

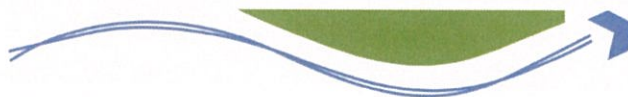
**OKERE 1B3C3 AND ADJOINING BLOCKS INC**



**OKERE 1B3C3 & ADJOINING  
BLOCKS INCORPORATED**

For the Annual General Meeting of Owners held  
26th March 2023

# OKERE 1B3C3 AND ADJOINING BLOCKS INC

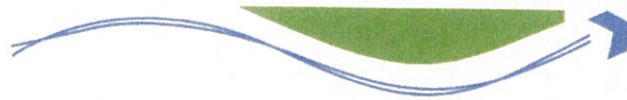


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# OKERE 1B3C3 AND ADJOINING BLOCKS INC



## Directory

### COMMITTEE OF MANAGEMENT:

- Piki Thomas (Chairperson)
- Charles Hemana
- Faith Smith
- Hakopa Paul
- Ranginui Rikirangi-Thomas

### SECRETARY/ACCOUNTANT:

Lau Lasike  
Kusabs Lasike Ltd, 1141 Pukaki Street, Rotorua  
Phone : 07 347 7533  
Email: [admin@kll.co.nz](mailto:admin@kll.co.nz)

### FARM CONSULTANT:

Peter Livingston  
Agfirst Central, ANZ House Level 1/1230A Amohau Street, Rotorua  
Phone : 07 349 4333  
Email: [rotorua@agfirst.co.nz](mailto:rotorua@agfirst.co.nz)



## OKERE 1B3C3 AND ADJOINING BLOCKS INC



### OKERE 1B3C3 AND ADJOINING BLOCKS INCORPORATED

Notice is hereby given that the annual general meeting of shareholders of the Okere 1B3C3 and Adjoining Blocks Incorporation will be held, at Taheke Marae, 119 Okere Rd, Okere Falls, Rotorua on Sunday 26 March 2023 commencing at 11.00am (Registration 10.30am)

#### Business

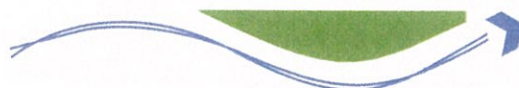
1. To receive the Report of the Committee, the Farm Report and the Financial Statements for the year ended 30 June 2022
2. To remove the appointment of the Auditor, Silks Audit Chartered Accountants, pursuant to the Te Ture Whenua Act 1993 audit requirement thresholds for Maori incorporations. However, a chartered accountant must prepare the Incorporation's financial statements.
3. Zipline & Geothermal Development Update
4. General business including,
  - To receive the Financial Reports of Okere 1B1 Trust and Okere 1B2B Trust

**Note:** 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 Limited, 1141 Pukaki Street, Rotorua 07 3477533 or online at [www.kll.co.nz](http://www.kll.co.nz)

Piki Thomas  
Chairperson

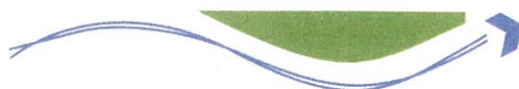


## OKERE 1B3C3 AND ADJOINING BLOCKS INC



<b><u>Minutes of the Annual General Meeting of Shareholders of Okere 1B3C3 and Adjoining Blocks Incorporation Held at Taheke Marae, 119 Okere Road, Okere Falls Rotorua, on Sunday 20<sup>th</sup> June 2021 commencing at 11.00am (registration from 10.30am)</u></b>	
<b>PRESENT:</b>	Piki Thomas (Chair), Charles Hemana, Faith Smith, Ranginui Rikirangi-Thomas, and the shareholders and beneficiaries as per the attached register.
<b>IN ATTENDANCE:</b>	Peter Livingston (Farm Advisor), Lau Lasike (Secretary/Accountant), Makuini Warbrick (Minute Secretary).
<b>KARAKIA/MIHI:</b>	Was offered by Mr Martin Hunuhunu.
<b>WELCOME:</b>	Mr. Piki Thomas thanked everyone for their attendance and welcomed them to the meeting. Mr Thomas explained that the financial reports will also cover Okere 1B1 and Okere 1B2B Trusts.
<b>ITEMS FOR GENERAL BUSINESS:</b>	<ol style="list-style-type: none"> <li>1. To receive the Financial Reports of Okere 1B1 Trust and Okere 1B2B Trust.</li> <li>2. Taheke Papakainga Blocks</li> <li>3. Zipline Venture</li> <li>4. Okere Store</li> <li>5. Marae Renovations</li> <li>6. Dividend</li> <li>7. Other General Business</li> </ol>
<b>APOLOGIES:</b>	<p>An apologies register was circulated as part of the registration process for apologies to be registered.</p> <p><b>MOVED</b> <i>Faith Smith / Martin Hunuhunu</i></p> <p><b>RESOLVED</b> <i>"That the apologies as per the register of apologies be accepted."</i></p> <p><b>CARRIED (By Voice)</b></p>
<b>SECRETARIAL:</b>	<p style="text-align: center;"><b><u>Minutes of the Previous AGM – 12/07/2020</u></b></p> <p>Attendees were given time to read through the previous minutes for any amendments.</p> <p><b>MOVED</b> <i>Rangiwhakahekea Mason / Rawiri Kingi</i></p> <p><b>RESOLVED</b> <i>"That the minutes of the last Annual General Meeting held on Sunday 12<sup>th</sup> July 2020 be and are hereby confirmed as a true and correct record of proceedings at that meeting."</i></p> <p><b>CARRIED (By Voice)</b></p> <p><b><u>Matters Arising From the Previous Meeting:</u></b> Mr Clarke Puru asked for an update on the farm purchasing its own Stock, and a review of data collected of the farm operations. Mr Thomas said that those items will be updated during the farm report.</p>

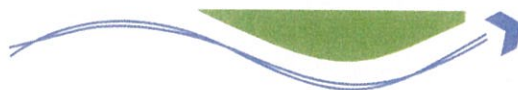
## OKERE 1B3C3 AND ADJOINING BLOCKS INC



<p><b>COMMITTEE REPORT:</b></p>	<p>Mr Thomas presented and elaborated upon his report. It covered:</p> <ul style="list-style-type: none"> <li>• <b>Health, Safety &amp; Wellbeing</b></li> </ul> <p>Mr Thomas iterated the importance of health and wellbeing on the farm.</p> <ul style="list-style-type: none"> <li>• <b>Environmental Commitment</b></li> </ul> <p>Mr Thomas spoke to wallaby proofing and pest control. The Bay of Plenty Regional Council is putting up a pest proof fence line to assist with pest control.</p> <ul style="list-style-type: none"> <li>• <b>Farming Operations</b></li> </ul> <p>The Incorporation continues to look at ways to diversify and have alternate options for revenue so that the farm isn't relying on one source of income. The Incorporation does not want to be solely rely on grazing income.</p> <ul style="list-style-type: none"> <li>• <b>Financial Performance</b></li> <li>• <b>Zipline Project</b></li> </ul> <p>Mr Thomas provided a brief update. The consents and concessions have finally been approved and Mr Sam Sutton is now working on developing the zip line. Mr Thomas spoke to the Incorporations part in the venture and that It is part of diversifying income. Mr Thomas spoke to the Incorporation's process around ensuring wahi tapu and areas of significance are excluded from the tracks and are kept preserved.</p> <ul style="list-style-type: none"> <li>• <b>Geothermal</b></li> </ul> <p>Mr Thomas spoke to the Geothermal update. Mercury have advised that their demand for geothermal is not great, so this partnership is likely to end at some stage. The Incorporation are talking with Taheke 8C, and possibility for building a relationship for geothermal.</p> <ul style="list-style-type: none"> <li>• <b>Chris Belcher Retirement</b></li> </ul> <p>Mr Thomas spoke to the retirement of Chris Belcher (Manager) and acknowledged the work that Wade Rika has put into the farm since his retirement. Mr Thomas spoke to the new farm manager appointed; Tiini Latoa.</p> <ul style="list-style-type: none"> <li>• <b>Performance &amp; Looking forward</b></li> </ul> <p><b>MOVED</b> <i>Charles Hemana / Faith Smith</i></p> <p><b>RESOLVED</b> <i>"That the Committee's Report is received."</i></p> <p><b>CARRIED (By Voice)</b></p>	
<p><b>FARM REPORT:</b></p>	<p>Mr. Peter Livingston spoke to the farm report. It covered:</p> <ul style="list-style-type: none"> <li>• <b>Background</b></li> <li>• <b>The 2019/2020 Year – Key features</b></li> </ul> <p>Mr Livingston spoke the effect of Covid-19 on farmers in general. It caused a lot of issues trying to get stock to the meat works and the demand decreased significantly as restaurants were closed. This caused the prices to drop. The sheep and beef schedules has just started to the recover in the last few weeks to pre-covid rates. There is a financial effect because of this. Last year was also a 1 in 50 year drought, and one of the toughest ones experienced throughout of the district.</p> <ul style="list-style-type: none"> <li>• <b>Stock Policies</b></li> </ul>	



## OKERE 1B3C3 AND ADJOINING BLOCKS INC



Mr Livingston spoke to the overall environmental pressures and the need to analyse and change the farming system to be a more productive and efficient system. Mr Livingston explained how the current grazing contracts work in general. Mr Livingston spoke to the two funded studies completed including the drought Resilience Project and MPI Land Use capability Study. These studies showed potential risks and opportunities for the Incorporation going forward. Mr Livingston elaborated on the farm environment plans and important dates coming up. Mr Livingston also spoke to the low lambing rate in the last year being due to the drought as not as many ewe took to the ram.

- **Farm Maintenance**

This is an ongoing item. The Incorporation tried to maintain inputs on the farm despite the pressures of Covid and the drought.

- **Compliance**

Mr Livingston spoke to retirement/riparian planting. From the MPI study, the final report will provide a recommendations to apply funding in Jobs for Nature etc. to plant these areas out in different plantation.

### **MOVED**

*Rawiri Kingi / Rangiwakaheke Mason*

### **RESOLVED**

*"That the farm report is received."*

### **CARRIED (by voice)**

#### **Matters arising from the Farm Report:**

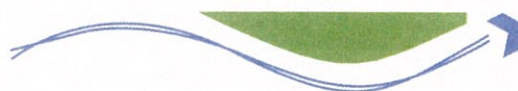
Mr Peter Klaus asked about the option of planting production trees/forest and the ability to claim Carbon Credits in the existing native bush areas. Mr Livingston said that only new plantation areas to be included in the ETS to claim the carbon credits. There are areas which could be used for plantation but some areas would be more productive in farming. Mr Clarke Puru asked about riparian areas. Mr Livingston clarified that the accepted area retired is 5 metres either side of waterways. Some areas it is more beneficial to have a slightly bigger riparian strip too. There are funding options for riparian planting.

Mr Puru asked for clarification on the organisational structure of the incorporation and the farm operations, and who owners should contact with farm queries. Mr Livingston explained that generally speaking the manager is in charge of the day to day operations on the farm and reports to the Committee of Management as the employer. AgFirst is engaged by the Committee to provide appropriate advice and plans forward (including budgets) to present to the Committee of Management for approval. Once approved the farm advisor (AgFirst) also reports to the Committee of Management.

There was discussion on PH testing, the appointment of the new manager, stock numbers, margins of returns.

A question from the floor was asked about weed and pest control and if someone local can take up this opportunity.

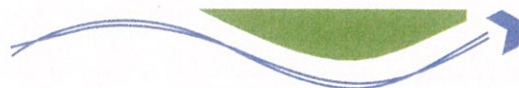
## OKERE 1B3C3 AND ADJOINING BLOCKS INC



<b>FINANCIAL REPORT:</b>	<p>The financial reports for the year ending 30 June 2020 had been circulated prior to the meeting.</p> <p>Mr Lau Lasike spoke to the financials. Mr Lasike to the financial effect of Covid-19. The Incorporation sold 41% less stock (compared to previous years) due to Covid and not being able to accept stock into the meat works.</p> <p>Mr Lasike elaborated on the expenses and ongoing pressures of rising costs. Mr Lasike spoke to the margin between costs and income, and the net profit and loss over the last 5 years.</p> <p><b>MOVED</b> <i>Rawiri Kingi / Faith Smith</i></p> <p><b>RESOLVED</b> <i>"That the financial statements for the year ended 30 June 2020 be received."</i></p> <p><b>CARRIED (By Voice)</b></p>
<b>RE-APPOINTMENT OF AUDITOR:</b>	<p>PT advised that Dixon &amp; Co. Auditors in Taupo were available for re-appointment.</p> <p><b>MOVED</b> <i>Charles Hemana / Rangiwhakahekea Mason</i></p> <p><b>RESOLVED</b> <i>"That Dixon &amp; Co Chartered Accountants, Taupo, be re-appointed as auditors for the 2021 financial year."</i></p> <p><b>CARRIED (By Voice)</b></p>
<b>GENERAL BUSINESS:</b>	<p><b>1. <u>To receive the Financial Reports of Okere 1B1 Trust and Okere 1B2B Trust</u></b> Mr. Lasike spoke to the financial accounts of Okere 1B1 Trust and Okere 1B2B Trust.</p> <p><b>MOVED</b> <i>Rangiwhakahekea Mason/ Rawiri Kingi</i></p> <p><b>RESOLVED</b> <i>"That the financial reports for Okere 1B1 Trust and Okere 1B2B for the year ended 31 March 2020Trust be received."</i></p> <p><b>CARRIED (By Voice)</b></p> <p><b>2. <u>Taheke Blocks</u></b> Mr John Treanor spoke to the update of the Taheke Papakainga Blocks and project Whakahaumanu. Mr Treanor said that that Covid was a positive thing for the project, as the project was able to receive funding. There have been two new wetlands and are in the process of restoring two old wetlands.</p> <p><b>3. <u>Zipline Update</u></b> Mr Sam Sutton provided an updated on the Zipline venture. There was a lot of positive outcomes from the long drawn out process everyone has gone through.</p>

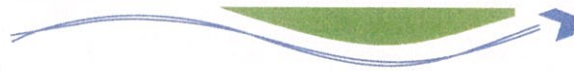


## OKERE 1B3C3 AND ADJOINING BLOCKS INC



	<p>They are working to start construction in July 2021 with the hope of being operational by the end of 2021. There has been a lot of work for planting out riparian areas with approximately 5,000 plants planted to date.</p> <p><b>4. <u>Okere Store</u></b></p> <p>Mr Thomas spoke to the update of the store. The Lease has been transferred to Greg Thomas and 2024 is when the old lease rolls over. From 2024 it will be a market rate from 2024 for 20 years.</p> <p><b>5. <u>Marae Renovation</u></b></p> <p>Mr Thomas spoke to the status of the Marae renovations. The carvings are currently being restored.</p> <p><b>6. <u>Dividend</u></b></p> <p>Mr Puru asked about unclaimed dividends and the impact of having unclaimed dividends and if something could be done about it. Mr Lasike explained that unclaimed dividends sit there as a liability for the Incorporation until they are claimed.</p> <p><b>7. <u>Other General Business</u></b></p> <p>A neighbour raised an issue with a boundary fence that requires immediate attention as it is not stock proof. Mr Rangiwhakaheka Mason spoke to a line of boundary trees that needs to be taken out as well. Mr Thomas said that the Committee will look into these matters.</p>	
<b>MEETING CLOSED:</b>	There was no further business. The meeting closed with karakia by Mr Hunuhunu at 1.27pm.	





CHAIRPERSONS REPORT 2021/2022 FY

Kei ngā toitoi o Ōkere, tēnā koutou katoa.

**Health, Safety & Wellbeing (HS&W)**

The health, safety and wellbeing of our kaimahi and manuhiri on the farm is at the forefront of our decision-making. The Committee of Management has committed to taking all practicable steps to ensure that staff and visitors to our farm are kept safe while on our property. To that end I am again pleased to report no instances of reportable injury and/or illness.

**Environmental Commitment**

Your committee of management takes it's commitment to the environment seriously. Having an environmental plan is now a requirement to farm so we are glad to have done this work in 2020. While the information from climate monitoring entities on where we should focus our efforts isn't clear our plan offers both options to reduce the impacts of land usage and emissions of green house gases as a result of our operations.

**Farming operations**

This year we have leased a further 125 ha of land from the Whangamoa Trust to help increase the viability of our operations. This brings our total workable land to 646 ha. All modelling and early indications point to improved results for the farm while maintaining grazing client satisfaction.

**Financial performance**

You will all be aware that our main source of income is derived from grazing followed by income from sheep sales. Our farm advisor's report highlights the stressors of emerging weather patterns, the imminent changes to the way we farm as we focus on caring better for our whenua. These changes will have an impact on our financial bottom line, however it is the right thing to do. Further detail on the financial performance will be discussed in Lau's financial report.

**Rotorua Zipline Partnership**

Our partnership with Rotorua Zipline is still in it's early stages and as the tourism market, both locally & internationally, begins to improve these improvements will have a direct benefit to tourism operators like Rotorua Ziplines. The company continues to look for capable and committed locals to support both the rafting and zipline operation so please let our whānau know.

**Geothermal**

We are in the process of winding down our geothermal activities per our development agreement with Mercury Energy.

**Changes for requirement to audit accounts**

This year your committee seeks approval to remove the need to have our annual accounts audited. The specific request is to remove the appointment of the Auditor, Silks Audit Chartered Accountants, pursuant to the Te Ture Whenua Act 1993 audit requirement thresholds for Maori incorporations. However, a chartered accountant must prepare the Incorporation's financial statements.

Finally, I extend my thanks to all committee members, farm operations – Manager - Tiini Latoa, our farm advisor Peter Livingston and of course Lau and the Kusabs Lasike team for your superb service to our farm.

Noho ora mai ra

Piki Thomas  
Chairperson



Independent  
Agriculture  
& Horticulture  
Consultant  
Network

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[rotorua@agfirst.co.nz](mailto:rotorua@agfirst.co.nz)

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# FARM REPORT

for

## Okere 1B3C3 Incorporation

### Annual General Meeting 2023

Peter Livingston  
March 2023



## 1.0 BACKGROUND

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There are plenty of interesting things happening in farming at present. Never a dull moment! From watching ever-changing Market Returns, to Land Use evaluation mahi and new Environmental Compliance measures, it is fair to conclude that the next ten-year period could see a need for considerable change to the way we farm. What we once accepted as “the norm” will need some modification.

The Okere Inc farm business has expanded in the last 12 months with the addition of the nearby Whangamoā Trusts farm. At the same time, there is considerable re-investment in the Incorporations’ own land occurring, to bring it to the most productive status possible. The two farms combined give the Incorporation much-needed extra scale (nearly 650 ha), from which to generate a decent profit and establish a more sustainable farming system.

One can talk about the weather in any number of ways based on our recent experiences, but essentially over the last three years we have seen and felt it all!! La Nina weather patterns have dominated of late, these generally being favourable for a farm of this nature. The intensity of some of the rainfall events has also been a handful to manage, causing considerable damage at times. In the last 12 months the area has received over 3000mm of rain, up from the “normal” 1600-1700mm we record. After 3 very dry seasons (2019 to early 2022), it is pleasing to now have a groundwater table level up at an acceptable position.

A picture of how farming might be asked to help contribute to mitigating against Greenhouse Gas (GHG) emissions is emerging. Starting in 2025, a levy or tax on emissions, as product (meat, milk, wool) is sold, will commence but this will eventually evolve into each farm having an individual GHG calculation model and then each entity being able to make changes that will account for some of the loss, to reduce net emissions.

Tiini Latoa has had 12 months in place as the Farm Manager and is starting to make meaningful change to the farm system and outcomes. An additional fulltime labour unit is being added with the focus of having a strong fencing skill base. There’s plenty of work to do still over the next five years or so!

## 2.0 FARM OVERVIEW

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Farm Detail		
	521	hectares
	125	hectares
▪ Total	646	hectares
		Okere Inc Lands
		Whangamoā Trust

This is a “medium sized” operation in today’s pastoral farming scene.

The Whangamoā Lease is for an initial six-year period, with the owners re-investing funds to clear the gorse over a three-year period. This will mean that potentially another 10-12 ha of land will become available to farm by the end of the first 3-year term.

The farm is run in a less intensive manner than many others across the region, with plenty of scope for improved pasture and animal performance.

## Stock Policy

Mixed Policy to aid cashflow and manage business risk.

### Sheep

- Lifting ewe numbers back to 1,200 (could go to 1,500)
- Finishing all lambs
- Trading lambs to finish over summer / autumn.

### Cattle

- Pushing on to run 250 own beef cattle to finish annually.

### Dairy Grazers

- Running 500 – 600 grazing dairy heifers
- 200 – 250 cows for winter

## Re-Development

- Strong effort into upgrading fences.
- Gorse control over this three-year period is well advanced. Aiming to get back to “manageable” position by 2025.
- Improving access tracks
- Re-investment in dwellings / buildings / yards.

## Bio-Diversity Planting

- Identification of areas to be fenced off from stock (already replaced Kaituna River riparian area fence with DOC help).
- Planting programme to be set.

## The 2021 / 22 Year in Summary

The farm took on the lease of the Whangamoia Trust Block in June 2022 and initially grazed 300 cows for eight weeks to clear out the mature resident pasture.

From this action, an opportunity to purchase extra cattle / lambs to finish was created.

The farm wintered 886 sheep in 2021, this being increased to 1904 in 2022. The number of owned cattle run in 2021 was 225, and whilst only 89 were on at “balance date” in 2022, extra grazing cattle were also run, and several of the additional beef cattle were purchased after the June 30<sup>th</sup> end of financial year balance date.

In winter 2023 it is anticipated that overall stock numbers will be higher.

A strong effort to manage operating costs is in place, a difficult task in these times when “on farm” inflation is running at 15% or more.

Whilst the 2021 / 22 year was a tough one climatically (early summer was very hot and dry), the La Nina weather pattern of this 2022 / 23 season has been favourable in general.



A huge push to reduce stock death and missing rates (<1% for cattle and < 4% for sheep in 2021 / 22) has been a feature of recent improving farm performance. However, we are currently experiencing a challenge from dogs worrying sheep. This has a high cost to the farm.

For the 2021/22 year, the average lamb sale price of \$147 / head (c.f. \$91 / head in the previous year) and cattle sale value price at \$1430/head (c.f. \$1315 / head the previous year) were encouraging outcomes for the farm operation. Strong markets and improved quality stock sold.

The farm makes a considerable amount of silage for winter use but does not do any cropping.

### 3.0 FARMING AND THE ENVIRONMENT

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A farm environment plan was designed in 2020. This is now a compliance requirement. This showed that Okere Inc has a relatively low environmental footprint. The farm runs a series of modelling exercises each year to assess the changes to the main items such as nutrient losses to groundwater and Greenhouse Gas emissions rates to the atmosphere.

The latter is the main focus in the short-term, bearing in mind the 2025 deadline to commence action/contribution from farming. Whilst we can't see where the "goal posts" are to be placed on this one just yet it is clear that a 10% reduction by 2030 is mentioned in government dispatch, and by 2050 perhaps as much as a 26% reduction. The availability and adoption of new technology to help here will be crucial for landowners like Okere Inc. Mitigation by planting some trees in a manageable fashion is also a realistic option.

The current strong push on environmental matters the Incorporation is making, to improve its' land in the short-term, is around gorse eradication / control.

### 4.0 SUMMARY

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As per the discussion at the AGM in 2021, one of the outcomes of the Land Use Capability and Drought Resilience (Impact of possible climate change) studies, was around the influence from size of the Okere farm. At 521 hectares effective in pasture, it was tending to look increasingly marginal to farm economically. The addition of Whangamoia Trust Land gives scale to spread operating overheads and better carry two fulltime labour units. It also enables a wider spread of farm policies to manage risk, generate revenue and complete environmental programmes. New manager, Tiini Latoa, comes from a long career working on / managing Central North Island Hill country farms, each of which has its own challenges. He is well suited to take Okere Inc farm forward and make those tough decisions. There is plenty of room for improvement and work to do.

My thanks to the COM and team at Kusabs Lasike Ltd for their support and guidance in our combined mahi in working for Okere 1B3C3 Inc.

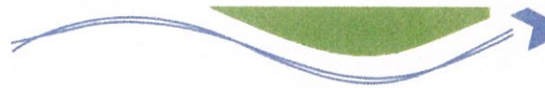
**Peter Livingston-Director / Agribusiness Consultant**

**Disclaimer:**

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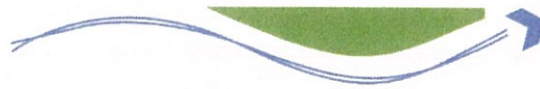
OKERE 1B3C3 AND ADJOINING BLOCKS INC



THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS  
FINANCIAL SUMMARY FOR THE YEAR ENDED 30TH JUNE 2022

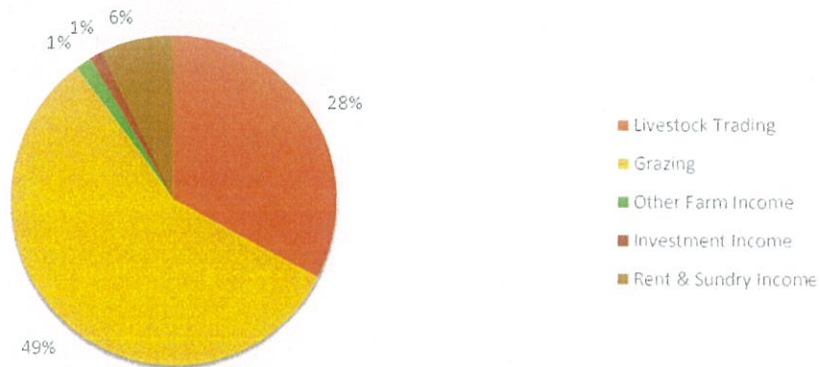
	2022	2021
<b>Income</b>		
Livestock Sales - Sheep	145,002	31,878
Livestock Sales - Cattle	192,840	101,404
Grazing	271,253	289,556
Other Farm Income	7,527	3,886
Dividends Received	1,419	1,264
Rebates	4,655	4,140
Rent Received	29,798	24,626
Sundry Income	5,600	-
	<u>658,094</u>	<u>456,754</u>
<b>Less Expenses</b>		
Livestock Purchases - Sheep	182,090	3,000
Livestock Purchases - Cattle	-	79,668
Farm Operating Expenses	245,629	251,699
Farm Repairs & Maintenance	56,139	62,657
Vehicle Expenses	13,230	16,259
Administration Expenses	71,141	78,873
Finance & Standing Charges	56,263	53,068
	<u>624,492</u>	<u>545,224</u>
Net Cash Operating Surplus/(Loss)	33,602	(88,470)
<b>Plus</b> Increase (Decrease) in Livestock Values	80,994	89,067
	<u>114,596</u>	<u>597</u>
Less loss on Sale of Fixed Assets	(201)	-
<b>Less</b> Depreciation	<u>(14,544)</u>	<u>(17,823)</u>
Net Profit/(Loss) for Year before Taxation	99,851	(17,226)
Non Deductible Expenses	<u>(9,739)</u>	<u>(7,715)</u>
Net Profit/(Loss) after Taxation	90,112	(24,941)
Equity at Beginning of the Year	5,705,002	5,401,156
Revaluation Movements for Year	2,458	328,787
<b>EQUITY AT END OF YEAR</b>	<u>5,797,572</u>	<u>5,705,002</u>
<b>Represented By:</b>		
<b>Assets</b>		
Current Assets	525,723	414,114
Property, Plant & Equipment	5,657,622	5,668,944
Investments	111,902	119,858
Total Assets	<u>6,295,247</u>	<u>6,202,916</u>
<b>Less Liabilities</b>		
Current Liabilities	237,515	373,514
Non-Current Liabilities	260,160	124,400
	<u>497,675</u>	<u>497,914</u>
<b>TOTAL EQUITY</b>	<u>5,797,572</u>	<u>5,705,002</u>

# OKERE 1B3C3 AND ADJOINING BLOCKS INC



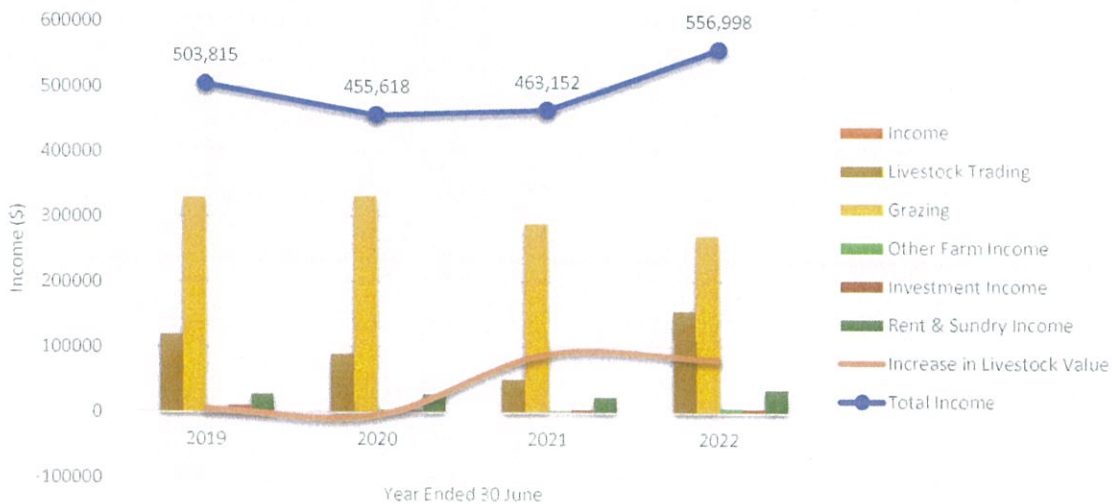
## THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2022

### OKERE 1B3C3 & ADJOINING BLOCKS 2022 INCOME BREAKDOWN



The above graph shows the breakdown of income that the Incorporation received during the 2022 financial year. The graph below shows the overall income trends from 2019 to 2022.

### OKERE 1B3C3 & ADJOINING BLOCKS - INCOME



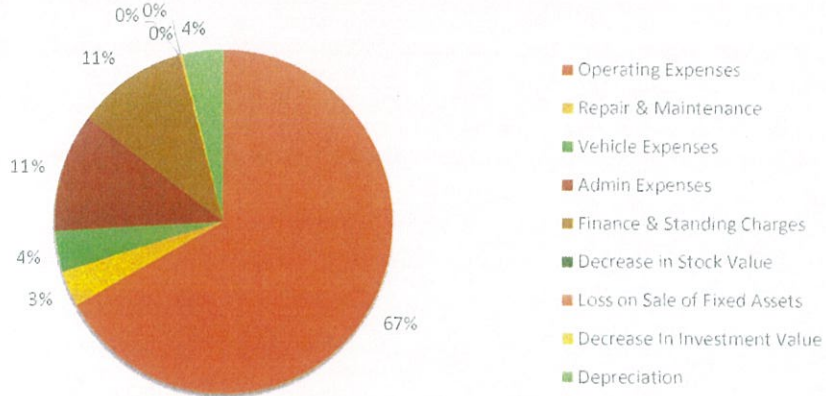
**Kusabs Lasike Limited**  
Chartered Accountants



## OKERE 1B3C3 AND ADJOINING BLOCKS INC

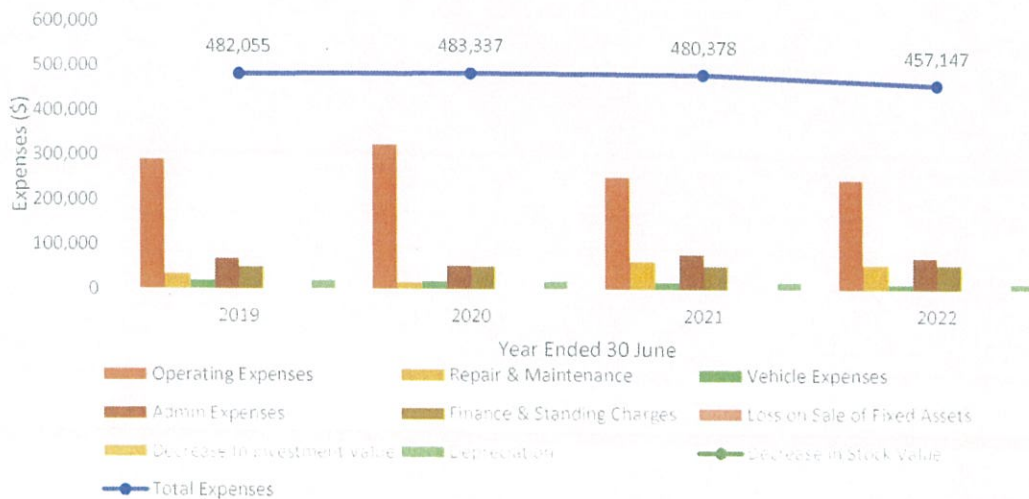


### OKERE 1B3C3 & ADJOINING BLOCKS 2020 EXPENSES BREAKDOWN



The above Graph shows the breakdown of expenditure that the Incorporation paid during the 2022 financial year. The graph below shows the overall expenses trends from 2019 to 2022.

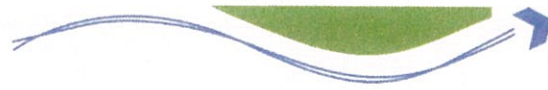
### OKERE 1B3C3 & ADJOINING BLOCKS - EXPENSES



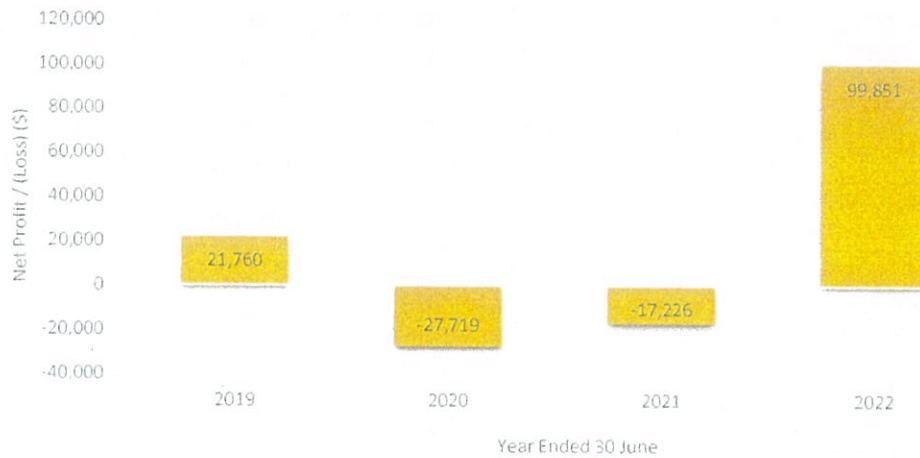
**Kusabs Lasike Limited**  
Chartered Accountants



## OKERE 1B3C3 AND ADJOINING BLOCKS INC

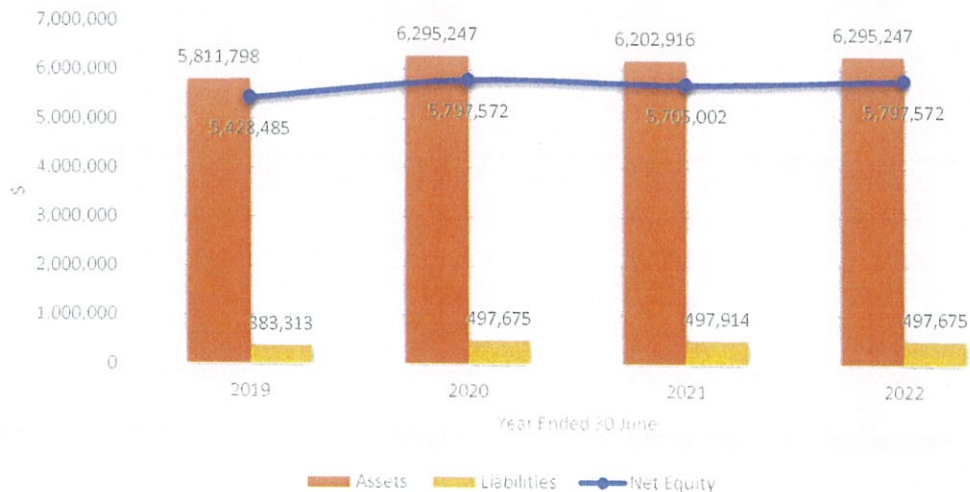


### OKERE 1B3C3 & ADJOINING BLOCKS PROFIT / (LOSS)



The graph above shows the net profit (loss) for the Incorporation from 2019 to 2022 financial years. The graph below shows the movements in assets, liabilities and Net Equity of the Incorporation for the same period.

### OKERE 1B3C3 & ADJOINING BLOCKS - EQUITY



Assets Liabilities Net Equity



**Kusabs Lasike Limited**  
Chartered Accountants

**THE PROPRIETORS OF OKERE 1B3C3 &  
ADJOINING BLOCKS**

**FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2022



# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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Auditors Report	
Statement of Sheep Trading	1
Statement of Beef Trading	3
Statement of Profit or Loss	5
Statement of Changes in Equity	8
Balance Sheet	9
Notes to the Financial Statements	12 - 18

**KUSABS LASIKE LTD**  
Chartered Accountants  
Rotorua  
28 February 2023

## INDEPENDENT AUDITORS REPORT

To the Committee of Management of The Proprietors of Okere 1B3C3 & Adjoining Blocks

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of The Proprietors of Okere 1B3C3 & Adjoining Blocks (the Incorporation) on pages 1 to 18, which comprise the balance sheet as at 30 June 2022, and the statements of financial performance and 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 The Proprietors of Okere 1B3C3 & Adjoining Blocks 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 Incorporation 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, The Proprietors of Okere 1B3C3 & Adjoining Blocks.

#### Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the beneficial owners and the Inland Revenue Department. As a result, the financial statements may not be suitable for another purpose.



### **Committee of Management's Responsibilities for the Financial Statements**

The Committee of Management are responsible on behalf of the Incorporation for determining that the Special Purpose Framework adopted is acceptable in the Incorporation'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 Committee of Management 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 Committee of Management are responsible on behalf of the Incorporation for assessing the Incorporation'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 Committee of Management either intend to liquidate the Incorporation 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/>

### **Other Matter**

The financial statements of The Proprietors of Okere 1B3C3 & Adjoining Blocks for the year ended 30 June 2021 were audited by another auditor who expressed an unqualified opinion on those statements on the 7<sup>th</sup> April 2022.

### **Restriction on Responsibility**

This report is made solely to the beneficiaries, as a body, in accordance with section 277 of the Te Ture Whenua Maori Act. Our audit work has been undertaken so that we might state to the beneficiaries 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 beneficiaries as a body, for our audit work, for this report, or for the opinions we have formed.



*Silks Audit*

Cameron Town  
Silks Audit Chartered Accountants Ltd  
Whanganui, New Zealand

Date: 1<sup>st</sup> March 2023



## THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

### STATEMENT OF SHEEP TRADING

FOR THE YEAR ENDED 30 JUNE, 2022

	Qty.	2022 \$	Avge \$	Qty.	2021 \$	Avge \$
<b>SALES</b>						
MA Ewes	287	47,027	164	21	1,453	69
Lambs	668	97,975	147	334	30,424	91
<b>Total Sales</b>	<b>955</b>	<b>145,002</b>		<b>355</b>	<b>31,878</b>	
<b>PURCHASES</b>						
MA Ewes	434	70,286	162	-	-	-
Breeding Rams	12	9,600	800	3	3,000	1,000
Lambs	1,002	102,204	102	-	-	-
<b>Total Purchases</b>	<b>1,448</b>	<b>182,090</b>		<b>3</b>	<b>3,000</b>	
Cash Deficit for the Year	493	37,088		(352)	(28,878)	
<b>OPENING STOCK</b>						
<i>Market Value</i>						
Ewe Hoggets	234	35,325	151	297	46,545	157
MA Ewes	625	103,900	166	524	81,220	155
R5+ Ewes	27	1,350	50	14	1,050	75
Breeding Rams	-	-	-	19	4,560	240
<b>Total Opening Stock</b>	<b>886</b>	<b>140,575</b>		<b>854</b>	<b>133,375</b>	
<b>CLOSING STOCK</b>						
<i>Market Value</i>						
Ewe Hoggets	997	135,592	136	234	35,325	151
MA Ewes	945	207,990	220	625	103,900	166
R5+ Ewes	-	-	-	27	1,350	50
Breeding Rams	12	9,600	800	-	-	-
<b>Total Closing Stock</b>	<b>1,954</b>	<b>353,182</b>		<b>886</b>	<b>140,575</b>	
Increase in Stock Value		212,607			7,200	
<b>Gross Profit for the Year</b>		<b>175,519</b>			<b>36,078</b>	

*This financial statement must be read in conjunction with the accompanying Accounting Policies, Notes to the Financial Statements and the Audit Report.*





# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## STATEMENT OF SHEEP TRADING FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

### RECONCILIATION OF NUMBERS

	2022	2021
Opening Stock Numbers	886	854
Purchases	1,448	3
Natural Increase	663	568
	<u>2,997</u>	<u>1,425</u>
Less:		
Sales	955	355
Deaths and Missing	88	184
	<u>1,043</u>	<u>539</u>
Closing Stock Numbers	<u>1,954</u>	<u>886</u>

*This financial statement must be read in conjunction with the accompanying Accounting Policies, Notes to the Financial Statements and the Audit Report.*



## THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

### STATEMENT OF BEEF CATTLE TRADING

FOR THE YEAR ENDED 30 JUNE, 2022

	Qty.	2022 \$	Avge \$	Qty.	2021 \$	Avge \$
<b>SALES</b>						
R2 Heifers	34	40,880	1,202	7	8,699	1,243
R1 Steers/Bulls	1	1,042	1,042	-	-	-
R2 Steers/Bulls	95	142,366	1,499	70	92,705	1,324
R3+ Steers/Bulls	5	8,553	1,711	-	-	-
<b>Total Sales</b>	<b>135</b>	<b>192,840</b>		<b>77</b>	<b>101,404</b>	
<b>PURCHASES</b>						
R1 Heifers	-	-	-	93	61,138	657
R1 Steers/Bulls	-	-	-	31	18,530	598
<b>Total Purchases</b>	<b>-</b>	<b>-</b>		<b>124</b>	<b>79,668</b>	
<b>Cash Surplus for the Year</b>	<b>135</b>	<b>192,840</b>		<b>(47)</b>	<b>21,736</b>	
<b>OPENING STOCK</b>						
<i>Market Value</i>						
R1 Heifers	57	39,900	700	-	-	-
R2 Heifers	36	30,888	858	6	4,896	816
R1 Steers/Bulls	30	20,250	675	99	56,430	570
R2 Steers/Bulls	95	118,465	1,247	75	74,100	988
R3+ Steers/Bulls	7	10,150	1,450	2	2,360	1,180
<b>Total Opening Stock</b>	<b>225</b>	<b>219,653</b>		<b>182</b>	<b>137,786</b>	
<b>CLOSING STOCK</b>						
<i>Market Value</i>						
R1 Heifers	-	-	-	57	39,900	700
R2 Heifers	59	53,690	910	36	30,888	858
R1 Steers/Bulls	-	-	-	30	20,250	675
R2 Steers/Bulls	30	34,350	1,145	95	118,465	1,247
R3+ Steers/Bulls	-	-	-	7	10,150	1,450
<b>Total Closing Stock</b>	<b>89</b>	<b>88,040</b>		<b>225</b>	<b>219,653</b>	
<b>Decrease in Stock Value</b>		<b>131,613</b>			<b>(81,867)</b>	
<b>Gross Profit for the Year</b>		<b>61,227</b>			<b>103,603</b>	

*This financial statement must be read in conjunction with the accompanying Accounting Policies, Notes to the Financial Statements and the Audit Report.*



# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## STATEMENT OF BEEF CATTLE TRADING FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

### RECONCILIATION OF NUMBERS

	2022	2021
Opening Stock Numbers	225	182
Purchases	-	124
	<u>225</u>	<u>306</u>
Less:		
Sales	135	77
Deaths and Missing	1	4
	<u>136</u>	<u>81</u>
Closing Stock Numbers	<u>89</u>	<u>225</u>

*This financial statement must be read in conjunction with the accompanying Accounting Policies, Notes to the Financial Statements and the Audit Report.*





# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 30 JUNE, 2022

	Note	2022 \$	2021 \$
<b>Cash Surplus (Deficit) from Livestock Trading</b>			
Sheep		(37,088)	28,877
Beef Cattle		192,840	21,736
		<u>155,752</u>	<u>50,613</u>
<b>Total Cash Surplus from Livestock</b>			
<b>Other Income</b>			
Wool Sales		5,527	1,886
Rent - Land for Beehives		2,000	2,000
Grazing		271,253	289,556
		<u>278,780</u>	<u>293,442</u>
<b>Non Trading Income</b>			
Dividends Received (Net)		1,419	1,264
Rebate - Ballance Agri-Nutrients		4,655	4,140
Manager's House		15,086	1,800
Rafting Rental - Current Period		7,000	7,000
Store Rental		5,826	5,826
Trout Pool Road Rental House		1,886	10,000
Sundry Income		5,600	-
		<u>41,472</u>	<u>30,030</u>
<b>Total Income before Expenses</b>			
		476,004	374,085
<b>Operating Expenses</b>			
Animal Identification		93	-
Animal Health		17,391	12,378
Cultivation & Ploughing		-	2,259
Dog Expenses		3,177	3,633
Electricity & Gas		8,117	7,858
Fertiliser		23,828	58,695
Freight & Cartage		6,799	5,692
Hay & Silage		35,354	31,287
Horse Expenses		-	417
Health & Safety		1,061	1,199
Protective Clothing		1,021	118
Seed		-	856
Shearing Wages		1,503	1,080
Shearing & Crutching Contractor		13,879	9,098
Shearing Expenses		1,211	815
Staff Expenses		199	853
Stock Food		-	4,407
Wages		114,088	106,407
Wages- Non Taxable Allowances		1,719	672

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



# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

	Note	2022	2021
		\$	\$
Employer Contribution (Kiwisaver)		2,762	2,984
Waste Disposal		1,685	468
Weed & Pest Control		11,742	523
Total Farm Operating Expenses		245,629	251,699
<b>Repairs and Maintenance</b>			
Farm Stores		-	29
Fencing		39,547	31,011
Farm Dwelling		7,374	15,358
Rental Accommodation		502	12,490
Plant & Equipment		4,042	1,954
Water Supply		4,674	1,815
Total Repairs and Maintenance		56,139	62,657
<b>Vehicle Expenses</b>			
Fuel & Oil		5,668	4,530
Motorcycle Expenses		474	682
Tractor Expenses		1,682	3,524
Toyota Utility Expenses		5,406	7,523
Total Vehicle Expenses		13,230	16,259
<b>Administration Expenses</b>			
Accountancy & Secretarial		39,175	40,742
Advertising		-	300
ACC Levies		3,000	2,717
Audit Fees		3,634	3,634
AGM Expenses		-	2,333
Bad Debts Written Off		1,530	-
Bank Fees & Charges		1,029	192
Farm Advisory		8,842	14,678
General Expenses		-	8
Postage & Stationery		992	501
Share Register		319	2,544
Subscriptions & Licences		152	673
Telephone & Tolls		2,447	1,240
Cellphone		-	1,344
Trustee Fees		7,164	6,716
Trustee Expenses		1,507	951
Valuation Fees		1,350	300
Total Administration Expenses		71,141	78,873
<b>Standing Charges</b>			
Insurance		14,292	10,835

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



# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

	Note	2022 \$	2021 \$
Interest - Overdraft & Trading		1,248	4,019
Interest Paid - Loan 05		8	990
Interest Paid - Loan 06		5,158	-
Rates		31,307	37,224
Rent		4,250	-
Total Standing Charges		56,263	53,068
Total Expenses		442,402	462,556
<b><u>Net Cash Operating Profit/(Loss) for the Year</u></b>		33,602	(88,471)
<b>Non-Cash Adjustments for the Year:</b>			
Increase (Decrease) in Livestock Values:			
Sheep		212,607	7,200
Beef Cattle		(131,613)	81,867
Depreciation Recovered		1,226	-
Loss on Sale of Fixed Assets		(201)	-
Depreciation		(15,770)	(17,822)
Total Non-Cash Adjustments for the Year		66,249	71,245
<b><u>Taxable Profit/(Loss) for the Year</u></b>		99,851	(17,226)
<b>Adjustments for Taxation Purposes:</b>			
Profit/(Loss) before Income Tax		99,851	(17,226)
Provision for Taxation (Tax Refund Due)	6	-	-
Profit/(Loss) after Income Tax		99,851	(17,226)
<b>Non Assessable Income</b>			
<b>Non Deductible Expenses</b>			
Penalties		35	-
Koha Received/Paid		74	-
Taheke Marae Donations		-	3,300
Okere Ngati Hinerangi Urupa		2,185	2,622
Share of Equity in Investment		7,445	1,793
Total Non Deductible Expenses		9,739	7,715
<b><u>Net Profit/(Loss) for the year</u></b>		90,112	(24,941)

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





# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE, 2022

	2022	2021
	\$	\$
EQUITY AT BEGINNING OF THE YEAR	<u>5,705,002</u>	<u>5,401,156</u>
SURPLUS/DEFICIT AND REVALUATIONS		
Surplus/(Deficit) for the period	(90,112)	24,941
Increase/(Decrease) in Asset Revaluation Reserve	-	313,421
Increase/(Decrease) in Barn - Capital Profit	10,414	-
Increase/(Decrease) Shares Revaluation Reserve	(7,956)	15,366
Total recognised revenues and expenses for the period	<u>92,570</u>	<u>303,846</u>
EQUITY AT END OF THE YEAR	<u><u>5,797,572</u></u>	<u><u>5,705,002</u></u>

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



# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## BALANCE SHEET

AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
<b>Cash</b>			
BNZ - Cheque Account (secured)		9,324	-
BNZ - Dividend Account		95	94
		9,419	94
<b>Receivables</b>			
Accounts Receivable		74,787	45,160
Tax Refund Due	6	99	88
Goods & Services Tax		-	8,348
		74,886	53,596
<b>Prepayments</b>			
Prepayments		196	196
<b>Livestock</b>			
Sheep on Hand @ M.V.		353,182	140,575
Beef Cattle on Hand		88,040	219,653
		441,222	360,228
<b><u>Total Current Assets</u></b>		<b>525,723</b>	<b>414,114</b>
<b>NON-CURRENT ASSETS</b>			
<b>Property, Plant &amp; Equipment</b>			
Freehold Land	2	5,490,422	5,490,422
Property Improvements		98,118	103,439
Buildings		9,152	9,279
Plant & Equipment		19,606	17,798
Motor Vehicles		39,290	46,574
Furniture & Fittings		1,034	1,432
		5,657,622	5,668,944

*This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit Report which form part of these financial statements.*



## THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

### BALANCE SHEET

AS AT 30 JUNE 2022 (continued)

	Note	2022 \$	2021 \$
<b>Investments</b>			
Ballance Agri-Nutrients - 7840 Shares @\$8.10		63,504	63,504
Farmlands Trading Soc. Ltd - 3363 Shares @ \$1.00		3,363	3,363
Wool Equities Ltd - 4387 Shares @ 0.22c		965	965
Mercury Ltd - 7800 Shares @ \$5.65		44,070	52,026
		111,902	119,858
<b><u>Total Non-Current Assets</u></b>		<b>5,769,524</b>	<b>5,788,802</b>
<b><u>Total Assets</u></b>		<b>6,295,247</b>	<b>6,202,916</b>
<b>CURRENT LIABILITIES</b>			
<b>Creditors and Borrowings</b>			
BNZ - Cheque Account (secured)	3	-	62,343
Rent in Advance		5,250	5,250
Okere Adventures (2019) Ltd Partnership JV	14	10,340	2,895
Accounts Payable		16,096	115,936
Provision for Holiday Pay		6,232	6,134
Unclaimed Dividend		177,316	177,316
Current Portion of Term Liabilities		5,280	3,640
Goods & Services Tax		17,001	-
		237,515	373,514
<b><u>Total Current Liabilities</u></b>		<b>237,515</b>	<b>373,514</b>

*This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit Report which form part of these financial statements.*





# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## BALANCE SHEET

AS AT 30 JUNE 2022 (continued)

	Note	2022 \$	2021 \$
<b>NON-CURRENT LIABILITIES</b>			
<b>Term Liabilities</b>			
BNZ Term Loan - 05	5	-	3,640
BNZ Term Loan - 06	5	156,040	-
Less Transferred to Current Liabilities	5	(5,280)	(3,640)
Grant - Alum Bath & Hot Water Programme	9	50,000	50,000
Capacity Building Fund	10	30,000	30,000
Capacity Development		-	15,000
Okere Inc Memorial Scholarship	11	29,400	29,400
		260,160	124,400
<b><u>Total Non-Current Liabilities</u></b>		260,160	124,400
<b><u>Total Liabilities</u></b>		497,675	497,914
<b><u>Net Assets</u></b>		5,797,572	5,705,002
<b>TRUST FUNDS</b>			
Beneficiaries Equity	7	5,797,572	5,705,002
<b><u>Trust Equity</u></b>		5,797,572	5,705,002

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

13/23

\_\_\_\_\_

Committee Member

Date

\_\_\_\_\_

Committee Member

*This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit Report which form part of these financial statements.*



# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2022

### 1. Statement of Accounting Policies

These are the special purpose financial statements for The Proprietors Okere 1B3C3 & Adjoining Blocks.

#### Entity Reporting

The Incorporation is formed pursuant to Section 247 of Te Ture Whenua Maori Land Act 1993.

The principle activity of the Trust is that of Dairy Cattle Grazing, Sheep & Beef Cattle Farming and Geothermal Development.

#### Measurement Base

These financial statements are special purpose and have been prepared for taxation purposes and for the Shareholders/Owners.

The accounting policies adopted and detailed under the specific accounting policies 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 special purpose financial statements have been prepared on an accrual basis.

These financial statements have been prepared in New Zealand Dollars, rounded to the nearest dollar.

#### 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 Basis

The Trust had a net profit of \$90,111.85 for the year ended 30 June 2022 (2021 loss \$24,940.63). The Trust had working capital surplus of \$288,207.77 at balance date.

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 30 June 2022.

#### Specific Accounting Policies

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

##### (a) Accounts Receivable

Accounts Receivable are stated at their anticipated realisable value. Bad debts are written off during the year as they are identified, with appropriate adjustment being made as at balance date for any doubtful debts that may exist.



# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

### (b) Livestock

For taxation purposes, livestock can be valued using either or both of the National Average Market Price (NAMP) and National Standard Cost (NSC) schemes. While these values are determined nationally to represent either market value or cost, they do not necessarily represent market value, or cost to this entity.

In these financial statements Livestock is recorded at Market Value in the Trading Accounts and in the Statement of Financial Position. The difference between Livestock at Tax Value and Livestock at Market Values adjusted in the Tax Reconciliation note. Market values have been determined by Toby Power, a livestock buyer for Affco NZ Ltd as at 09 June 2022.

### (c) 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.

### (d) Investments

Investments are generally recorded at cost, except for shares held in cooperatively owned companies and shares traded on the NZAX market, which have been revalued based on redemption values advised by those companies.

### (e) Property, Plant & Equipment

Property Plant & Equipment are stated at cost (unless otherwise noted below) less aggregate depreciation.

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

The rating valuations are issued every three years.

### (f) Depreciation

Depreciation has been claimed at the maximum rates allowed by the Inland Revenue Department. The revalued portion of buildings has not been depreciated. The particular rates and method of depreciation applied are as follows:

Property Improvements	0 - 16% DV
Buildings	0 - 4% DV
Plant & Equipment	0 - 80.4% DV
Motor Vehicles	13 - 36% DV
Furniture & Fittings	0-40% DV
Office Equipment	48% DV

### (g) 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.



# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

### 2. Property, Plant & Equipment

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2022
Freehold Land	5,490,422	-	-	5,490,422
Property Improvements	227,254	5,320	129,135	98,119
Buildings	79,551	127	70,399	9,152
Plant & Equipment	67,224	2,751	47,618	19,606
Motor Vehicles	128,900	7,245	89,610	39,290
Furniture & Fittings	6,090	327	5,056	1,034
Office Equipment	1,020	-	1,020	-
	6,000,460	15,770	342,838	5,657,622

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2021
Freehold Land	5,490,422	-	-	5,490,422
Property Improvements	227,254	5,724	123,815	103,439
Buildings	80,777	132	71,498	9,279
Plant & Equipment	68,125	2,702	50,327	17,798
Motor Vehicles	147,349	8,827	100,775	46,574
Furniture & Fittings	6,285	437	4,853	1,432
Office Equipment	1,020	-	1,020	-
	6,021,232	17,822	352,288	5,668,944

### 3. Bank Overdraft

The Incorporations Livestock is used as security for their overdraft facility, see Note 4. Overdraft limit is \$70,000.00

### 4. Security

Registered Stock Security over livestock pastured/kept on property situated at Trout Pool Road, Okere Falls, 392.4439ha part 1B3 BlkVI Rotorua Survey District held as detailed in Stock Sec 605/00.

### 5. Non-Current Liabilities

<b>BNZ Term Loan - 05</b>		<b>2022</b>	<b>2021</b>
Non Current Liability	30 Jun 2022	-	3,640.00
Less Current Portion of Term Liabilities		-	3,640.00
Non Current Liability	30 Jun 2023	-	-
<b>BNZ Term Loan - 06</b>		<b>2022</b>	<b>2021</b>
Non Current Liability	30 Jun 2022	156,040.00	-
Less Current Portion of Term Liabilities		5,280.00	-
Non Current Liability	30 Jun 2023	150,760.00	-

BNZ Loan 05 - Repaid

BNZ Loan 06 - Instalments, irregular payments of \$440.00, Interest rate 5.53%, maturing 20/09/2024.

## THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

### NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

#### 6. Taxation

	2022	2021
Surplus (Deficit) for the year	99,850.61	(17,225.51)
Plus Provision for Holiday Pay	97.88	(17,652.65)
Plus Imputation Tax Credit	552.07	491.40
Less Livestock Tax Adjustment Sheep	(39,002.00)	(1,523.00)
Plus Livestock Tax Adjustment Beef	1,503.00	(43,135.00)
	63,001.56	79,044.76
Less Tax Loss OkereAdventures(2019) Ltd Partnership	(7,445.28)	(1,793.12)
Less Tax Losses Brought Forward	(459,724.28)	(376,078.40)
Tax Loss	(404,168.00)	(456,916.28)
Taxation charge @ 17.5%	Nil	Nil
Imputation Tax Credits Converted to a Loss	(3,154.69)	(2,808.00)
Tax Losses available to be Carried Forward	(407,322.69)	(459,724.28)
Tax Paid/(Tax Refund Due)	(98.58)	(87.75)

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

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

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

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

#### Maori Authority Credit Account (MACA)

	2022	2021
Opening Balance @ 01/07/2021	\$ 8,986.90	\$ 8,492.80
RWT Paid on Investments	55.25	50.92
Imputation Tax Credits	309.40	285.13
Tax Refunds	-	(85.05)
Closing Balance @ 31/03/2022	9,351.55	8,743.80
RWT Paid on Investments	43.33	36.83
Imputation Tax Credits	242.67	206.27
Tax Refunds	(87.75)	-
Closing Balance @ 30/06/2022	9,549.80	8,986.80



# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

### 7. Beneficiaries Equity

	2022	2021
Original Capital	79,847.86	79,847.86
Less 1145 Shares Re-purchased	(2,290.00)	(2,290.00)
<i>Retained Earnings (Pre 2004) (1)</i>	125,451.88	125,451.88
<i>Retained Earnings (Post 2004) (2)</i>	(368,224.68)	(458,336.53)
<i>Unrealised Reserves (3)</i>		
Land & Improvements Revaluation	5,427,345.00	5,427,345.00
Wool Equity - Shares	175.48	175.48
Mercury Ltd - Revaluation	25,070.00	33,026.00
NZ Wool Services Int. Ltd	142.00	142.00
Ballance Agri-Nutrients Ltd - Revaluation	35,840.30	35,840.30
	5,488,572.78	5,496,528.78
<i>Realised Capital Reserves (4)</i>		
Sale of Dalgety Shares	772.40	772.40
Ballance Agri-Nutrients Ltd - Bonus Issue	2,174.00	2,174.00
Ballance Agri-Nutrients Ltd - Sale of Shares	5,446.40	5,446.40
Affco Holdings Ltd - Capital Loss	(968.50)	(968.50)
Affco Holdings Ltd - Gain on Shares	13.00	13.00
NZ Co-op Wool Marketing Assn - Capital gain	49.69	49.69
Rotorua Electricity - Share Allocation	900.00	900.00
Rotorua Electricity - Sale of Shares	3,923.65	3,923.65
Non Assessable Timber Proceeds	700.00	700.00
M.R.P. Exclusivity Payment	450,000.00	450,000.00
NZ Wool Services-Capital Distribution	789.66	789.66
Barn - Capital Profit	10,414.22	-
	474,214.52	463,800.30
	5,797,572.36	5,705,002.29

#### (1) Retained Earnings (Pre 2004)

The Incorporation elected to join the Maori Authority Regime for Tax purposes from 1 April 2004. Distributions to members from income retained prior to the 2004-2005 income year, will be treated as non-taxable distributions in the hands of members.

Opening Balance	125,451.88	125,451.88
Closing Balance	125,451.88	125,451.88

#### (2) Retained Earnings (Post 2004)

Opening Balance	(458,336.53)	(433,395.90)
Net Surplus/(Deficit) for Year	90,111.85	(24,940.63)
Closing Balance	(368,224.68)	(458,336.53)

#### (3) Unrealised Reserves

Opening Balance	5,496,528.78	5,167,741.78
Land & Improvements Revaluation	-	313,421.00
Mercury Ltd - Revaluation	(7,956.00)	15,366.00
Closing Balance	5,488,572.78	5,496,528.78

#### (4) Realised Capital Reserves

Opening Balance	463,800.30	463,800.30
Barn Capital Profit	10,414.22	-
Closing Balance	474,214.52	463,800.30



# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

### 8. Asset Revaluation Reserve - Land and Buildings

The Net Book Value of Land and Buildings have been revalued to the current ratings revaluation dated 1 September, 2020, as valued by Landmass Technology Ltd".

The difference has been credited to the Asset Revaluation Reserve - Land and Buildings Accounts.

		2020 Net Book Val
Land		63,077
Improvements	227,258	
Less Depreciation	118,091	109,167
Buildings	80,777	
Less Depreciation	71,366	9,411
Asset Revaluation Reserve		5,427,345
		5,609,000
This is Represented By:		
<u>Ratings Valuation at 1 September, 2020</u>		
06961-336.00 - Shop S/Hway 33		476,000
06961-365.01/03 - 101 Trout Pool Road		743,000
06961-373.02- Taheke Road		29,000
06961-375.03 - S/Hway 33		1,694,500
06961-372.19 S/Hway 33		2,666,500
		5,609,000

### 9. Alum Baths & Hot Water Programme Grant

Mercury Ltd (formerly Mighty River Power) provided \$50,000 during the 2017 year towards a programme either for the development of the Alum Baths or the surveying and feasibility analysis of a hot water bore at Taheke - Mourea. This payment was made under the Development Agreement with Mercury signed 6 November 2011. The funds do not need to be refunded should the project not proceed.

### 10. Capacity Building Fund

The Committee holds funds of \$30,000 for capacity building.

### 11. Okere Incorporation Memorial Scholarship

During the 2017 year Okere requested and received the final payment of \$45,000 from Mercury under the terms of the Incentive Payment Agreement. These funds are for Mercury Ltd (formerly Mighty River Power) scholarship and intern programmes for Okere's Stakeholders (with a view to facilitating education, employment and individual mentoring of such stakeholders) in further recognition of the cultural importance of the Taheke Geothermal Resource for Okere.

	2022	2021
	\$	\$
Opening Balance 01 July 2021	29,400.00	29,400.00
Closing Balance 30 June 2022	29,400.00	29,400.00



# THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

## NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

### 12. Related Party Transactions

The shareholders of the Okere Incorporation form the Hapu of Ngati Hinerangi. The Committee Members of Okere Incorporation are also Trustees of the Hapu of Ngati Hinerangi.

2021  
(Nil)

### 13. Contingent Liabilities & Guarantees

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

2021  
(Nil)

### 14. Capital & Lease Expenditure Commitments

The Incorporation signed a limited partnership agreement with Okere Adventures (2019) Ltd Partnership. The partners in Limited Partnership are Okere Adventures Ltd (the general partner) and the investors which consist of Rotorua Ziplines Ltd (RZ), The Proprietors Okere 1B3C3 & Adjoining Blocks Incorporation (Okere), and Whetu Fredrick Lindsay Whata (Fred). RZ owns 75 Limited Partnership units (representing 75% of the Partnership interests), Okere owns 20 Limited Partnership units (representing 20% of the Partnership interests), Fred owns 5 Limited Partnership units (representing 5% of the Partnership interests). Clause 20.1 of the Agreement stipulates that "in lieu of any cash contribution from Okere to the Limited Partnership, Okere agrees to provide access to the Okere Land by way of a licence at a fee and on such terms to be agreed between the Limited Partnership and Okere.

Okere is also a shareholder in Okere Adventures Limited. - the general partner of the Limited Partnership. Clause 6.2(b) stipulates that "Okere will be entitled from time to time to appoint one Director and may remove that Director so appointed." Okere has appointed Piki Thomas as the initial appointment.

The Limited Partnership made a loss for the year ended 31/03/2022, of which the incorporations share was \$7,445.28 (Last year \$1,793.12).

There were no other commitments for expenditure at year end.

2021  
(Nil)

### 15. Events Occurring Subsequent to Balance Date

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  
(Nil)





## Certificate as to Value

In accordance with Section 278 of  
Te Ture Whenua Maori Act 1993

### THE PROPRIETORS OF OKERE 1B3C3 & ADJOINING BLOCKS

I, Cameron Town, Qualified Auditor of Whanganui, being duly appointed Share Valuer of the above Incorporation, hereby certify that the fair and reasonable equity value of each ONE (1) Share in the Incorporation as at the 30 June 2022 is assessed by me in the manner provided by Section 278 of Te Ture Whenua Maori Act 1993, at \$109.44 (One Hundred and Nine Dollars and Fourty Four Cents).

Determining the fair and reasonable equity value performed under Section 278 of Te Ture Whenua Maori Act 1993 requires assessing the value of shares in relation to the equity value of the Incorporation at the date of the last published financial statements, with such adjustments (if any) to arrive at a fair and reasonable equity value. The Certificate as to Value is not an independent valuation performed under *Advisory Engagement Standard 2 Independent Business Valuation Engagement* as issued by the New Zealand Institute of Chartered Accountants or International Valuation Standards which may result in a different value being determined.

This Certificate as to Value is current at 30 June 2022 only and the fair and reasonable equity value may change significantly and unexpectedly over a relatively short period of time.

Dated this 1<sup>st</sup> March 2023.

Yours faithfully  
**SILKS AUDIT Chartered Accountants Ltd**

*Cameron Town*

**Cameron Town** CA(CPP)  
**Chartered Accountant**  
**Certificate of Public Practice**