



# REPORTS & FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

For the meeting of owners held 23 August 2023



Kusabs Lasike Limited

Chartered Accountants



## INDEX

### FOR THE ANNUAL GENERAL MEETING OF OWNERS 23 AUGUST 2023

#### Page

1	Directory
2	Agenda
3	Notice of Annual General Meeting held 23 August 2023
4 - 7	Minutes of the previous Annual General Meeting held 10 December 2020
8 – 12	Minutes of the Special General Meeting held 1 <sup>st</sup> March 2023
13 – 14	Chairpersons Report
15 - 17	Forestry Report
18 - 21	Peka Industrial Park Update
22 – 27	Summarised Financial Reports for years ended 30 June 2021 – 30 June 2022
28 – 44	Financial Statements for the Year Ended 30 June 2022
45 - 46	Trainee Trustee Policy



## Directory

### Trust Details

---

Helen Beckett	Chair
Andrew Kusabs	Trustee
Wally Lee	Trustee
Mike Miller	Trustee
Robert Phillips	Trustee
Lynette Iharaira	Trustee
Bryce Morrison	Trustee

Number of Owners 2389

### Peka Trust Secretary & Accountant



---

<b>Kusabs Lasike Limited</b>	Contact - Lau Lasike
1141 Pukaki Street, Rotorua	admin@kll.co.nz
PH 07 347 7533	

### Peka Industrial Park – Project Development Manager



---

<b>MB Property Consultants</b>	Contact - Mike Beattie
Po Box 19-496, Hamilton	mike@mbpc.co.nz
PH 027 221 9835	www.peka.nz

### Legal Support

---

<b>Le Pine &amp; Co</b>	Tony Devlin
37 Paora Hapi Street, Taupo	David Stoevelaar

---



---

## AGENDA FOR MEETING WEDNESDAY 23 AUGUST 2023

### 5.30PM

#### **1. Karakia Timatanga**

#### **2. Mihi**

#### **3. Apologies**

- Resolution that the apologies as per the Register be received

#### **4. Minutes of the General Meeting held on 10 December 2020**

- Resolution that the minutes of the General Meeting held on 10 December 2020 are a true and accurate record

#### **5. Minutes of the Special General Meeting held on 01 March 2023**

- Resolution that the minutes of the Special General Meeting held on 01 March 2023 are a true and accurate record
- Matters Arising from the minutes

#### **6. Chair Report**

- Resolution that the Chairperson's Report be received

#### **7. Forestry Report**

- Resolution that the Forestry Report be received

#### **9. Peka Industrial Park Update**

- Resolution that the Peka Industrial Park Update be received

#### **8. Financial Statements and Report for the year ended 30 June 2022**

- Resolution that the Financial Statements for the year ended 30 June 2022 be adopted and approved

#### **9. Re-appointment of the Auditors, Silks Audit Chartered Accountants**

- Resolution that Silks Audit., Chartered Accountants be re-appointed as auditors for the financial year 2023

#### **10. Trainee Trustee Policy**

- Resolution that the Trainee Trustee Policy be received

#### **11. Karakia Whakamutunga**

---

7.30pm – Dinner at Rydges Hotel





Notice is hereby given that a General Meeting of Beneficial Owners of Peka Trust will be held:

**VENUE:** Te Pakira Marae, Whakarewawera, Rotorua  
**DATE:** Wednesday 23<sup>rd</sup> August 2023  
**TIME:** 5.30 p.m. (Registrations open from 5.00pm)

#### **AGENDA**

1. Karakia Timatanga
2. Mihi
3. Apologies
4. Minutes of the General Meeting held on 10<sup>th</sup> December 2020
5. Chair Report
6. Forestry Update
7. Peka Industrial Park Update
8. Financial Statements and Report for the year ended 30 June 2022
9. Appointment of Auditor
10. Karakia Whakamutunga

**Important:** Dinner to follow at Chapmans Restaurant, Rydges Hotel at 7.30pm. Please RSVP for catering purposes by phone or email by 12.00pm, Friday 18<sup>th</sup> August 2023. P: 07 347 7533 or E: [admin@kll.co.nz](mailto:admin@kll.co.nz)

#### **Note:**

- a) Zoom is not available for this meeting.
- b) Notices of meeting will be sent to shareholders whose addresses are known. To register or update your details contact the secretary's office of Kusabs Lasike Ltd or online at [www.kll.co.nz](http://www.kll.co.nz)

Helen Beckett  
CHAIRPERSON

	<u><b>Minutes of the General Meeting of the Beneficial Owners of Peka Trust held at Novotel Rotorua, Lake End of Tutanekai Street, Rotorua on Thursday 10<sup>th</sup> December 2020 commencing at 6.00pm (Registration from 5.30 pm)</b></u>	
<b>PRESENT:</b>	Helen Beckett (Chair), Bryce Morrison, Andrew Kusabs, Michael Miller, Lynette Iharaira, Robert Piripi and beneficial owners and descendants of beneficial owners as per the Schedule of Attendance attached to the minutes.	
<b>IN ATTENDANCE:</b>	Lau Lasike (Secretary/Accountant, Kusabs Lasike Ltd), and Makuini Warbrick (Minute Secretary, Kusabs Lasike Ltd).	
<b>KARAKIA TIMATANGA:</b>	Mihi and Karakia was offered by Mr Robert Phillips.	
<b>QUORUM:</b>	The Quorum requirement of 10 Owners present as per the Trust Deed was met.	
<b>APOLOGIES:</b>	<p>A Register of Apologies was available as part of the registration process. Wally Lee, trustee of Peka Trust also tabled his apologies due to the Tuhourangi Tribal Authority AGM being held on the same evening.</p> <p><b>MOVED</b> <i>Margaret Clarke / Mere Waretini</i></p> <p><b>RESOLVED</b> <i>“That the apologies as per the Register of Apologies be received.”</i></p> <p><b>CARRIED (by voice)</b></p>	
<b>MINUTES OF THE PREVIOUS GENERAL MEETING HELD ON 24 NOVEMBER 2019:</b>	<p>The minutes were taken as read. The beneficial owners went through the minutes page by page to ensure the accuracy of the minutes and Mrs Helen Beckett asked for any amendments.</p> <p><b>MOVED</b> <i>Margaret Clarke / Tarina Flood</i></p> <p><b>RESOLVED</b> <i>“That the minutes of the Annual General Meeting of the Peka Trust held on Sunday, 24<sup>th</sup> November 2019, as circulated, be confirmed as a true and correct record of proceedings.”</i></p> <p><b>CARRIED (by voice)</b></p>	
<b>MATTERS ARISING FROM THE MINUTES:</b>	Mr Stephen Clarke asked about the result of the election. Mrs Beckett said that by count yes, Jaqueline Paul had more votes however, the poll vote was called thus the results were based on the amount of shares.	
<b>CHAIRPERSON’S REPORT:</b>	<p>The Chairperson’s Report, having been circulated in the agenda papers, was presented by Mrs Beckett.</p> <p>The Report covered:</p> <ul style="list-style-type: none"> <li>• Operations in the past year</li> <li>• Covid-19</li> <li>• Future land use options</li> <li>• Forestry</li> <li>• Corner SH5 &amp; 30 land restoration</li> </ul>	

	<ul style="list-style-type: none"> <li>• Strategic Plan</li> <li>• Dividend</li> <li>• Firewood for kaumātua</li> </ul> <p><b>MOVED</b> <i>Helen Beckett / Putiputi Tonihi</i></p> <p><b>RESOLVED</b> <i>“That the Chairperson’s Report be received.”</i></p> <p><b>CARRIED (by voice)</b></p>	
<p><b>MATTERS ARISING FROM THE CHAIRPERSON’S REPORT:</b></p>	<p>Mrs Margaret Clarke asked who is doing the clearing and replanting of the SH5/SH30 corner. Mrs Beckett said that the Rotokakahi BOC is going to do the mahi and get native planting completed. It is about whanau supporting whanau. The Trust will also need to engage someone with a machine to cut through some of the gorse. It will take a while to clean, spray and re-plant.</p> <p>Ms Janie Staite acknowledged and thanked the Trust for providing firewood during the Covid-19. Mrs Beckett said that this initiative will continue and if there are any kaumātua owners that have not been contacted yet, they should contact the Secretary’s office; Kusabs Lasike Ltd to organise a load of wood to be delivered.</p>	
<p><b>FORESTRY REPORT:</b></p>	<p>Mr Lau Lasike introduced himself and spoke to the Forest Report dated December 2020.</p> <p>The report covered:</p> <ul style="list-style-type: none"> <li>• Background</li> <li>• Log Market</li> <li>• Harvesting activity for the year ended 30 June 2020</li> <li>• Revenue</li> <li>• Valuation</li> <li>• Covid-19</li> <li>• Receiverships</li> <li>• Next Steps</li> </ul> <p>Ms Kim Haira asked why there was so much unpruned log. Mr Lasike said that a tree is made up of mostly of unpruned wood. The pruned part of a tree is only the first 6 or so meters.</p> <p>Ms Iris Kirimaoa asked what happens when the Trust closes down operations in the forest and what happens to the logging crew during these times. Mrs Beckett said that they go home. The Trust’s main concern is to look after the owners’ beneficiaries and its interest in getting the best return.</p> <p>A question from the floor asked if the Trust had considered selling wood to other countries. Mrs Beckett said that the Trust sells the logs to the port. The port then sells to different countries depending on demand and supply. When the loads reach the port (wharf) this is the point when the Trust receives funds, not when it reaches its destination.</p>	

	<p><b>MOVED</b> <i>Helen Beckett / Putiputi Tonihi</i></p> <p><b>RESOLVED</b> <i>“That the Forestry Report be received.”</i></p> <p><b>CARRIED (by voice)</b></p>	
<p><b>FINANCIAL REPORT:</b></p>	<p>Having been circulated in the agenda papers, Mr Lasike presented the full financial report for the year ended 30 June 2020.</p> <p>Mr Lasike explained that the accounts are audited by Dixon &amp; Co in Taupo, and they have approved Peka’s financial statements.</p> <p>Mr Lasike highlighted key items including the log harvesting returns and the change in reporting and transparency of the harvest operations from 2019 to 2020. Mr Lasike spoke in detail to the two receiverships during the 2019/20 year. The Trust has received 97% of the debt from Pacific Pine Industries which is a good outcome for the Trust from the receiver. Mr Lasike spoke to the administration fees and the amount of work that was required during the 2020 year with Covid, receivership and other projects. Mr Lasike elaborated on the Statement of Profit or Loss and balance sheet.</p> <p><b>MOVED</b> <i>Helen Beckett / Moana Corbett</i></p> <p><b>RESOLVED</b> <i>“That the audited Financial Statements for the years ended 30 June 2020 be adopted and approved.”</i></p> <p><b>CARRIED (by voice)</b></p>	
<p><b>RE-APPOINTMENT OF AUDITORS, DIXON &amp; CO. CHARTERED ACCOUNTANTS:</b></p>	<p><b>MOVED</b> <i>Helen Beckett / Jacob Anaru</i></p> <p><b>RESOLVED</b> <i>“That Dixon &amp; Co., Chartered Accountants be re-appointed as auditors for the financial year 2021.”</i></p> <p><b>CARRIED (by voice)</b></p>	
<p><b>ADOPTION OF STRATEGIC PLAN:</b></p>	<p>Mrs Beckett explained in detail the process that the Trust and trustees undertook with regards to creating the Strategic Plan, presenting it to the owners, allowing time for the owners to provide feedback before the AGM, where the Strategic plan would be adopted. The Trust did not receive any feedback to date. The Trust’s next step is to look at its business plan in the new year and will report back on progress at the next AGM.</p> <p><b>MOVED</b> <i>Helen Beckett / Margaret Clarke</i></p> <p><b>RESOLVED</b></p>	



	<p><i>“That the Peka Trust 2020-2025 strategic plan as presented at the Special General Meeting held Thursday 12<sup>th</sup> November 2020 be adopted.”</i></p> <p><b>CARRIED (by Voice)</b></p>	
<b>FUTURE DEVELOPMENT:</b>	<p>Mr Bryce Morrison presented the Trust’s future opportunities with land use and the ability to develop an industrial estate. Mr Morrison spoke about the Trust’s need to diversify and grow its assets. The land is zoned industrial, so it is a good time to take advantage of that status.</p> <p>Mr Morrison spoke to the different relationships that the Trust has developed including the Rotorua District Council, RCG, and Stratum to help develop the industrial site.</p> <p>Mr Morrison explained the need for the Trust to develop a commercial arm in order to protect the Trust’s assets. The Trust is also in negotiation to acquire the existing industrial site on SH 5. The Trust has received a master plan and the stages of the Peka Trust industrial development project. Mr Morrison spoke to a general concept plan of the industrial development on Peka land.</p> <p>Mr Morrison spoke about other future considerations including forestry and other land uses including providing job opportunities for our whanau. The Trust still has to consider the power lines, gas lines, Environment BOP etc. to look after the whenua.</p> <p>Mr Jacob Anaru asked if the owners could walk on the whenua to understand in person the developments that have been spoke about. Mrs Beckett said yes that is the plan. When there is something to look at, the Trust will hold opportunities to see the whenua. Mrs Beckett also spoke about the sensitivity of the project. There is a lot more happening behind the scenes and will continue in the next 12 months. Mrs Beckett noted that the land is still considered a worksite with the harvesting continuing, therefore more thought and planning will need to take place (health and safety) to hold a whanau Day on the whenua.</p>	
<b>KARAKIA WHAKAMUTUNGA:</b>	<p>There was no further business. The meeting closed with karakia by Mr Phillips at 7.18pm.</p>	

	<p align="center"><b><u>Minutes of the Special Meeting of the Beneficial Owners of Peka Trust held at Te Pakira Marae, Whakarewarewa, Rotorua</u></b>  <b><u>on Wednesday 1<sup>st</sup> March 2023 commencing at 6.00pm</u></b>  <b><u>(Registration from 5.00pm)</u></b></p>	
<b>PRESENT:</b>	Helen Beckett (Chair), Bryce Morrison, Andrew Kusabs, Wally Lee, Michael Miller, and Lynette Iharaira, and beneficial owners and descendants of beneficial owners as per the Schedule of Attendance attached to the minutes.	
<b>IN ATTENDANCE:</b>	Mike Beattie (MB Consultants Ltd) (Property Development Manager), Tony Devlin (Le Pine & Co) (Legal Representative), David Stoevelaar (Le Pine & Co) (Legal Representative), Lau Lasike (Secretary/Accountant), Jill Allely (Kusabs Lasike Ltd) and Makuini Warbrick (Minute Secretary).	
<b>MIHI:</b>	Mrs Helen Beckett welcomed everyone to the meeting. The purpose of tonight's meeting is to present the Industrial Development and table resolutions for voting by shareholders.	
<b>APOLOGIES:</b>	<p>A Register of Apologies was available as part of the registration process. Mrs Beckett noted that Robert Piripi (trustee) will attend after his shift has finished at Te Puia.</p> <p><b>MOVED</b> <i>Kahurautete Piripi / Shane Flood</i></p> <p><b>RESOLVED</b> <i>"That the apologies as per the apology register be accepted."</i></p> <p><b>CARRIED</b></p>	
<b>KARAKIA TIMATANGA:</b>	Karakia was offered by Mr Bryce Morrison.	
<b>PRESENTATION:</b>	<p>Mrs Beckett spoke to the history and timeline of the Trust from the last presentation to the owners at the Owners meeting in 2020.</p> <p>Ms Tarati Kinita asked who RCG was. Ms Beckett said that RCG was engaged to do an initial assessment on the development of the Peka land only for industrial development. The Trust has since engaged Mike Beattie (MB Consultants Ltd) to manage and provide a full assessment of the block (ignoring neighbouring boundaries).</p> <p>Mrs Beckett spoke to the Church Block (Waitaruna 4B2F). The Mere Kanea Trust purchased the land from the Church for \$1 in 2021.</p> <p>The Peka Trust was successful in purchasing the Bruce Law Industrial Site (where the Caltex stop is).</p> <p>Mrs Beckett said that towards the end of the meeting there will need to be more discussion on the</p> <p>Mr Mike Beattie introduced himself and spoke to the presentation provided in attendees' Meeting Packs. Mr Beattie spoke to the entire land area that is classed as Industrial zoned. Mr Beattie elaborated on</p>	

the goal, vision and objective of the industrial development including a focus on ensuring the Whenua is looked after.

Mr Beattie spoke to the 'Pros and Cons' of the Peka Land and developing the land into the industrial Park. This includes the industrial zone, existing access, natural features, and support from the wider council for the development. The constraints included some environmental considerations, lay of the land and lack of utilities.

Mr Beattie spoke to the market. Rental levels are rising and there is currently a land supply shortage for zoned industrial land which is a positive for Peka Trust.

Mr Beattie spoke to the regional competition including Tauriko, Auckland and Hamilton.

Mr Beattie spoke to the master plan, including stage 1 and 2 and further stages. Mr Beattie elaborated on the services that Council will be providing to the site entrance.

Ms Kinita asked where the sewer line is going. Looking at the map, it is going into Arikikapakapa. Mr Beattie said that the sewer lines follows the Council highway / road reserve. Ms Kinita said that more consideration needs to be given about water resource and utilities usage by recycling its own resource that comes from the land.

Mr Beattie spoke to the timeline and budget. The Trust is now at the consenting process. There have been some delays due to the recent weather events. The budget is approximately \$17,000,000 for stage one. Mr Beattie explained the funding requirements including Peka Trust funds, Funding from Kanoa (Provincial Growth Fund - government).

Mr Beattie said that the Trust has a few initial tenants already in the pipeline.

Mr Beattie spoke to marketing including website. The Trust wanted to use its own in the Marketing brand.

Mrs Beckett said that it is a lot to take in, but every step is being carefully looked at by the Trust and checked over by its support teams.

Mrs Beckett elaborated on the task given to Mike Beattie from the Trust. He was to look at the entire corner for development as a continuous area. The need for the Mere Kanea Trust and the Peka Trust arose from this.

Mr David Stoevelaar introduced himself and Mr Tony Devlin. Mr Stoevelaar explained what a limited partnership is and the need for

Peka Trust to establish a partnership. The Kanoa funding office has recommended the Trust establish a Limited Partnership as part of this application for protection of the Trust's assets.

Ms Watu Mihinui asked who will be the partners on the Limited Partnership. Mr Stoevelaar said that the General Partner is made up of a selection of Peka Trustees and the Limited partner is the Peka Trust.

Mrs Karen Walmsley asked what the maximum number of directors and partners the partnership could have. Mr Stoevelaar said that it is not limited but The Trust has opted for a suitable number.

Ms Pirihiro Haira asked if there was any opportunity for owners to have a say in the development and the operations of the development if it is set up as a Limited Partnership. Mr Stoevelaar said that the Limited Partnership is owned by the Peka Trust and they represent the best interested of the owners.

Mr Stoevelaar spoke to the proposed structure of leases and how it will operate. This includes a head lease from the Peka Trust to the Limited Partnership. Mr Stoevelaar spoke to the need to have the 125 head lease.

Mr Stoevelaar spoke to the need to establish a JV with the Mere Kanea Trust. The JV is to deal with the 4 lots as well as access to the site through a roading easement. Mrs Walmsley asked if the Peka Trust does not agree to the Joint Venture what would happen. Mr Stoevelaar said that the development as planned would not be able to go ahead. Ms Haira asked if the Peka Trust could just use the existing access through the Bruce Law Industrial site and joint this to the Peka Development.

Mr Stoevelaar said that the JV is needed for the roadway as well. Mr Lau Lasike added that the road (currently on the Mere Kanea Trust land) is already established. Mr Wally Lee explained that the Peka Trust had to negotiate a lease with the Church (Waitaruna 4B2F) prior to the commencement of the harvest, as the forest did not have an access point. The Trust did not own the Bruce Law Site at that time, and so significant infrastructure had to be completed for the forestry road. The Trust (from forestry proceeds) were then able to purchase the law block and Mere Kanea Trust purchase the Church Block. There is no other way for this area and access.

Ms Haira asked how the Peka Trust is managing the conflict between the Peka Trust and the Mere Kanea Trust. Mr Stoevelaar said that the Mere Kanea Trust will be seeking independent legal advice before entering the Joint Venture agreement. The Trust will also be seeking Maori Land Court approval for the Joint Venture Agreement. Mr Stoevelaar added that those Peka Trustees who are conflicted (i.e.



also owners / trustees / beneficiaries of the Mere Kanea Trust) will need to stand down from any negotiation with the Joint Venture.

A question from the floor was about the contributions of each party. Mrs Beckett said that the Peka Trust is receiving the Kanoa funding and will be used to develop the initial sites, which includes the sites on Mere Kanea Trust Land. The Joint Venture Agreement will specify how the Mere Kanea Trust will contribute to pay the Kanoa Loan off.

Ms Kinita asked about the longevity of the roadway once the Joint Venture is finished. Mr Tony Devlin said that as part of the Joint Venture, a road easement will be granted from the Mere Kanea Trust which will be indefinite.

A question from the floor was why the 125 year head lease is necessary and if that is a minimum or maximum. Mr Stoevelaar said that it is a term that everyone is comfortable with and is a maximum. It will allow the Partnership to lease the land without Maori Land Court approval each time (including long term leases and capital leases).

Ms Katarina Komene, asked about the considerations given on building on flood prone land especially given the latest weather events. Mr Beattie said that the Trust's design has taken into account waterways and storm water, and has taken a conservative approach to it.

Ms Watu Mihinui asked if the Kanoa funding is a grant or a loan. Mr Stoevelaar said that the funding is a loan.

HB called a poll vote for the resolutions tabled.

Mrs Walmsley asked about the Joint Venture and whether it would be possible for the 34% (minority shareholders) to have the opportunity to have an input or be a part of the JV. Mr Tony Devlin said that when there is a conflict that is risen in discussion, those trustee will step down from that discussion. The Joint Venture Agreement will also be ratified by the Maori Land Court.

Ms Sharon Porter asked about the other two trustees elected by the Mere Kanea Trust at a previous AGM and whether these two trustees (Bryce Morrison and Mike Miller) are also conflicted by any negotiations between the Peka Trust and the Mere Kanea Trust. Mrs Beckett said that Mike Miller and Bryce Morrison were elected on to the Peka Trust by the Mere Kanea Trust, however, they do not have any association with the Mere Kanea Trust, and therefore they are not conflicted and can continue discussions and negotiations.

Ms Deborah Toa said that that the Trust has over 2000 owners and yet there aren't many people that are attending the meeting to vote. It is hard for the owners present to vote and make a decision on behalf

Minutes of the Special General Meeting of Owners 01 March 2023

	<p>of all of the owners. Mrs Beckett spoke to the notification process. The meeting notice was advertised in the local paper, emailed to those owners whom the Secretary holds email addresses for, and posted to all owners whom addresses are held.</p> <p>Mr Wiremu Keepa acknowledged the trustees presentation and commended the work that has been completed to date.</p> <p>Mr Morrison said that there are 4 trustees on the Peka Trust who are not associated with the Mere Kanea Trust. They are on the Trust to ensure that all Peka Trust Owners interests are look after in the best manner.</p> <p>Ms Beckett instructed registered owners to fill in their voting forms on the way out of the meeting and hand them in to the Secretary staff for collation and counting.</p>	
<p><b>KARAKIA WHAKAMUTUNGA:</b></p>	<p>There was no further business. The meeting closed with karakia by Mr Keepa at 7.35pm.</p>	

Signed..... (Chair)

## **PEKA TRUST CHAIRMAN'S REPORT 2021/2022**

TENA KOUTOU KATOA!

NAU MAI HAERE MAI KI TENEI HUI A TAU O PEKA LANDS TRUST.

It is my pleasure and privilege to present to you my Chairman's Report.

The Covid outbreak put paid to our holding our AGM for the Y/E 2021, this will be presented today along with accounts for both Y/E 2021 & 2022.

We have had an extremely busy couple of years with significant activity and progress on several fronts. Forestry harvest & replant, industrial development, alternative land use options and environmental planning have been key areas of focus for the trust.

### **HARVEST & REPLANT**

As of today, the harvest of our forest sits at around 90% completion. There have been waves of highs and lows outside of our control, log prices impacted by international demand and at times over supply. Our Forest & Harvest Manager Tony Williams, and Sunvalley Harvest crew led by Neville Stanaway have done an incredible job, mitigating the impact of the lows where possible & increasing production when prices were high. – Ngā mihi team.

Replanting of the forestry block commenced in 2021 with 84 hectares planted, in 2022 we planted 106 hectares and we are on track for another 100 hectares for 2023. We have retired some areas for environmental protection as well as the area for industrial development.

### **PEST & PREDATOR MANAGEMENT**

In 2021, Peka entered into an agreement with Kapenga & Tumunui to apply for pest and predator management funding through DOC-funded, Jobs for Nature. Funding was secured and Indigi Land Care crew was contracted to implement an extensive 3-year programme across the three contiguous land blocks. This crew whakapapa to the whenua and are passionate in their kaitiaki roles. Through the project, they are mentored and participate in ongoing training and skills development relevant to this mahi.

### **NEW BUSINESS – STRATEGIC PLAN**

As mentioned in previous hui, the purchase of "Laws" Industrial Park has always been a focus for the Trust. In July 2021 we were successful in acquiring this asset and we are now working toward incorporating this space and its tenants into the new development. You will see from the financials that the purchase has been a substantial and successful investment by the Trust with above average returns.

### **INDUSTRIAL DEVELOPMENT**

Our success with securing a \$6m loan from government agency KaNoa speaks volumes to the support our vision has received from the highest level.

Following on from the SGM held in March 2023, the Trust formed a limited partnership, appointing directors Michael Miller, Wally Lee & myself to manage the Development.

We are currently in the process of having consents approved and appointing the head contractor for earthworks and civils which will commence in spring.

Trustees have been across all aspects of the Development with regular meetings and updates from key contractors & consultants, we are committed to this project for the people – by the people.

Our Development Manager Mike Beattie will bring all up to speed with his presentation.

### **ENVIRONMENTAL**

In 2022, we engaged Ruru Sustainable Forest & Land who were tasked with producing an Environmental Policy and Plan, this is now complete and is available on request from the office.

We have identified freshwater resources and indigenous flora and fauna on Peka, and we are now tasked with managing activities to minimize potential adverse effects.

As our Environmental specialist, Wiremu works closely with the Industrial Development team to ensure the protection of the waterways & eco-systems.

Retired forestry areas are now being considered for restoration and native planting.

### **TRAINEE TRUSTEE**

Policy needed to be created for this Kaupapa which was raised at the 2020 AGM. The objective of this policy will be to provide trainee trustees with the necessary training and education to expand their governance skills, equipping them to become effective trustees. The draft policy is being tabled today for your approval.

### **SUPPORTING AND GROWING OUR PEOPLE**

The success of the harvest for 2020/2021 allowed the Trust to declare a \$500,000 distribution to beneficial owners, this was followed by a further distribution of \$200,000 for the 2021/2022 financial year. A dividend of \$500,000 was distributed for the 2022/2023 financial year and will appear in next year's accounts.

The Trust has decided that there will be no distribution this year given the investment in the Industrial Development, we will review this on an annual basis.

The Trust continues to provide firewood to our kaumātua and meat packs to beneficiaries when possible.

I would like to take this opportunity to thank my fellow Trustees for their continued efforts, support, and commitment.

Thank you also to the KLL team, Lau, Makuini & Logan.

Ngā Mihi Nui,

Helen Beckett - Chairman



**PEKA TRUST / TUMUNUI JOINT VENTURE**  
**FORESTRY REPORT**  
**AGM AUGUST 2023**

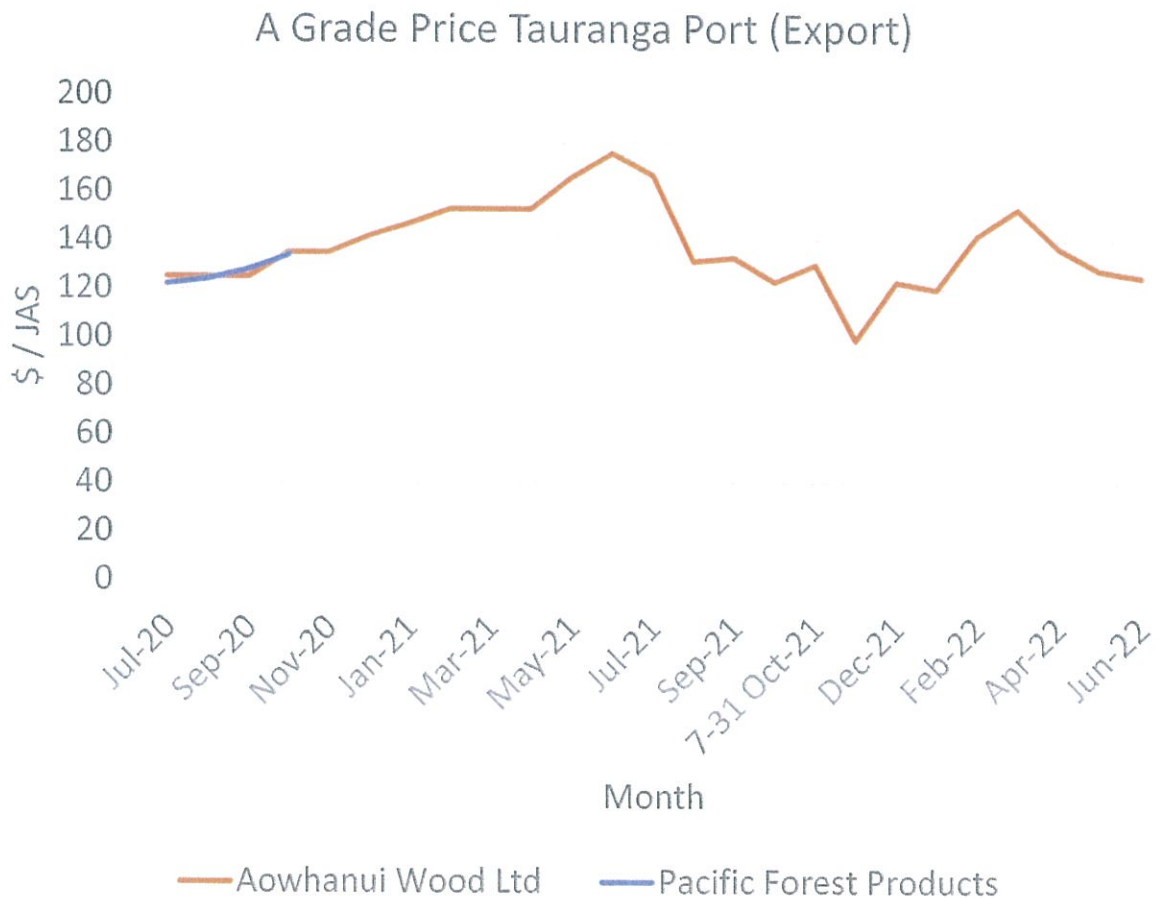
**Background**

The Peka Trust and Tumunui Lands Trust formed a joint venture for the forestry operations. In 1992 and 1993, approximately 411 ha of Pinus Radiata (pine) was planted. There are also some smaller areas of poplar, native shrubs and blackberry in the wetland. The forest was pruned and thinned during its growth phase. When harvesting commenced on 1 November 2018, the joint venture ownership (share of profit) was as follows:

**Peka Trust: 71.79%**  
**Tumunui Lands Trust: 28.21%**

**Log Market**

The log market during the 2020 to 2022 years was met with fluctuations of highs and lows. The impact of Covid-19 in New Zealand and in China continued with demand and supply issues, as well as increasing cost resulting in fluctuating pricing.



### Harvesting Activity for the years ended 30 June 2021 and 30 June 2022

The forest is in good condition. At the beginning of the 2020-2021 year there was approximately 220 ha of forest left to harvest. The Joint Venture engages Tony Williams of New Zealand Forest and Woodlot Ltd for harvest advisory and marketing services, Sunvalley Logging Ltd for harvesting and RFH for log cartage.

During the year the logs were sold to various customers including:

- Pacific Forest Products (Export)
- Aowhanui Wood Ltd (Export)
- Tenco Ltd (Export)
- Claymark Ltd Partnership (Pruned, Domestic)
- Donnelly Sawmill (Pruned, Domestic)
- Oji Fibre Solutions (Kinleith Mill, Pulp)
- Shane Hooker Ltd (Pulp)

The Joint Venture harvested approximately 141.35 ha over the two years from 1 July 2020 to 30 June 2022 which produced over 134,000 tonnes of sold logs. The harvest consisted of:

#### 2020-2021

- Pruned Logs / Sold to domestic market (10,246 Tonnes)
- Export Logs (54,284 Tonnes)
- Pulp (4,905 Tonnes)

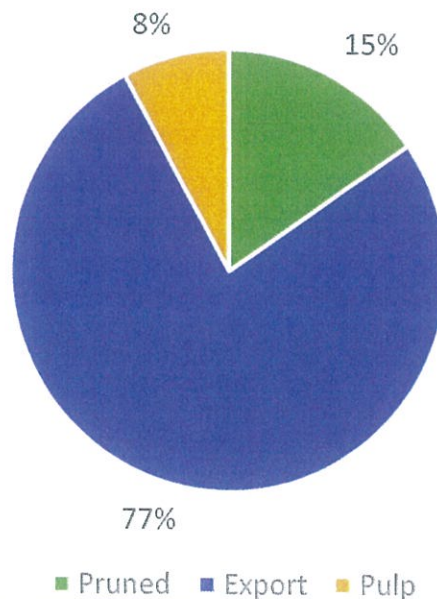
**Total: 69,435 Tonnes**

#### 2021-2022

- Pruned Logs / Sold to domestic market (10,391 Tonnes)
- Export Logs (48,655 Tonnes)
- Pulp (5,630 Tonnes)

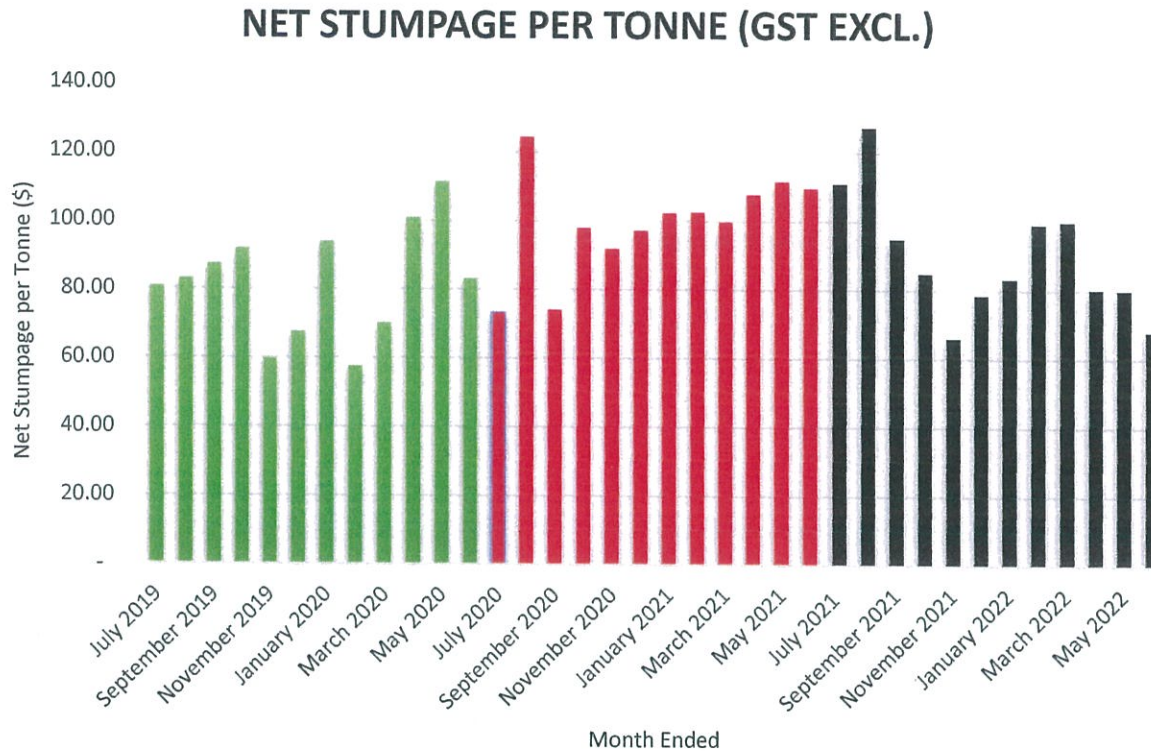
**Total: 64,676 Tonnes**

Peka/Tumunui JV Breakdown of Logs Sold 2020 to 2022



## Revenue

The Trust's share of the net stumpage (that is, total revenue less harvest related costs) as at 30 June 2021 was \$4,567,977 and as at the year ended 30 June 2022 the net stumpage was \$3,677,421. The overall net stumpage per tonne for the year ended 30 June 2022 is \$85.41.



## Valuation

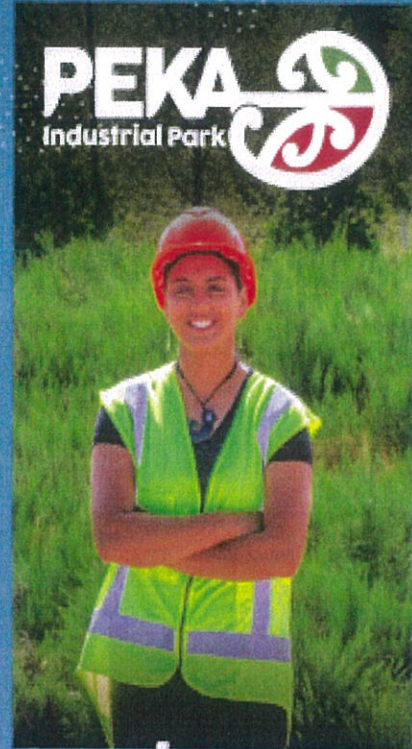
The remaining 78.45 hectares was valued at \$8,678,139 as at 30 June 2022 by NZ Forest and Woodlot Ltd. The Trust's share of the forest is \$6,230,035.

## Replant

The Trust has now harvested over 332 ha and has implemented a replant programme to the cleared areas starting in 2021. As at the 30 June 2022 the Trust has replanted 190 ha.



# Development Update





## Programme

- Detailed Design Completed
- Consents in Progress
- Contractor Submissions close on Friday
- Start on site 18 September
- Council signoff and subdivision complete June 2024

## Budget

- Tracking well against the preliminary budget
- Cost Manager to review the budget now that we have detailed design

## Consents

- Earthworks Consent lodged
- Engineering Consent lodged
- Dust Control Consent in Preparation
- Subdivision Consent will be lodged in December

## Contractors

- Three firms shortlisted from nine submissions
- Pricing documents issued and close this Friday
- Appointment expected September 2



## Marketing

- "peka.nz" is the website for the Industrial Park
- We also have Facebook and LinkedIn sites up and running
- We are building content and contacts as a planned process
- Newsletter being prepared now
- Site signage prepared, need Waka Kotahi okay to install

## Tenants

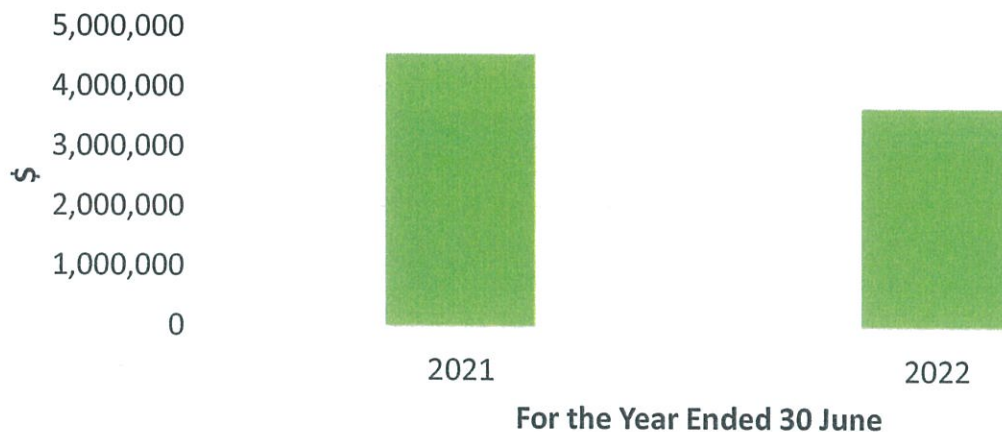
- Market interest has been very good in this Park
- Currently negotiating with 7 prospective tenants
- This covers 50% of the 12 hectares of Stage 1
- In addition a separate tenant is seeking to lease a much larger tenancy outside of stage 1

**PEKA TRUST**

**SUMMARISED STATEMENT OF PEKA / TUMUNUI FORESTRY JOINT VENTURE  
FOR THE YEARS ENDED 30 JUNE 2021 & 2022**

	2021 \$	2022 \$
<b>Income</b>		
Forest JV Logging Income	9,618,192	8,571,821
Bad Debts Recovery	87,765	-
	9,705,957	8,571,821
<b>Less:</b>		
Forest Operating Expenses	3,118,637	3,160,718
Administration Expenses	141,212	137,666
Fixed and Financial Expenses	33,732	37,455
<b>Total Expenses</b>	3,293,581	3,335,839
<b>Trading Profit / (Loss) for the year</b>	6,412,376	5,235,982
<b>Share of Profit - Forestry Joint Venture</b>		
Peka Trust	4,567,977	3,677,421
Tumunui Trust	1,844,400	1,558,561
<b>Total Share of Profit - Forestry Joint Venture</b>	6,412,377	5,235,982

**Peka Trust Share of JV Profit (\$)**



**2022 Total Share of Profit - Forestry Joint Venture**





PEKA TRUST

**SUMMARISED STATEMENT OF FINANCIAL PERFORMANCE**

FOR THE YEARS ENDED 30 JUNE 2021 & 2022

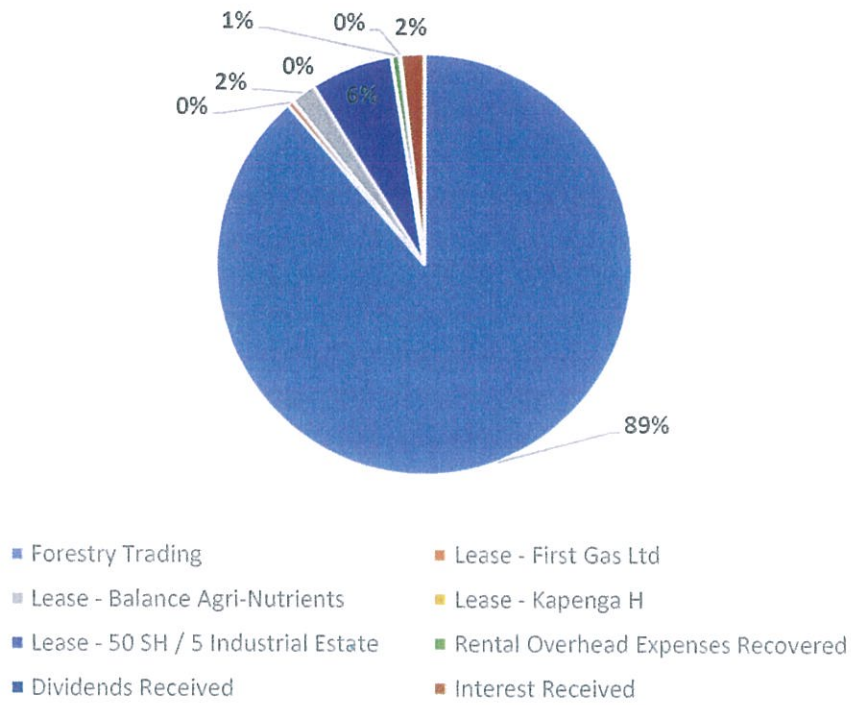
	2021 \$	2022 \$
<b>Income</b>		
Forestry Trading	4,567,977	3,677,421
Lease - First Gas Ltd	19,100	21,200
Lease - Balance Agri-Nutrients	79,500	79,500
Lease - Kapenga H	200	200
Lease - 50 SH / 5 Industrial Estate	65	265,016
Rental Overhead Expenses Recovered	-	26,760
Dividends Received	1,465	3,022
Interest Received	36,543	77,130
<b>Total Income Before Expenses</b>	<u>4,704,850</u>	<u>4,150,249</u>
<b>Less:</b>		
Repairs & Maintenance	1,153	64,378
Administration Expenses	328,451	365,305
Fixed & Financial Expenses	14,776	51,420
Depreciation	15,819	61,023
Non-Deductible Expenses	11,795	45,756
<b>Total Expenses</b>	<u>371,993</u>	<u>587,882</u>
<b>Taxable Surplus/(Deficit) before Income Tax</b>	<u>4,332,857</u>	<u>3,562,368</u>
Income Tax	759,844	630,916
<b>Net Surplus/(Loss) for the year</b>	<u><u>3,573,013</u></u>	<u><u>2,931,452</u></u>

**SUMMARISED STATEMENT OF MOVEMENTS IN EQUITY**

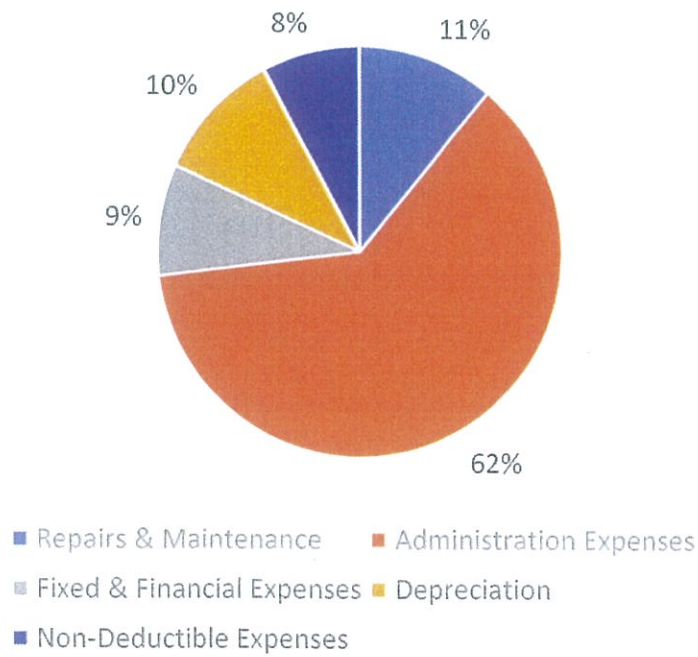
FOR THE YEARS ENDED 30 JUNE 2021 & 2022

	2021 \$	2022 \$
<b>EQUITY AT THE BEGINNING OF THE YEAR</b>	15,512,585	20,125,547
<b>SURPLUS/(DEFICIT) &amp; REVALUATIONS</b>		
Surplus/(Deficit) for the year	3,573,013	2,931,452
Increase / (Decrease) in Asset Revaluation Reserve	1,540,919	(1,957,509)
Increase/(Decrease) in Realised Capital Reserves	(970)	29,905
Dividends Paid	(500,000)	(200,000)
<b>Total recognised revenues &amp; expenses for the period</b>	<u>4,612,962</u>	<u>803,848</u>
<b>EQUITY AT THE OF THE YEAR</b>	<u><u>20,125,547</u></u>	<u><u>20,929,395</u></u>

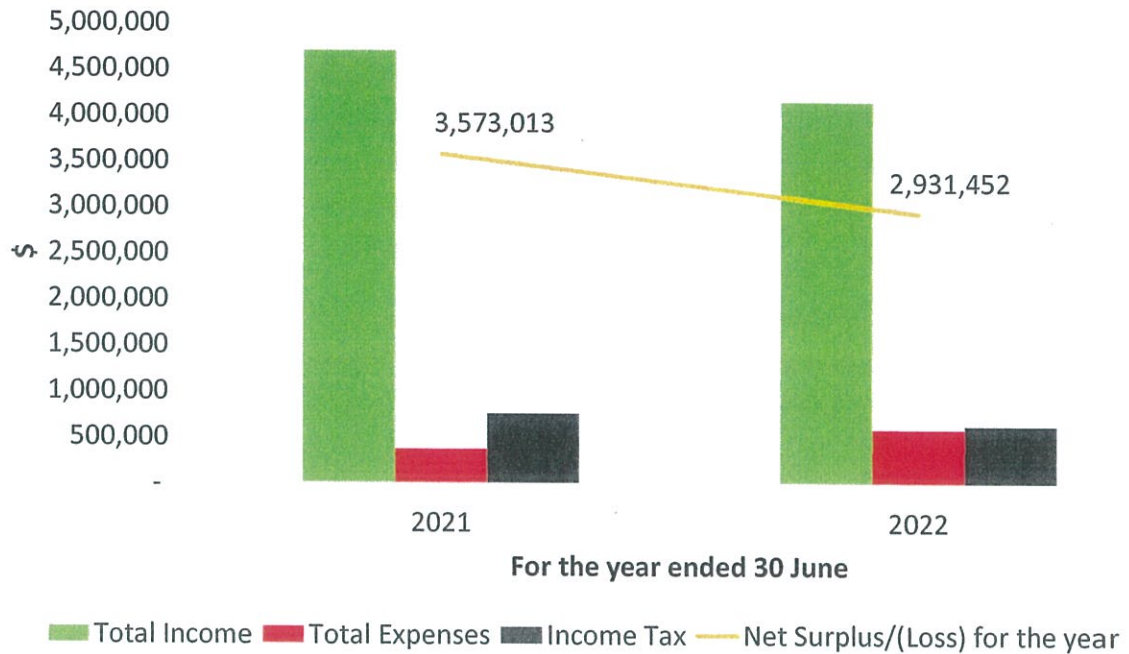
Peka Trust 2022 Total Income Breakdown



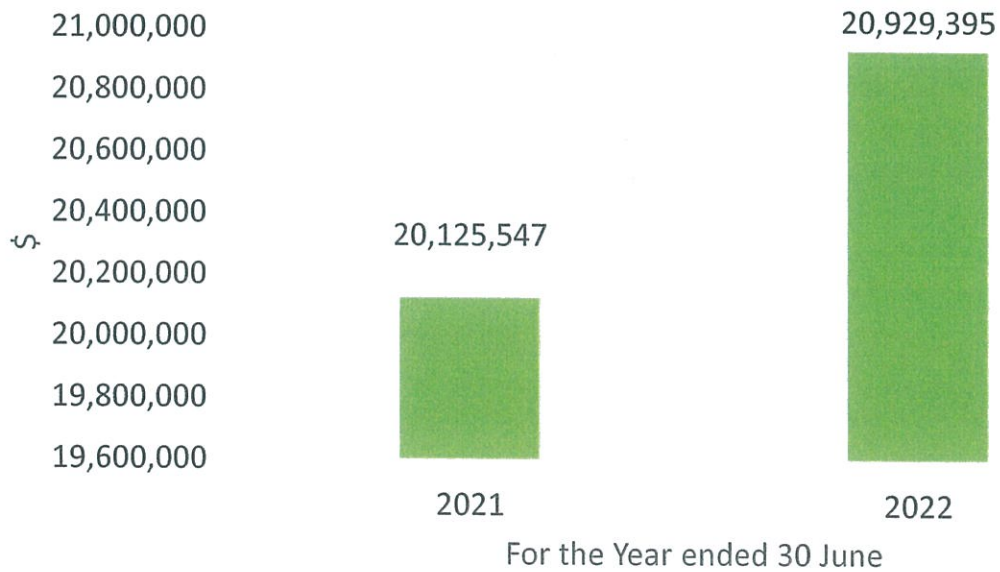
Peka Trust 2022 Total Expenses Breakdown



**Peka Trust Total Income, Expenses, Tax and Net Profit**



**Peka Trust Net Equity**



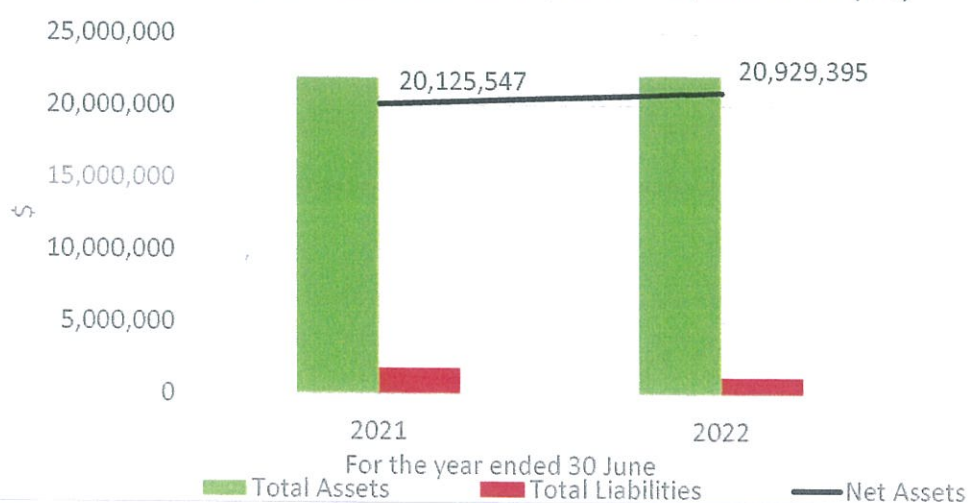
**PEKA TRUST**

**SUMMARISED STATEMENT OF FINANCIAL POSITION**

AS AT THE YEARS ENDED 30 JUNE 2021 & 2022

	2021	2022
	\$	\$
<b>CURRENT ASSETS</b>		
Total Cash at Bank	3,226,927	5,979,052
Accounts Receivables	1,486,975	809,055
Prepayments	15,506	38,124
Peka Industrial Development Vouchers on Hand	232,273	316,571
	-	9,450
<b>Total Current Assets</b>	4,961,680	7,152,253
<b>NON-CURRENT ASSETS</b>		
Property, Plant & Equipment	16,921,540	14,951,785
Long Term Investments - Shares	59,911	24,273
<b>Total Non Current Assets</b>	16,981,451	14,976,058
<b>TOTAL ASSETS</b>	21,943,131	22,128,311
<b>CURRENT LIABILITIES</b>		
Creditors & Borrowings	1,817,584	1,198,916
<b>Total Current Liabilities</b>	1,817,584	1,198,916
<b>NET ASSETS</b>	20,125,547	20,929,395
<b>TRUST FUNDS</b>		
Beneficiaries Equity	20,125,547	20,929,395
<b>TOTAL TRUST EQUITY</b>	20,125,547	20,929,395

Peka Trust Total Assets, Liabilities, and Net Equity

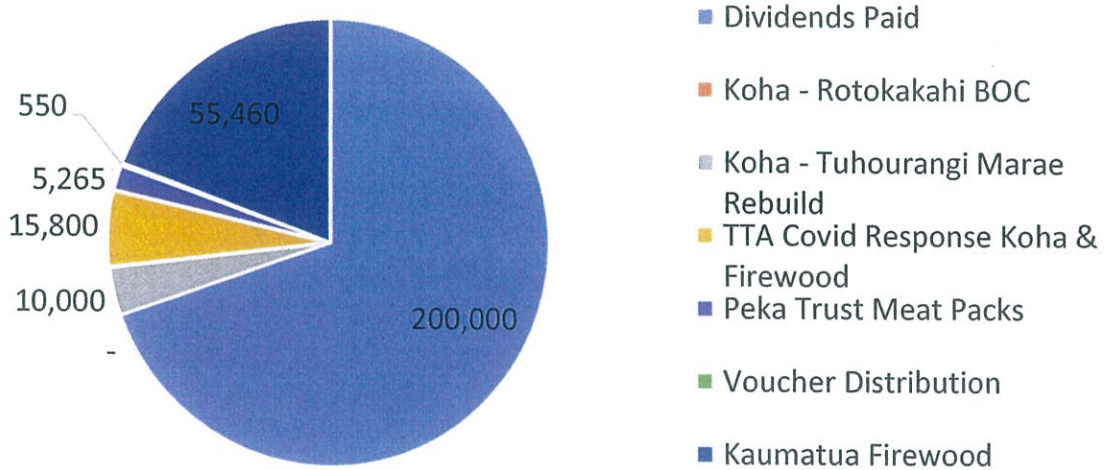


**PEKA TRUST**

***Peka Trust Total Distributions***

	<b>2021</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Dividends Paid	500,000	200,000
Koha - Rotokakahi BOC	10,000	-
Koha - Tuhourangi Marae Rebuild	-	10,000
TTA Covid Response Koha & Firewood	-	15,800
Peka Trust Meat Packs	-	5,265
Voucher Distribution	-	550
Kaumatua Firewood	18,261	55,460
	<b>528,261</b>	<b>287,075</b>

**Peka Trust Total Distributions  
for the year ended 30 June 2022**



# Annual Report

Peka Trust

For the year ended 30 June 2022

Prepared by Kusabs Lasike Ltd



## Contents

- 3 Audit Report
- 4 Approval of Financial Report
- 5 Statement of Peka/Tumunui Forestry Joint Venture
- 6 Statement of Profit or Loss
- 8 Statement of Changes in Equity
- 9 Balance Sheet
- 11 Notes to the Financial Statements





## INDEPENDENT AUDITORS REPORT

To the Trustees of Peka Trust

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Peka Trust (the Trust) on pages 5 to 16, which comprise the balance sheet as at 30 June 2022, and the statement of profit or loss, and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements of Peka Trust for the year ended 30 June 2022 are prepared, in all material respects, in accordance with Special Purpose accounting policies as determined by governance.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Peka Trust.

#### Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the owners and Inland Revenue Department. As a result, the financial statements may not be suitable for another purpose.

#### Trustees' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Trust for determining that the Special Purpose Framework adopted is acceptable in the Trust's circumstances, for the preparation and fair presentation of the financial statements in accordance with the Special Purpose Framework, and



for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

### **Auditors Responsibilities for the Audit of the Financial Statements**

Our objectives are 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 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 and 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 detailed description of the auditors' responsibilities including those related to assessment of risk of material misstatement, evaluation of appropriateness of going concern assumptions and determining key audit matters are available on the external reporting board website:  
<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

### **Restriction on Distribution or Use**

This report is made solely to Trustees as required under the Trust Deed. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an 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 Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



**Cameron Town**  
**Silks Audit Chartered Accountants Ltd**  
**Whanganui, New Zealand**

Date: 25 May 2023

# Approval of Financial Report

Peka Trust

For the year ended 30 June 2022

The Trustees are pleased to present the approved financial report including the historical financial statements of Peka Trust for year ended 30 June 2022.

APPROVED

For and on behalf of the Trustees.



Trustee

Date 25/5/23



Trustee

Date 25/5/23



# Statement of Peka/Tumunui Forestry Joint Venture

Peka Trust

For the year ended 30 June 2022

	2022	2021
<b>Income</b>		
<b>Income</b>		
Forest JV Logging Income	8,571,821	9,618,192
Bad Debts Recovery	-	87,765
<b>Total Income</b>	<b>8,571,821</b>	<b>9,705,957</b>
<b>Expenses</b>		
<b>Operating Expenses</b>		
Forestry Expenses	-	7,645
Forest JV Cartage and Weigh Bridge	1,018,075	1,059,050
Forest JV Levies	21,615	20,728
Forest JV Logging Contractor	1,823,851	1,846,723
Forest JV Mapping	1,400	4,833
Forest JV Tracks	58,924	83,319
Peka Forest Planting Expenses	65,287	-
Peka Forest Seedlings	50,664	28,619
Peka Forest Site Clearing	55,723	27,670
Peka Forest Weed & Pest	65,178	40,050
<b>Total Operating Expenses</b>	<b>3,160,718</b>	<b>3,118,637</b>
<b>Administration Expenses</b>		
Peka Forest Management Fees	13,950	-
Forest JV Audit Fees	-	7,700
Forest JV Bank Fees	21	41
Forest JV Harvest Advisory	123,696	133,471
<b>Total Administration Expenses</b>	<b>137,666</b>	<b>141,212</b>
<b>Fixed and Financial Expenses</b>		
Insurance	27,362	24,812
Rates	10,092	3,920
<b>Total Fixed and Financial Expenses</b>	<b>37,454</b>	<b>33,732</b>
<b>Total Expenses</b>	<b>3,335,638</b>	<b>3,293,580</b>
Trading Profit/(Loss) for the year	5,235,982	6,412,377
	2022	2021
<b>Share of Profit - Forestry Joint Venture</b>		
Peka Trust	3,677,421	4,567,977
Tumunui Trust	1,558,561	1,844,400
<b>Total Share of Profit - Forestry Joint Venture</b>	<b>5,235,982</b>	<b>6,412,377</b>

These Financial Statements is to be read in conjunction with the attached Audit Report, Accounting Policies and Notes to the Financial Statements.



# Statement of Profit or Loss

Peka Trust

For the year ended 30 June 2022

	NOTES	2022	2021
<b>Income</b>			
Forestry Trading		3,677,421	4,567,977
Lease - First Gas Ltd		21,200	19,100
Lease - Ballance Agri-Nutrients		79,500	79,500
Lease - Kapenga H		200	200
Lease - 50 SH / 5 Industrial Estate		265,016	65
Rental Overhead Expenses Recovered		26,760	-
<b>Gross Profit</b>		<b>4,070,098</b>	<b>4,666,842</b>
<b>Other Income</b>			
Dividends Received		3,022	1,465
Interest Received		77,150	36,543
<b>Total Other Income</b>		<b>80,152</b>	<b>38,008</b>
<b>Total Income</b>		<b>4,150,249</b>	<b>4,704,850</b>
<b>Expenses</b>			
<b>Repairs &amp; Maintenance</b>			
Mowing		1,491	900
Repairs & Maintenance - Grounds & Buildings		55,150	-
Plant & Equipment		7,607	253
Trailer Expenses		130	-
<b>Total Repairs &amp; Maintenance</b>		<b>64,378</b>	<b>1,153</b>
<b>Administration Expenses</b>			
Accountancy & Secretarial Fees		124,393	116,190
AGM Expenses		325	7,278
Audit Fees		5,000	5,664
Bank Fees & Charges		188	128
Consultancy Fees		33,916	5,477
General Expenses		276	550
Legal Fees		12,568	7,786
Light Power & Heating		11,490	-
Printing & Stationery		1,529	2,951
Resource Consents		7,707	-
Seminars & Conferences		-	1,452
Share Register Maintenance		16,314	16,959
Subscriptions & Licences		561	1,500
Trustees Expenses		1,637	3,316
Trustees Fees		146,800	158,600
Valuations Fees		1,600	300
<b>Total Administration Expenses</b>		<b>365,305</b>	<b>328,451</b>

These Financial Statements is to be read in conjunction with the attached Audit Report, Accounting Policies and Notes to the Financial Statements.





Statement of Profit or Loss

	NOTES	2022	2021
<b>Fixed and Financial Expenses</b>			
Insurance		25,606	5,823
Interest - IRD Use of Money		4,598	298
Rates		17,466	4,154
Rent		3,750	5,000
<b>Total Fixed and Financial Expenses</b>		<b>51,420</b>	<b>14,776</b>
<b>Total Expenses</b>		<b>481,103</b>	<b>344,379</b>
<b>Non-Cash Adjustments for the Year</b>			
Depreciation		61,025	15,819
<b>Total Non-Cash Adjustments for the Year</b>		<b>61,023</b>	<b>15,819</b>
<b>Profit (Loss) Before Taxation</b>		<b>3,608,123</b>	<b>4,344,652</b>
<b>Taxation and Adjustments</b>			
<b>Non-Deductible Expenses</b>			
IRD Penalties		52	636
Legal Expenses – non-deductible		14,090	-
Koha		15,815	10,000
Non-Deductible Entertainment Expense		-	1,159
TTA Firewood		15,800	-
<b>Total Non-Deductible Expenses</b>		<b>45,756</b>	<b>11,795</b>
Income Tax Expense		630,916	759,844
<b>Total Taxation and Adjustments</b>		<b>676,672</b>	<b>771,639</b>
<b>Net Trustees Income for the Year</b>		<b>2,931,452</b>	<b>3,573,013</b>

These Financial Statements is to be read in conjunction with the attached Audit Report, Accounting Policies and Notes to the Financial Statements.



# Statement of Changes in Equity

Peka Trust

For the year ended 30 June 2022

	NOTES	2022	2021
<b>Trust Capital</b>			
Opening Balance		20,125,547	15,512,565
Surplus/(Deficit) for the period		2,982,452	3,573,019
<b>Other Movements for the year</b>			
Asset Revaluation Reserve	5	(1,957,509)	1,540,919
Realised Capital Reserves	5	29,905	(970)
Total Other Movements for the year		(1,927,604)	1,539,949
<b>Contributions &amp; Distributions</b>			
Dividends Paid		(200,000)	(500,000)
Total Contributions & Distributions		(200,000)	(500,000)
Total Trust Capital		20,929,395	20,125,547

These Financial Statements is to be read in conjunction with the attached Audit Report, Accounting Policies and Notes to the Financial Statements.



# Balance Sheet

## Peka Trust

As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
<b>Assets</b>			
<b>Current Assets</b>			
<b>Cash and Bank</b>			
Peka Trust		273,751	27,558
Peka Trust Call Account		1,077,705	2,422,859
Peka Trust Forestry		424,951	766,510
Peka Trust Rental		2,666	-
BNZ Term Deposit 3012		4,200,000	-
<b>Total Cash and Bank</b>		<b>5,979,052</b>	<b>3,226,927</b>
<b>Accounts Receivable</b>			
Accounts Receivable		309,055	1,486,975
<b>Prepayments</b>			
Prepayment - Rent paid in advance		825	863
Prepayments-Insurance		37,299	14,643
<b>Total Prepayments</b>		<b>38,124</b>	<b>15,506</b>
<b>Total Accounts Receivable</b>		<b>847,179</b>	<b>1,502,481</b>
Peka Trust Industrial Development		316,571	232,273
BP Gift Cards		4,700	-
Pak N Save Vouchers		4,750	-
<b>Total Current Assets</b>		<b>7,152,253</b>	<b>4,961,681</b>
<b>Non-Current Assets</b>			
Investment in Shares		24,273	59,911
Property, Plant and Equipment	6	14,951,785	16,921,540
<b>Total Non-Current Assets</b>		<b>14,976,058</b>	<b>16,981,450</b>
<b>Total Assets</b>		<b>22,128,311</b>	<b>21,943,132</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Lease Received in Advance - First Gas Ltd		10,600	10,600
Lease Received in Advance - Kapenga H Trust		183	183
Lease Received in Advance - R Te Wiki		-	406
Unclaimed Dividends		329,250	273,851
Accounts Payable		661,223	942,696
GST Payable		76,471	183,933
Income Tax Payable	3	121,180	405,915
<b>Total Current Liabilities</b>		<b>1,198,916</b>	<b>1,817,564</b>
<b>Total Liabilities</b>		<b>1,198,916</b>	<b>1,817,564</b>
<b>Net Assets</b>		<b>20,929,395</b>	<b>20,125,547</b>

These Financial Statements is to be read in conjunction with the attached Audit Report, Accounting Policies and Notes to the Financial Statements.



Balance Sheet

	NOTES	30 JUN 2022	30 JUN 2021
<b>Equity</b>			
Trust Equity		20,929,895	20,125,547
Total Equity		20,929,895	20,125,547

These Financial Statements is to be read in conjunction with the attached Audit Report, Accounting Policies and Notes to the Financial Statements.





# Notes to the Financial Statements

## Peka Trust For the year ended 30 June 2022

### 1. Reporting Entity

Peka Trust is an Ahu Whenua Trust as defined under section 215 of Te Ture Whenua Maori Act 1993. Peka Trust is engaged in the business of Commercial Rentals and Forestry.

These are special purpose financial statements.

### 2. Statement of Accounting Policies

#### Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose accounting policies determined by governance, which are compliant with the requirements of the Income Tax Act 2007 and the Tax Administration (Financial Statements) Order 2014.

The financial statements have been prepared for taxation purposes and for the Shareholders/Owners. The special purpose financial statements have been prepared on an accrual basis.

#### Historical Cost

These financial statements have been prepared on a historical cost basis, except for certain assets which have been revalued as identified in specific accounting policies below. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

#### Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

#### Revenue Recognition

Revenue is measured at the fair market value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Lease income is recognised on a straight line basis over the life of the lease.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Dividends received are recognised on receipt, net of non-refundable tax credits.

#### Property, Plant and Equipment

Plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

Land, Improvements and Buildings have been revalued to the latest Ratings Valuation dated 1 September 2020.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Forestry has been revalued to the latest Market Value as assessed by Tony Williams of NZ Forest & Woodlot Services Ltd (See note 8)

#### Investments

Investments are stated at market value determined as at balance date by reference to prevailing market rates.

#### Depreciation

Account	Method	Rate
Buildings	Diminishing Value/Straightline	0% - 2% 0% - 2.5%
Land Development Costs	Diminishing Value (100%)	0% - 13%
Office Equipment	Diminishing Value (100%)	50%
Land	Diminishing Value (100%)	0%
Plant & Equipment	Diminishing Value (100%)	8% - 40%
Furniture & Fittings	Diminishing Value (100%)	2% - 25%

#### Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

#### Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

#### Operating Leases

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are recognised in the determination of the operating surplus/(deficit) in equal instalments over the lease term.

#### Land Development Costs

The Trust has incurred costs for future industrial development on their land. The costs involved have been held as a current asset until the project commences, at which time the costs will be transferred to fixed assets.

	2022	2021
<b>\$, Income Tax Expense</b>		
Net Profit (Loss) Before Tax	3,608,123	4,344,652
<b>Additions to Taxable Profit</b>		

	2022	2021
Imputation Credits Received	613	570
Total Additions to Taxable Profit	613	570
Taxable Profit (Loss)	3,608,737	4,345,222
Tax Payable at 17.5%	631,529	760,414
<b>Less Imputation Credits Received</b>		
Imputation Credits Prior Years	-	570
Imputation Credits Received	613	-
Total Less Imputation Credits Received	613	570
Taxation Payable	630,916	759,844
Opening Balance	405,915	109,157
Income tax refunded	3,817	4,736
Resident withholding tax paid	(978)	(9,126)
Income tax paid	(918,481)	(458,696)
Taxation Payable/(Tax Refund)	121,189	405,915

	2022	2021
<b>4. Maori Authority Credit Account (MACA)</b>		
Opening Balance - 1st July	1,012,245	653,717
Imputation Tax Credits	356	273
RWT on Investments	187	6,798
Income Tax Paid	918,481	459,630
Tax Refunds	(3,817)	(4,736)
MACA's attached to Dividends paid	(42,424)	(106,051)
Balance - 31st March	1,895,029	1,009,531
Imputation Tax Credits	257	297
RWT on Investments	790	2,661
Income Tax Paid	-	-
Tax Refunds	-	-
Closing Balance 30th June	1,886,076	1,017,245

	2022	2021
<b>5. Equity</b>		
Original Capital	2,390	2,390
<b>Retained Earnings</b>		
Opening Balance	7,137,017	4,054,004
Current Year Earnings	2,931,452	3,573,013
Dividend Paid	(200,000)	(500,000)
Total Retained Earnings	9,868,469	7,137,017
<b>Realised Capital Reserves</b>		
Capital Reserve	72,042	72,042
Tilt Share Profit	29,905	-
Total Realised Capital Reserves	101,947	72,042



	2022	2021
<b>Asset Revaluation Reserves</b>		
Opening Balance	12,914,098	11,373,180
Movements in Revaluation Reserve	(1,957,509)	1,540,919
Total Asset Revaluation Reserves	10,956,589	12,914,098
Total Equity	20,929,395	20,125,547
	2022	2021
<b>Realised Capital Reserve</b>		
Department of Maori Affairs	25,172	25,172
Forestry Corporation NZ Ltd	35,500	35,500
Potorua Electricity Ltd - Shares	600	600
Trustpower - Share Conversion	69	69
R. Phillips Loan written off	(999)	(999)
BOP Fertiliser Co Ltd	11,700	11,700
Tilt - Share Buyback	29,905	-
Total Realised Capital Reserve	101,947	72,042
	2022	2021
<b>Asset Revaluation Reserve</b>		
Land & Buildings	4,702,959	4,702,959
Forestry	6,230,026	8,148,533
Trustpower Shares	32,707	32,707
Tilt Shares	-	29,889
Total Asset Revaluation Reserve	10,965,712	12,914,098
	2022	2021
<b>6. Property, Plant and Equipment</b>		
<b>Land</b>		
Land at cost	6,284,412	6,284,412
Total Land	6,284,412	6,284,412
<b>Buildings</b>		
Buildings at cost	1,689,000	1,689,000
Accumulated depreciation - buildings	(79,173)	(46,270)
Total Buildings	1,609,827	1,642,720
<b>Plant and Equipment</b>		
Plant and machinery owned	54,273	44,507
Accumulated depreciation - plant and machinery owned	(13,935)	(8,005)
Total Plant and Equipment	40,338	36,502
<b>Furniture and Fittings</b>		
Furniture and fittings owned	36,398	36,398
Accumulated depreciation - furniture and fittings owned	(3,690)	(9)
Total Furniture and Fittings	32,708	36,389



	2022	2021
<b>Office Equipment</b>		
Office Equipment	4,102	4,102
Accumulated depreciation - fixed assets owned	(3,185)	(2,267)
<b>Total Office Equipment</b>	<b>918</b>	<b>1,835</b>
<b>Land Development Costs</b>		
Land Development Costs	7,921,699	8,940,196
Accumulated depreciation - Land Development Costs	(35,106)	(20,506)
<b>Total Land Development Costs</b>	<b>6,886,593</b>	<b>8,919,690</b>
<b>Total Property, Plant and Equipment</b>	<b>14,951,785</b>	<b>16,921,540</b>

### 7. Asset Revaluation Reserve - Land & Buildings

The net Book Value of Land & Buildings have been revalued to the current ratings valuation dated 1 September 2020, as valued by Opteon Technologies Ltd.

The difference has been credited to the Asset Revaluation Reserve - Land & Buildings. Valuation of Land and Buildings as at 1 September as at 1 September 2020 as \$4,756,000.

### 8. Forestry Revaluation

The Net Book Value of Forestry has been valued by Tony Williams of NZ Forest Woodlot Services Ltd dated 30 June 2022. The revaluation at balance date is \$6,230,036.

### 9. Non-Cancellable Operating Leases

On 20/12/2018 the Trust entered into a lease with the Roman Catholic Bishop of the Diocese of Hamilton for 5,944ha of land known as Waitaruna 4B2F Block. During the current year the land was purchased by the Mere Kanea Trust and the existing lease was transferred to that Trust.

The lease is for 5 years commencing on 1/9/2018 and expiring on 31/08/2023 with two rights of renewal for a further 5 years. The annual rental is \$5,000 plus GST. Next rent review is 1/9/2023.

### 10. Related Party Transactions

Helen Beckett is a trustee of Peka Trust, and her family the trustees of Mere Kanea Whanau Trust are beneficiaries of Peka Trust. Mere Kanea Trust own and occupy houses on Peka Trust Lands for which they pay a peppercorn rental of \$1 p.a. under a ground lease. The lease commenced in November 2012 and expire on 31 October 2027.

Helen Beckett and Lynette Iharaia are trustees of both the Peka Trust and the Mere Kanea Trust. The Mere Kanea Trust owns the land known as Waitaruna 4B2F Block. Peka Trust leases this land. The Mere Kanea Trust received \$3,712.33 during the year for rent plus reimbursement of rates. Rental in advance is \$824. (2021: \$Nil).

Mason Beckett, son of Helen Beckett provided services during the year for site clearing (firewood) to the amount of \$20,417.39 (2021: \$Nil).

Whanau PGM is owned by Helen Beckett and her family. During the year Whanau PGM provided site clearing services (firewood) to the amount of \$7,355.65 (2021: \$Nil) and property and building maintenance services of \$25,425.00 (2021: \$Nil). Payment owing to Whanau PGM of \$1,417 is included in Accounts Payable.

Dennis Beckett, husband of Helen Beckett provided construction services to the Trust during the year to the amount of \$300 (2021: \$1,889.57)

Lynette Iharaia is a Trustee of Peka Trust and a Trustee of Mere Kanea Whanau Trust.

Peka Trust and Tumunui Lands Trust have a joint Venture arrangement for forestry on 367.5ha approx., of Peka Trust Land. Wally Lee and Andrew Kusabs are trustees of both Peka Trust and Tumunui Lands Trust.

#### 11. Contingent Commitments & Liabilities

The Trust is planning to develop a portion of land for industrial/commercial use. The cost to date is \$316,571.43. Total cost of the development cannot be qualified at balance date.

There were no other commitments for expenditure at year end. (2021 \$332,272.81).

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

The Peka Trust held an Special General meeting of owners on the 1st March 2023. The owners present approved the Peka Trust to form a Limited Partnership (Peka Developments Limited Partnership) subject to Maori Land Court approval which is currently being reviewed. The Limited Partnership will manage the Industrial Development and Lessees. There have been no other events subsequent to balance date that would have materially affected the financial position of the Trust or the figures contained within these financial statements. (2021 \$2,300,000).





## **Trainee Trustee Policy**

### **POLICY STATEMENT:**

Peka Lands Trust is committed to nurturing the development of future trustees and ensuring the effective governance of the Trust. The Trainee Trustee Policy outlines the requirements and opportunities for trainee trustees to enhance their governance skills through attendance at trainee trustee courses.

### **OBJECTIVE:**

The objective of this policy is to provide trainee trustees with the necessary training and education to expand their governance skills, equipping them to become effective trustees.

#### **1. Trainee Trustee Eligibility:**

- a) Trainee trustee positions shall be made available from time to time to individuals who express an interest in becoming a trustee.
- b) The eligibility criteria for trainee trustees shall be determined by the Board of Trustees.

#### **2. Trainee Trustee Courses:**

- a) Trainee trustees shall be required to attend relevant courses focused on governance, leadership, and other skills necessary to fulfil their roles effectively.
- b) The courses may include, but are not limited to, trustee training programs, workshops, seminars, and conferences conducted by reputable organizations or institutions.
- c) The Board of Trustees shall identify and select appropriate training opportunities for trainee trustees based on the trust's needs and objectives.
- d) Trainee trustees shall be encouraged to actively participate in the learning process, engage in discussions, and share their experiences with fellow trainees and trustees.
- e) Trainee Trustees may undertake specific tasks as instructed by the Trust but will not incur any expenditure or commit the Trust to any contract or legal obligation without prior approval of the Board of Trustees.

#### **3. Funding and Support**

- a) Peka Lands Trust shall provide financial support for trainee trustees to attend the designated courses, subject to the availability of funds and the Trust's budgetary considerations.
- b) Trainee trustees shall be responsible for requesting funding support in advance, providing necessary details regarding the chosen courses, estimated costs, and expected benefits.
- c) The Board of Trustees shall review and approve funding requests based on the relevance and value of the training opportunity to the trainee trustee's development and the trust's objectives.





#### **4. Reporting and Evaluation**

- a) Trainee trustees shall be required to provide reports or summaries of the courses attended, highlighting key takeaways, and sharing insights gained during the training.
- b) The Board of Trustees shall evaluate the effectiveness of the trainee trustee program periodically to ensure its alignment with the trust's goals and to identify areas for improvement.
- c) The trainee trustee program shall serve as a foundation for trainees to gain the necessary skills and knowledge required to undertake the responsibilities of a trustee effectively.

#### **5. Term of Appointment**

- a) The term of appointment of each Trainee Trustee shall be for a term of 2 years. The Board of Trustees do not undertake that any such appointment will be extended but may at their discretion renew or extend such term as they see fit. The Trustees reserve the right to terminate the appointment at any time.
- b) Trainee Trustees will, at the expiry of their term receive a written acknowledgement of the commitment to the program, but the Board of Trustees are under no obligation to provide any further reference or information to or on behalf of the Candidate or to any other person.
- c) Trainee Trustees are not permitted to attend trustee meetings.
- d) A trainee trustee will not automatically step into a trustee vacancy for Peka Trust.
- e) It is not mandatory that a trustee of Peka Lands Trust should have first been a trainee trustee.

#### **6. Confidentiality and Code of Conduct**

- a) Trainee trustees shall adhere to the Trust's confidentiality policies and obligations, maintaining the confidentiality of sensitive Trust information and discussions.
- b) Trainee trustees shall uphold the trust's code of conduct and ethical standards throughout their participation in the Trainee Trustee program.
- c) Trainee Trustees shall comply with all statutory obligation of the Trustees including Health and Safety.

#### **7. Policy Review**

- a) This policy shall be reviewed periodically by the Board of Trustees to ensure its continued relevance, effectiveness, and alignment with the Trust's objectives.

Approval:

Date:





## **Trainee Trustee Policy**

### **POLICY STATEMENT:**

Peka Lands Trust is committed to nurturing the development of future trustees and ensuring the effective governance of the Trust. The Trainee Trustee Policy outlines the requirements and opportunities for trainee trustees to enhance their governance skills through attendance at trainee trustee courses.

### **OBJECTIVE:**

The objective of this policy is to provide trainee trustees with the necessary training and education to expand their governance skills, equipping them to become effective trustees.

#### **1. Trainee Trustee Eligibility:**

- a) Trainee trustee positions shall be made available from time to time to individuals who express an interest in becoming a trustee.
- b) The eligibility criteria for trainee trustees shall be determined by the Board of Trustees.

#### **2. Trainee Trustee Courses:**

- a) Trainee trustees shall be required to attend relevant courses focused on governance, leadership, and other skills necessary to fulfil their roles effectively.
- b) The courses may include, but are not limited to, trustee training programs, workshops, seminars, and conferences conducted by reputable organizations or institutions.
- c) The Board of Trustees shall identify and select appropriate training opportunities for trainee trustees based on the trust's needs and objectives.
- d) Trainee trustees shall be encouraged to actively participate in the learning process, engage in discussions, and share their experiences with fellow trainees and trustees.
- e) Trainee Trustees may undertake specific tasks as instructed by the Trust but will not incur any expenditure or commit the Trust to any contract or legal obligation without prior approval of the Board of Trustees.

#### **3. Funding and Support**

- a) Peka Lands Trust shall provide financial support for trainee trustees to attend the designated courses, subject to the availability of funds and the Trust's budgetary considerations.
- b) Trainee trustees shall be responsible for requesting funding support in advance, providing necessary details regarding the chosen courses, estimated costs, and expected benefits.
- c) The Board of Trustees shall review and approve funding requests based on the relevance and value of the training opportunity to the trainee trustee's development and the trust's objectives.



#### **4. Reporting and Evaluation**

- a) Trainee trustees shall be required to provide reports or summaries of the courses attended, highlighting key takeaways, and sharing insights gained during the training.
- b) The Board of Trustees shall evaluate the effectiveness of the trainee trustee program periodically to ensure its alignment with the trust's goals and to identify areas for improvement.
- c) The trainee trustee program shall serve as a foundation for trainees to gain the necessary skills and knowledge required to undertake the responsibilities of a trustee effectively.

#### **5. Term of Appointment**

- a) The term of appointment of each Trainee Trustee shall be for a term of 2 years. The Board of Trustees do not undertake that any such appointment will be extended but may at their discretion renew or extend such term as they see fit. The Trustees reserve the right to terminate the appointment at any time.
- b) Trainee Trustees will, at the expiry of their term receive a written acknowledgement of the commitment to the program, but the Board of Trustees are under no obligation to provide any further reference or information to or on behalf of the Candidate or to any other person.
- c) Trainee Trustees are not permitted to attend trustee meetings.
- d) A trainee trustee will not automatically step into a trustee vacancy for Peka Trust.
- e) It is not mandatory that a trustee of Peka Lands Trust should have first been a trainee trustee.

#### **6. Confidentiality and Code of Conduct**

- a) Trainee trustees shall adhere to the Trust's confidentiality policies and obligations, maintaining the confidentiality of sensitive Trust information and discussions.
- b) Trainee trustees shall uphold the trust's code of conduct and ethical standards throughout their participation in the Trainee Trustee program.
- c) Trainee Trustees shall comply with all statutory obligations of the Trustees including Health and Safety.

#### **7. Policy Review**

- a) This policy shall be reviewed periodically by the Board of Trustees to ensure its continued relevance, effectiveness, and alignment with the Trust's objectives.

Approval:

Date: