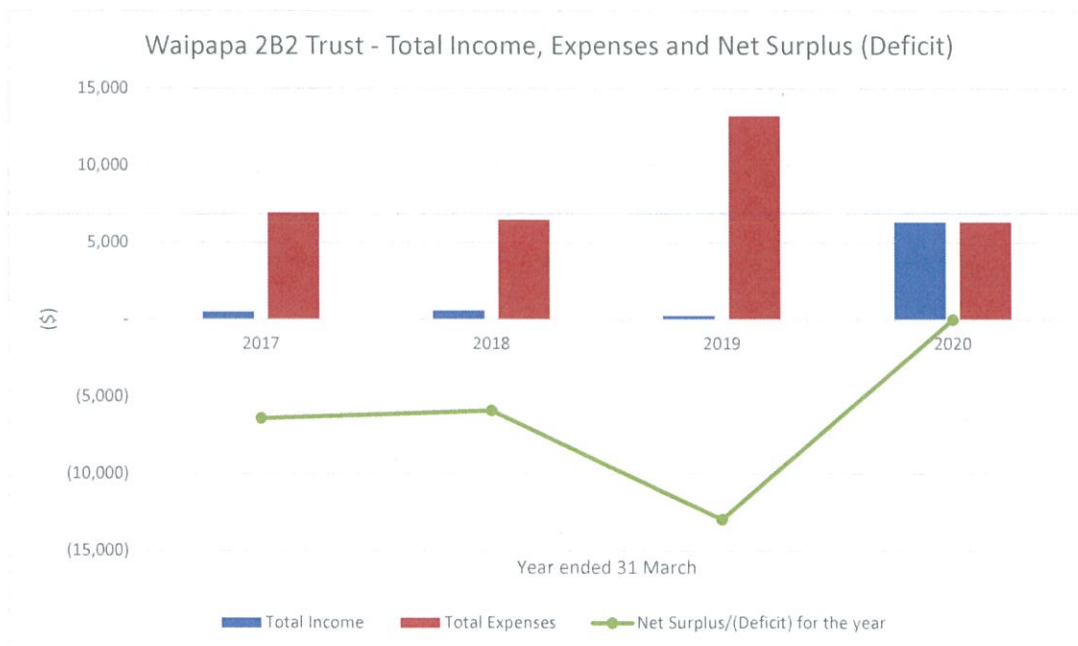


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**STATEMENT OF FINANCIAL PERFORMANCE**  
FOR THE YEARS ENDED 31 MARCH 2017 to 2020

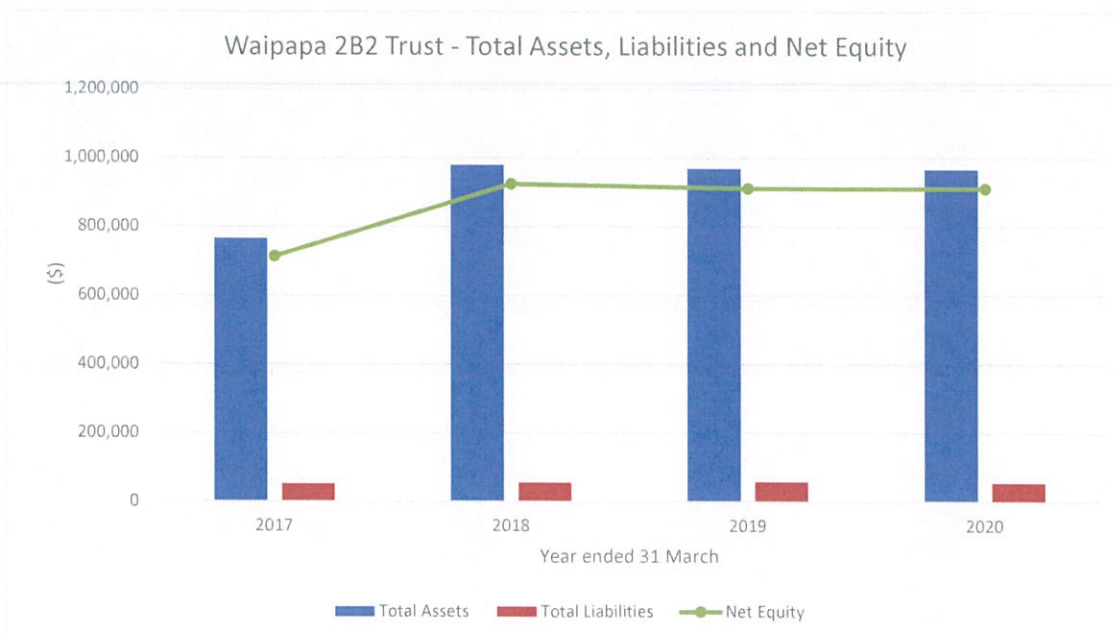
	2020 \$	2019 \$	2018 \$	2017 \$
<b>Income</b>				
Crown Forestry - MPI) - Forest Rental	5,331	-	-	-
MRP - Access License Fee	1,000	-	-	-
Interest Received	6	247	593	521
<b>Total Income</b>	<b>6,337</b>	<b>247</b>	<b>593</b>	<b>521</b>
<b>Less Expenses:</b>				
Accountancy Fees	2,404	2,800	2,757	2,510
AGM Expenses	-	-	-	626
Bank Fees & Charges	87	92	85	88
Depreciation	104	116	128	143
General Expenses	-	29	-	-
Interest - Bank Overdraft	-	1	-	-
Legal Fees	1,982	6,784	-	-
Postage & Stationery	-	-	13	29
Rates	1,169	3,396	3,278	3,374
Share Register Maintenance	596	-	230	161
<b>Total Expenses</b>	<b>6,342</b>	<b>13,218</b>	<b>6,491</b>	<b>6,931</b>
<b>Net Surplus/(Deficit) for the year</b>	<b>(5)</b>	<b>(12,971)</b>	<b>(5,898)</b>	<b>(6,410)</b>
Equity at the beginning of the financial year	911,431	924,402	713,822	720,232
Land Revaluation & Improvements	-	-	216,478	-
<b>EQUITY AT END OF THE YEAR</b>	<b>911,427</b>	<b>911,431</b>	<b>924,402</b>	<b>713,822</b>



WAIPAPA 2B2 TRUST  
PO BOX 441  
ROTORUA

**STATEMENT OF FINANCIAL POSITION**  
AS AT YEAR ENDED 31 MARCH 2017 to 2020

	2020	2019	2018	2017
	\$	\$	\$	\$
<b>CURRENT ASSETS</b>				
BNZ - Cheque Account	2,897	382	2,641	5,619
BNZ - Call Account	6,008	10,003	401	401
Accrued Income	-	-	291	115
Tax Refund	95	94	73	76
Goods & Services Tax	691	1,513	1,445	817
<b>Total Current Assets</b>	<b>9,691</b>	<b>11,992</b>	<b>4,851</b>	<b>7,028</b>
<b>Investments</b>				
BNZ - Term Deposits	-	-	17,196	17,338
<b>NON-CURRENT ASSETS</b>				
<b>Fixed Assets</b>				
Freehold Land	957,652	957,756	957,872	741,522
<b>TOTAL ASSETS</b>	<b>967,343</b>	<b>969,748</b>	<b>979,919</b>	<b>765,888</b>
<b>CURRENT LIABILITIES</b>				
<b>Creditors &amp; Borrowings</b>				
Rent Received in Advance	1,744	-	-	-
Rates Received in Advance	772	-	-	-
Accounts Payable	7,070	11,986	9,186	5,736
Unclaimed Dividends	46,330	46,331	46,331	46,330
<b>Total Current Liabilities</b>	<b>55,916</b>	<b>58,317</b>	<b>55,517</b>	<b>52,066</b>
<b>NET ASSETS</b>	<b>911,427</b>	<b>911,431</b>	<b>924,402</b>	<b>713,822</b>
<b>TRUST FUNDS</b>				
Beneficiaries Equity	911,427	911,431	924,402	713,822
<b>TOTAL TRUST EQUITY</b>	<b>911,427</b>	<b>911,431</b>	<b>924,402</b>	<b>713,822</b>



**WAIPAPA 2B2 TRUST**  
**FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2020*

## WAIPAPA 2B2 TRUST

### STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH, 2020

	Note	2020 \$	2019 \$
<b>Income</b>			
Crown Forestry (MPI) - Forest Rental		5,331	-
MRP - Access Licence Fee		1,000	-
		6,331	-
<b>Non Trading Income</b>			
Interest Received		6	247
		6	247
<b>Total Income before Expenses</b>		6,337	247
<b>Less Expenses:</b>			
<b>Administration Expenses</b>			
Accountancy Fees		2,404	2,800
Bank Fees & Charges		87	92
General Expenses		-	29
Share Register Maintenance		596	-
Legal Fees		1,982	6,784
Total Administration Expenses		5,069	9,705
<b>Standing Charges</b>			
Interest - Bank Overdraft		-	1
Rates		1,169	3,396
Total Standing Charges		1,169	3,397
<b>Total Expenses</b>		6,238	13,102
<b><u>Net Cash Operating Profit/(Loss) for the Year</u></b>		99	(12,855)
<b>Non-Cash Adjustments for the Year:</b>			
Depreciation		(104)	(116)
<b>Profit/(Loss) before income tax</b>		(5)	(12,971)
Provision for Taxation (Tax Refund Due)		-	-
<b><u>Profit/(Loss) after income tax</u></b>		(5)	(12,971)

*This Statement is to be read in conjunction with the Compilation Report and Notes to the Financial Statements.  
This statement has been prepared without audit or review.*

# WAIPAPA 2B2 TRUST

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FOR THE YEAR ENDED 31 MARCH 2020

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# WAIPAPA 2B2 TRUST

## **COMPILATION REPORT TO THE TRUSTEES and DISCLAIMER OF LIABILITY TO ALL READERS**

### **Scope**

On the basis of information provided to us by the Trustees, we have compiled, in accordance with Service Engagement Standard No. 2: Compilation of Financial Information, the special purpose financial statements of WAIPAPA 2B2 TRUST for the year ended 31 March 2020.

These have been prepared in accordance with the policies as detailed in Note 1 to the financial statements.

### **Responsibilities**

The Trustees are solely responsible for the information contained in the financial statements and have determined that the financial reporting framework used is appropriate to meet your needs and the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for the Trustees benefit. We do not accept responsibility to any person for the contents of the financial statements.

### **No audit or review engagement undertaken**

Our procedures use accounting expertise to undertake the compilation of the financial statements from information provided to us by the Trustees. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

### **Disclaimer of liability**

As mentioned earlier in our report, we have compiled the financial information based on information provided to us which has not been subject to an audit or review engagement. Accordingly, neither we, nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for the losses incurred as a result of placing reliance on the compiled financial information.

**Kusabs Lasike Ltd  
Chartered Accountants  
Rotorua**

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**Director**

03 July 2020

# WAIPAPA 2B2 TRUST

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
EQUITY/(DEFICIT) AT BEGINNING OF THE YEAR	\$ 911,431	\$ 924,402
<b>SURPLUS/DEFICIT AND REVALUATIONS</b>		
Net Surplus/(Deficit) for the period	(5)	(12,971)
Total recognised revenues and expenses for the period	(5)	(12,971)
<b>CONTRIBUTIONS AND DISTRIBUTIONS</b>		
Contributions from owners	-	-
Distributions to owners	-	-
EQUITY/(DEFICIT) AT END OF THE YEAR	911,427	911,431

*This Statement is to be read in conjunction with the accompanying Compilation Report and Notes to the Financial Statements. This statement has been prepared without audit or review.*

## WAIPAPA 2B2 TRUST

### BALANCE SHEET

AS AT 31 MARCH 2020

	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
<b>Cash</b>			
BNZ - Cheque Account		2,897	382
BNZ - Autocall Account		6,008	10,003
		8,905	10,385
<b>Receivables</b>			
Tax Refund Due	3	95	94
Goods & Services Tax		691	1,513
		786	1,607
		<b><u>Total Current Assets</u></b>	<b><u>11,992</u></b>
<b>NON-CURRENT ASSETS</b>			
<b>Property, Plant &amp; Equipment</b>			
Land & Improvements	2	956,716	956,716
Forestry Improvements		936	1,040
		957,652	957,756
		<b><u>Total Non-Current Assets</u></b>	<b><u>957,756</u></b>
		<b><u>Total Assets</u></b>	<b><u>969,748</u></b>
<b>CURRENT LIABILITIES</b>			
<b>Creditors and Borrowings</b>			
Rent Received in Advance		1,744	-
Rates Received in Advance		772	-
Accounts Payable		7,070	11,986
Unclaimed Dividends		46,330	46,331
		55,916	58,317
		<b><u>Total Current Liabilities</u></b>	<b><u>58,317</u></b>
		<b><u>Total Liabilities</u></b>	<b><u>58,317</u></b>
		<b><u>Net Assets</u></b>	<b><u>911,431</u></b>
<b>TRUST FUNDS</b>			
Beneficiaries Equity	4	911,427	911,431
		<b><u>Trust Equity</u></b>	<b><u>911,431</u></b>

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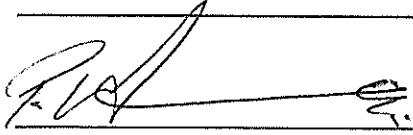
# WAIPAPA 2B2 TRUST

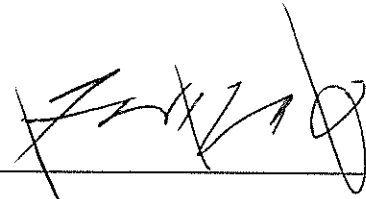
## BALANCE SHEET

AS AT 31 MARCH 2020 (continued)

Note	2020	2019
	\$	\$

For and on behalf of the Trust, which authorised the financial statements for issue on:

\_\_\_\_\_  
Date  
  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

*This Statement is to be read in conjunction with the accompanying Compilation Report and Notes to the Financial Statements. This statement has been prepared without audit or review.*

# **WAIPAPA 2B2 TRUST**

## **NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH, 2020

### **1. Statement of Accounting Policies**

#### **Entity Reporting**

Waipapa 2B2 Trust is an Ahu Whenua Trust as defined under section 215 of Te Ture Whenua Maori Act 1993.

The principal activity of the Trust is Forestry Rental.

#### **Measurement Base**

These financial statements are a special purpose report and have been prepared for taxation purposes on the principles contained in the Income Tax Act 2007 and internal management purposes.

The accounting policies adopted are not in conformity with generally accepted accounting practice. Accordingly, the financial statements should only be relied on for the expressly stated purpose.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified. The financial statements have been prepared on an accrual basis.

These financial statements have been prepared in New Zealand Dollars.

#### **Changes in Accounting Policies**

There have been no changes in Accounting Policies. All policies have been applied on bases consistent with those used in previous years.

#### **Going Concern**

These financial statements have been prepared on a going concern basis. The Trust had a net loss result at balance date of (\$4.66) and a net loss result for the year ended 31 March 2019 of (\$12,970.59). A working capital deficiency at balance date 2020 \$46,225.47 (2019 \$46,324.81).

The validity of the going concern basis depends on the Trusts ability to generate income from a forestry right. As such, there is a material uncertainty as to whether the Trust will continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The considered view of the Trustees is that, after making enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue operations for the foreseeable future.

For this reason, the Trustees continue to adopt the going concern assumption in preparing the financial statements for the year ended 31 March 2020.

The trustees have reached this conclusion taking into regard circumstances which they consider likely to affect the trust during the period of one year from the date on which these financial statements were approved and to circumstances which they know will occur after that date which could affect the validity of the going concern assumption.

*This Statement is to be read in conjunction with the attached Compilation Report and Notes to the Financial Statements.  
This statement has been prepared without audit or review.*

## **WAIPAPA 2B2 TRUST**

### **NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH, 2020

#### **Specific Accounting Policies**

In the preparation of these financial statements, the specific accounting policies are as follows:

##### **(a) Income Tax**

Provision has been made for taxation (where appropriate) after taking into consideration all deductions that are available. No provision has been made for deferred taxation.

##### **(b) Property, Plant & Equipment**

Fixed Assets are stated at cost (unless otherwise noted below) less aggregate depreciation. Land was revalued to the Ratings Valuation prepared by Quotable NZ dated 1 July, 2017.

##### **(c) Depreciation**

Depreciation has been calculated using the maximum rates provided for taxation purposes in the Income Tax Act, 2007. The particular rates and method of depreciation applied are as follows:

Land & Improvements	0% DV
Forestry Improvements	10% DV

No depreciation has been calculated on the revalued portion.

##### **(d) Goods and Services Tax (GST)**

These financial statements have been prepared on a GST exclusive basis where all items in the Revenue Accounts, together with Fixed Assets have been recorded exclusive of GST. Accounts Receivable and Accounts Payable are recorded in the Statement of Financial Position inclusive of GST.

##### **(e) Changes in Accounting Policies**

There have been no changes in Accounting Policies. All policies have been applied on bases consistent with those used in previous years.

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## WAIPAPA 2B2 TRUST

### NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2020

#### 2. Property, Plant & Equipment

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2020
Land & Improvements	956,716	-	-	956,716
Forestry Improvements	1,958	104	1,022	936
	<u>958,674</u>	<u>104</u>	<u>1,022</u>	<u>957,652</u>

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2019
Land & Improvements	956,716	-	-	956,716
Forestry Improvements	1,958	116	918	1,040
	<u>958,674</u>	<u>116</u>	<u>918</u>	<u>957,756</u>

#### 3. Taxation

	2020	2019
Surplus (Deficit) for the year	(4.66)	(12,970.59)
Add Back Timing Adjustment	-	2,800.00
Tax Loss	(4.66)	(10,170.59)
Taxation charge @ 17.5%	Nil	Nil
Plus Tax Losses Brought Forward	(69,096.13)	(58,925.54)
Tax Losses available to be Carried Forward	<u>(69,100.79)</u>	<u>(69,096.13)</u>
<b><u>Tax Paid/(Refunded)</u></b>		
Resident Withholding Tax Paid	(1.11)	(94.23)
Plus Prior Years	(94.23)	-
Tax Paid/(Tax Refund Due)	<u>(95.04)</u>	<u>(94.23)</u>

These losses to be carried forward are subject to Inland Revenue approval. The taxation benefits of losses will be available provided:

The Trust complies with conditions for offset imposed by the Income Tax Act 2007 and amendments thereto

No Change in taxation legislation adversely affects the Trust in realising the taxation benefits of those losses, and

The Trust generates assessable income in the future, against which the losses can be offset.

#### Maori Authority Credit Account (MACA)

	2020	2019
	\$	\$
Opening Balance @ 01/04/2019	18,328.82	18,307.47
RWT Paid on Interest	1.11	94.23
Tax Refunds	-	(72.88)
Closing Balance @ 31/03/2020	<u>18,329.93</u>	<u>18,328.82</u>

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This statement has been prepared without audit or review.*

## WAIPAPA 2B2 TRUST

### NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2020

#### 4. Beneficiaries Equity

	2020	2019
Original Capital	490,000.00	490,000.00
Shares Re-Purchased Maori Trustee	(8,442.37)	(8,442.37)
Accumulated Losses (1)	(36,846.94)	(36,842.28)
Unrealised Reserves (2)		
Land and Improvements	466,716.00	466,716.00
	911,426.69	911,431.35
<b>(1) Accumulated Losses</b>		
Opening Balance	(36,842.28)	(23,871.69)
Net Surplus/(Deficit) for Year	(4.66)	(12,970.59)
Closing Balance	(36,846.94)	(36,842.28)
<b>(2) Unrealised Reserves</b>		
Opening Balance	466,716.00	466,716.00
Closing Balance	466,716.00	466,716.00

#### 5. Asset Revaluation Reserve - Land and Improvements

The Net Book Value of Land and Improvements had been revalued to the Quotable Valuation NZ rating revaluation dated 1 July,2017.

Quotable Valuation of Land and Improvements at 01 July,2017 was \$958000.

#### 6. Forestry

As this Forest is post 1989, registration for ETS is optional.

#### 7. Related Party Transactions

There were no related party transactions during the year.

#### 8. Contingent Liabilities & Guarantees

There were no contingent liabilities or guarantees as at balance date.

2019  
(Nil)

#### 9. Capital & Lease Expenditure Commitments

There were no commitments for expenditure at year end.

2019  
(Nil)

#### 10. Events Occurring Subsequent to Balance Date

There have been no events subsequent to balance date that would have materially affected the financial position of the Trust or the figures contained within these financial statements.

2019  
(Nil)

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