

RANGATIRA 8A17 TRUST

Incorporating Rangatira 8A1T2X & Rangatira 8A1T2Y

REPORTS & FINANCIAL STATEMENTS

For the Year Ended 31 May 2022

For the meeting of owners held 29 July 2023



Kusabs Lasike Limited

Chartered Accountants



RANGATIRA 8A17 TRUST
Incorporating
Rangatira 8A1T2X and Rangatira 8A1T2Y

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RANGATIRA 8A17 Trust
Incorporating
Rangatira 8A1T2X and Rangatira 8A1T2Y

Notice is hereby given that a general meeting of beneficial owners of the above lands will be held at the Taupo Cosmopolitan Club, 5-7 Taniwha Street, Taupo, on Saturday 29th July 2023 commencing at 10.30 am (registrations from 10.00 am).

Agenda:

1. Approve minutes of the Wednesday 20th February 2019 meeting of owners
2. To receive:
 - a. Trustees Report
 - b. Farm report
 - c. Financial statements for the years ended 31 May 2019, 2020,2021 & 2022
3. Appointment of the auditors
4. General Business

Attendance restricted to beneficial owners and proxy holders only.

Chairman
Andrew Kusabs

RANGATIRA 8A17 TRUST

<u>Minutes of the meeting of beneficial owners of Rangatira 8A17 Trust Held at Taupo Cosmopolitan Club, 5 – 7 Taniwha Street, Taupo on Wednesday 20th February, 2019 commencing at 10.30 am (registration from 10.00am)</u>	
PRESENT:	Andrew Kusabs (Chair), Diane Stockman, Gloria McLaughlin, Craig Kusabs, Rev. Joseph Pene, proxy holders, owners, and their descendants as per the list attached list.
IN ATTENDANCE:	Lau Lasike (Secretary/Accountant), Peter Livingston (Farm advisor), and David Rankilor (Engineer), Makuini Warbrick (Minute Secretary), Tony Delvin (Solicitor)
KARAKIA/MIHI:	Karakia offered by William Hall.
APOLOGIES:	Mr Lau Lasike advised that a list was circulated amongst those present to be included as an attachment to these minutes MOVED <i>A Kusabs / D Stockman</i> RESOLVED <i>"That the apologies are received."</i> CARRIED (by voice)
WELCOME:	Mr Andrew Kusabs thanked everyone for their attendance and introduced all trustees and administration in attendance. Mr Lasike read the notice of the meeting agenda to all attendees.
SECRETARIAL:	<u>Minutes of the previous annual general meeting – 7/06/2017</u> The minutes of the previous meeting of beneficial owners were circulated to all attendees in the meeting packs provided. MOVED <i>Tu Dansey/ James Wilson</i> RESOLVED <i>"That the minutes be taken as read."</i> CARRIED (By Voice) <u>Matters arising from the previous minutes:</u> No matters arising. MOVED <i>Hinemoa Henderson / Frank McLaughlin</i> RESOLVED <i>"That the Minutes of the general meeting of the owners of 7th June 2017 as circulated are hereby confirmed as a true and accurate record of proceedings at that meeting."</i> CARRIED (by voice)
REPORT OF THE TRUSTEES:	Mr A Kusabs read through and elaborated upon, the Trustees report which had been circulated in writing to those present. The matters covered by the report to which he spoke included: 1. Introduction Mr A Kusabs gave a brief history of the Trusts (Rangatira 8A17, 2X and 2Y) saying that the land was once gorse and blackberries and has developed to what it is now with

	<p>the hard work and devotion from the trustees and administration team. The Trust managed to build up funds and then invest in the Rangatira Farm, which is the main source of revenue for the Trust now.</p> <p>2. Reporoa Dairy Farm</p> <p>Mr A Kusabs said that the Dairy Farm has always had sharemilkers on the farm, where they own and manage the herd. The Trust has engaged a contract milker as of the 2018-2019 year, which the Trust purchasing its own herd and have more control over the farm.</p> <p>3. Land Development</p> <p>There is still an area of undeveloped which the Trust (under general title) and the Trust has been approached by the national super fund as there is a shortage of housing and in particular retirement housing in the Taupo District. The Super Fund has approached multiple land owners to develop a retirement housing opportunity for the future. They only require 6 ha, however there are three blocks of land together, which may mean that the blocks may have to combined, depending on the situation that the Super fund decides to go ahead with the Trust. At the moment, the Trust is still in the planning/ideas side of things, but in a nutshell it could provide the Trust another source of income as rent/lease and the possibility of becoming a shareholder in the retirement operation.</p> <p>4. Rangatira 8A1T2X & 8A1T2Y and Balance 8A17/A5 & A6</p> <p>5. Rangatira 8A1T2</p> <p>There are ongoing issues with land titles that the Trust will try to work through with the MLC.</p> <p>6. Rangatira Shopping Centre</p> <p>The Shopping centre is fully tenanted at the moment and all rents are up to date.</p> <p>7. Kaumatua Grants</p> <p>The Trust is pleased to announce a Kaumatua Grant to those aged 60 and older of \$300. Mr A Kusabs advised that once owners turn 60 years old, they need to ensure their personal details are sent to the Secretary's office so that they can be added to the next grant pay out.</p> <p>8. Kaumatua Flats</p> <p>The 3 flats are currently tenanted and rents and maintenance are up to date.</p> <p>9. Strategic Plan</p> <p>The Trust has been working through a strategic plan which Ms Diane Stockman will talk to.</p> <p>10. Thanks</p>	
<p>FARM REPORT:</p>	<p>Mr. Peter Livingston introduced himself, presented, and elaborated upon the main issues in his farm report, which has been circulated in writing prior to the meeting. It covered:</p> <p>1. Introduction</p> <p>Mr. Livingston gave a summary of where the farm is situated. He spoke about the land use changes and environmental factors such as nitrogen loading and reducing its footprint. He added that environmental changes are a good thing as it keeps farmers accountable to good practices and it is a good thing, as it shows good practice.</p> <p>2. The farm</p> <p>Mr Livingston explained that the farm is classed as a moderately intensive farm and is not highly stocked. The aim is to have a quality herd that produces more output per cow. The farm is reasonably self-contained with only young stock being grazed offsite. Even though the farm is not highly stocked now, with ongoing pressures from Council to reduce the environmental footprint further, the farm is taking steps now so that when it becomes mandatory, it should by then be business as usual for the Trust. Over the next few years, the trust sees productivity increase, due to management and</p>	

RANGATIRA 8A17 TRUST

	<p>the in shed feed system that has recently been installed for example. Every cow can now get an equal chance of nutrient input to produce a high quality/quantity of milk.</p> <p>3. Farm performance</p> <p>Mr Livingston said that the Trust is aiming to consistently achieve around 215,000 Kg MS, but also reducing cow numbers by 5%. The farm also performs above the district average.</p> <p>4. Industry returns</p> <p>Mr Livingston showed the variability and volatility of the milk prices from 2010 to date. As the milk price is unpredictable it makes it difficult to budget on what Fonterra predicts the milk price will be, so the farm is conservative when budgeting basing it on a slightly lower than predicted payout.</p> <p>5. Industry Trends</p> <p>Mr Livingston explained the changes that farms need to demonstrate to comply with nutrient losses and environmental impact. The Trust is already working on making sustainable moves before it is required.</p> <p>6. Summary</p> <p>Mr A Kusabs then asked Mr Craig Kusabs to explain the impact of <i>Mycoplasma bovis</i> to farmers and where this infection is currently in regards to eradication. He explained that the infection is spread by direct contact only and because the Trust knew about the history of the herd, they felt confident in their purchase, and was able to purchase the herd at a lower rate as there was no demand for cow purchases then.</p> <p>Mr A Kusabs also asked Ms McLaughlin to give an update on all of the housing (farm houses, Kaumātua houses and commercial block). Ms McLaughlin said that the housing on the farm has all been refurbished, and the contract milkers and employees are happy with the accommodation. The Kaumātua flats rent are up to date and maintenance is taken completed as required. The commercial shops are also fully tenanted and maintenance is undertaken as required with all payments being up to date.</p>	
<p>FINANCIAL:</p>	<p>The financial reports for the financial year ending 31 March 2017 & 2018 had been circulated prior to the meeting. Mr. Lasike elaborated on the summary of accounts provided.</p> <p>Mr. Lasike explained that the Trust has always made a loss from the Kaumātua flats, as the Trust views the Kaumātua flats as a social responsibility as oppose to a view to profit, but in saying that the flats still need to be maintained. Last year the Trust increased the rents slightly but still under market rent. The 2018 year was the first year that the Kaumatua Flats made a surplus.</p> <p>Mr. Lasike also advised that Ms. McLaughlin is conflicted as the Trust has engaged her rental business to manage the commercial rentals as well as the kaumatua flat rentals and she is also a trustee for Rangatira 8A17 Trust and needs to be declared in the financial accounts so that the owners are aware of the conflict. The Trust ensures that any conflicts are recorded, and appropriate actions taken. The commercial shops had some difficulty in 2017 to be fully occupied, so by having a rental manager in charge, has meant that now, all shops are tenanted and are up to date with payments.</p> <p>Mr. Lasike advised that there was significant investment in stock food, maintaining tracks and fertilizer in the 2018 year preparing for when the Trust takes over its own herd. Equity has increased to approximately \$13 million at the end 2018 financial year.</p>	
<p>REAPPOINTMENT OF AUDITOR:</p>	<p><u>Appointment of the Auditors</u></p>	

RANGATIRA 8A17 TRUST

	<p>Mr Lasike advised that Dixon and Co are available for reappointment.</p> <p>MOVED <i>Andrew Kusabs / Gloria McLaughlin</i></p> <p>RESOLVED <i>"That Dixon & Co is reappointed as auditor for Rangatira 8A17 Trust."</i></p> <p>CARRIED (by voice)</p>	
<p>MOTION TO RECEIVE ALL REPORTS:</p>	<p>MOVED <i>James Wilson / Hinemoa Henderson</i></p> <p>RESOLVED <i>"That the Trustees' report, farm report, Solicitor's report, and the financial report for the year ended 31 March 2017 and 2018 be received and adopted."</i></p> <p>CARRIED (BY VOICE)</p>	
<p>QUESTIONS FROM THE REPORTS:</p>	<p>A question asked by Peter about how the land was transferred from Maori title to general title. Mr. A Kusabs answered that it was a proposition put to the owners at the time and the Court allowed the transfer to general title, provided all proceeds from activities remain in the Trust in land or equivalent investment.</p> <p>Another question asked was if the owners would be able to have any input in the decisions regarding the retirement housing opportunity. Mr. A Kusabs answered that if there is anything that will directly effect the owners such as legal issues with land; the Trust will then come back to an owners' meeting for discussions and recommendation.</p> <p>An owner asked about what options the Trust has if the retirement housing opportunity goes ahead. Mr. A Kusabs replied that essentially there are two options, or even a combination of these options. The first option would be for the Trust to receive a passive lease income. The second option is to possibly be a shareholder in the operation. Both options will need in depth consideration.</p> <p>Ms. Linda Northcroft asked if the Trust goes ahead with the aged care facility, whether it would be Kaupapa Maori or have Maori influence in its running, as well as making it affordable for Maori to live there. Mr. A Kusabs replied that the Trust has not considered this as the project is still in its early stages, but said that it will be noted for discussion when appropriate.</p> <p>Ms. Jane Shepard said that there is a massive oak tree next to the Urupa which she is worried that it is causing damage to the Urupa, and wanted to know what the Trust is going to do about this issue. Mr. A Kusabs replied that there is not very much the Trust can do to get rid of the tree, as the tree grows on the neighbor's land. Ms. McLaughlin added that as it is the neighbor's tree, either the council or the owner needs to contact if it is causing so much issue. Ms. Shepard asked who looks after the Urupa. Ms. McLaughlin replied that it is supposed to be looked after by all owners, however she is the one that mows it regularly. Ms. Shepard said that she would follow the oak tree up with the owner. Mr. A Kusabs added that there is a separate committee for the Urupa, but the Trust has been funding the maintenance of the area. Ms. McLaughlin continued by saying the plots maintenance should be the responsibility of the family.</p>	

RANGATIRA 8A17 TRUST

	<p>An owner queried if the Trust has looked at going into hemp growing as there someone from Turangi looking for 20,000 ha to plant in industrial hemp. Mr. A Kusabs replied that the Trust hasn't looked into this option for the farm and he would personally wouldn't want to look at this for the farm, as the farm is running along nicely as it is. However, some of the Secretary's other clients are applying for licenses and doing research around this area and if anything comes out of it, Mr. Lasike will be able to advise the Trust about the industry.</p>	
STRATEGIC PLAN	<p>A copy of the strategic plan was circulated in the agenda packs to update owners on what the Trust's strategic plan is and how the Trust is progressing on the strategic plan from 2016-2020. Most things have been covered through the meeting.</p> <p>Mr A Kusabs reiterated that if anyone is of Kaumātua age (60 and over) then they need to make contact with the Secretary's office and provide them with their details so they can be included in the next payment.</p>	
GENERAL BUSINESS:	<p>1. Whanau Day</p> <p>Mr. A Kusabs announced that the Trust wanted to hold a whanau day towards the end of March, so that owners and beneficiaries can see the block and the farm. The Trust would let owners know once arrangements have been finalized and will try to email those who have provided an email to the secretary's office.</p>	
MEETING CLOSED:	<p>There was no further business. Mr A Kusabs thanked everyone for their participation and invited them to lunch concluding the meeting. The meeting concluded with a karakia by Mr. Pene at 11.49am.</p>	

Rangatira 8A17 Trust

Incorporating
Rangatira 8A1T2X
And
Rangatira 8A1T2Y

Report of the Trustees for the year ended 31 May 2023 (Delivered 29th July 2023)

On behalf of the Trustees it gives me very much pleasure to welcome you to today's meeting.

Some of you will be attending a meeting of these trusts for the first time, so I shall give you a quick overview of what the Trustees have been doing over the past 40 years and where we are heading.

Rather than providing you with a full background of where the Trust has come from, suffice to say, we inherited a blackberry, gorse and broom covered parcel of land that had been used for the dumping of saw mill waste. With the consent of the owners and the Maori Land Court part of the land was subdivided and sold and with the proceeds and operating surpluses we have:

1. Built three kaumātua house units
2. Built seven shops in the Rangatira Shopping Complex and
3. Purchased a 226 ha Dairy Farm at Reporoa.

Covid-19

Covid-19 created significant barriers, delays and issues for everyone and the Trust and its operations were not exempt from these effects. As you know, the Trust is obligated to hold a general meeting of owners every three (3) years. The Trust had planned to hold a general meeting in 2022. However, due to a resurgence of COVID-19 and the subsequent restrictions, delay in receiving the audited financial statements for the 2022 year due to COVID-19, and the fact that the Trust did not want to put any vulnerable owners at risk, the Trust could not hold a general meeting as planned.

Reporoa Dairy Farm

While Dairy farming has its ups and downs, the year ended 31 May 2023 was one of our better years so far as milk price was concerned and containment of costs. The milk price for the 2022/2023 was also very favourable but opening prices for the coming season are trending down and we will be forced to watch our costs even more closely.

As we mentioned at our last meeting, we did decide to engage a contract milker when our 50/50 Sharemilker retired. We did that and we did buy his dairy herd. The loan we obtained from our bankers to complete the purchase of the herd and sundry plant has been repaid.

Mr. & Mrs. Urquhart remained as our contract milkers up to the end of the 2023 season but going forward Mr. Urquhart will continue on his own. Contract milkers receive a portion of the milk payment, this coming season \$1.65 per kg/MS and in return they milk and feed the cows, employ labour to assist them and cover shed expenses.

Mr. Livingston will give you a complete picture of the farm's performance over the last three years and Mr. Lasike will provide you with the farm's financial performance.

Land Development

Although, in accordance with previous owner agreement, we did approach and obtain the approval of the Maori Land Court to change the status of our balance of lands Rangatira 8A17A5/6, Rangatira

Rangatira 8A17 Trust

8A1T2X and Rangatira 8A1T2Y to general freehold title, there was no intention on the part of the trustees to immediately engage in the subdivision of the lands.

However, it is clear from the above that one of the main reasons for our success to date was the development and sale of our corpus land and re-investment into income earning assets. Without the sale and reinvestment into dairying we would be in a sorry financial state today.

The Trust's remaining undeveloped land is now substantially surrounded by residential subdivision except where we back on to Rangatira E farm and our adjoining neighbours. Last year they were given approval to a change of use of their lands which allows them to subdivide and sell. We were forced to become involved in the proceeding to the zoning change to ensure our owners were not financially disadvantaged. We're not talking peanuts here, had we not intervened we would have lost millions.

What we've ended up with after the PC 37 hearing is the ability, if the opportunity arises, to easily develop perhaps eighteen (18) sections using access from Lakewood Road. I will ask our solicitor to make comment shortly.

You might recall that we had joined a consortium of six Maori Authorities which examined the possibility of establishing Aged Care Facilities on their lands. This is being done in partnership with the NZ Superannuation Fund. Instead of selling the land we would have created a long term lease of approximately six hectares of land for the facility. A great idea but most of the other trusts couldn't make it work and the Superannuation Fund which had initiated the proposal decided to not proceed.

Rangatira 8A1T2X and 8A1T2Y and Balance 8A17/A5 & A6

After the trees were removed, wildling pines, blackberry and broom soon took possession of the land. We re-fenced the boundaries, cleared the weeds, and re-grassed the area. It is now being grazed by Rangatira E Trust. Although we are not receiving any income from Rangatira E it is keeping the property clean and tidy.

Rangatira 8A1T2

There is a small area of Maori roadway that was originally used to access the lands we control and other neighbouring blocks. The access to the neighbouring blocks has been satisfied and the remaining access land is surrounded by us and is still in Maori Freehold land title. Because it was a separate title it was not included in our application when we applied for the status changes. We have been advised that we should apply for the status change and the land included in our blocks.

To satisfy the Maori Land Court a separate meeting of Rangatira 8A1T2 owners will be called later to approve the transfer. However we haven't followed up with this.

Rangatira Shopping Centre:

Ms. McLaughlin, who is responsible for collection of rents and ensuring maintenance is carried out, will comment on our property portfolio shortly.

All seven shops are let and rentals are current! Maintenance is carried out as required. The tenancies include a liquor outlet, a hairdresser, a coffee shop, a dairy, and three fast food outlets - fish and chips, a bakery/restaurant, and an Indian takeaway.

We've had a few insurance claims due to vehicle damage by drivers whose driving skills were not up to standard. During the initial Covid-19 lockdown, the Trust received requests from lessees for lease holidays while they could not operate.

Rangatira 8A17 Trust

Kaumātua Grants

The Trust is financially in good financial heart. We are still moving forward with our development but it is time to give something back to owners who have patiently supported us over many years. Grants paid have been in the vicinity of \$100,000 over the last few years. This year's kaumātua grant totaled \$113,000.

Kaumātua Flats:

The three Kaumātua units are let and rents are up to date. These are in constant need of repair and all three units meet Healthy Homes standard.

Financial Statements:

The audited financial statements for the year ended 31 May 2019 - 2022 are attached. Mr. Lasike, our Secretary/Accountant, will review these accounts for you shortly.

Thanks:

In conclusion let me thank you all for attending today's meeting.

I would also thank our advisers Mr. Peter Livingston and Mr. Tony Devlin for their input to this very successful Trust. I am very grateful to Mr. Lau Lasike our Secretary/Accountant for his many years of support.

A special thanks to our trustees - Diane, Gloria, Joe and Craig for their enthusiasm, support and cooperation during another busy year.

I formally move the adoption of this report.

.....
Andrew M Kusabs
Chairman

On behalf of the trustees.

RANGATIRA 8A17 BLOCKS REPORT ON PC 37

This is a Report on Taupo District Plan Change 37 ("PC 37") so far as it affects Rangatira 8A17A5 and 8A17A6 blocks ('the 8A 17 blocks").

PC 37 is a private plan change initiated by other land owners to the North West of the 8A 17 blocks. The 8A 17 blocks did not initiate and we're not applicants for PC 37, but they did have to respond to it because, notwithstanding that the 8A 17 blocks were not applicants for PC 37, nevertheless it contained provisions which adversely affected the future of the blocks, in particular by:

1. Requiring a 20 metre setback for stormwater and recreation reserves along the length of the South Western and western boundaries of the A5 block - resulting in a potential loss of approximately 30 saleable sections (if the A5 block was subdivided in the future)- in dollar terms, a loss in the order of \$900,000; and
2. Taupo District Council insisting that the A6 block be a stormwater and recreation reserve.

A Submission was lodged by the 8A 17 blocks against those provisions, but the Submission was not upheld by Hearing Commissioners appointed by the Taupo District Council. The 8A 17 blocks were therefore forced to appeal to the Environment Court.

Fortunately, common sense eventually prevailed, but not without some hard negotiation. The end result of the Environment Court appeal (achieved without having to go to a hearing before the Environment Court) was that:

1. The 20 metre setbacks on the A5 block boundaries have been removed from PC 37 (although there is a 5 metre building set back from the edge of the gully on the boundary of the A5 and A6 blocks]; And
2. There is no change to the status of the A6 block as a Natural Gully system - subsequently however, TDC has sought to exercise powers under clause 16.2 of schedule 1 of the Resource Management Act 1991 to change the status of the A6 Block to stormwater and recreation reserve. Regrettably, there are no participation rights with respect to the exercise of those powers, so the A6 block has reserved its position for the future and given notice to TDC that it does not agree to any intensification of velocity or volume of naturally flowing stormwater in the gully ie no water from other subdivisions.

All up, a favourable outcome which preserves value in the 8A17 blocks and ensures that the ability to subdivide in the future will not be compromised.



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FARM REPORT

prepared for

Rangatira 8A17 Trust

AgFirst Central
Agribusiness Consultants
July 2023

1.0 INTRODUCTION

The Rangatira 8A17 Trusts' dairy farm is 196 hectares of pasture and crops. It is located on Earle Road, Broadlands and is relatively flat to gently rolling in contour. The soils are very free-draining pumice with a good soil nutrient base. To buffer against "summer / autumn dry" conditions approximately 160 hectares are irrigated, from mid-October to early April.

Typically, the Trusts' farm milks around 515 – 525 cows, on a mainly pasture based diet with summer / winter crops grown in support. Up to ten percent of total feed eaten is "purchased in" as high energy concentrate and part of the herd is "grazed off farm" for six weeks each winter. This farm system places the operation in the "medium intensity" category for dairying.

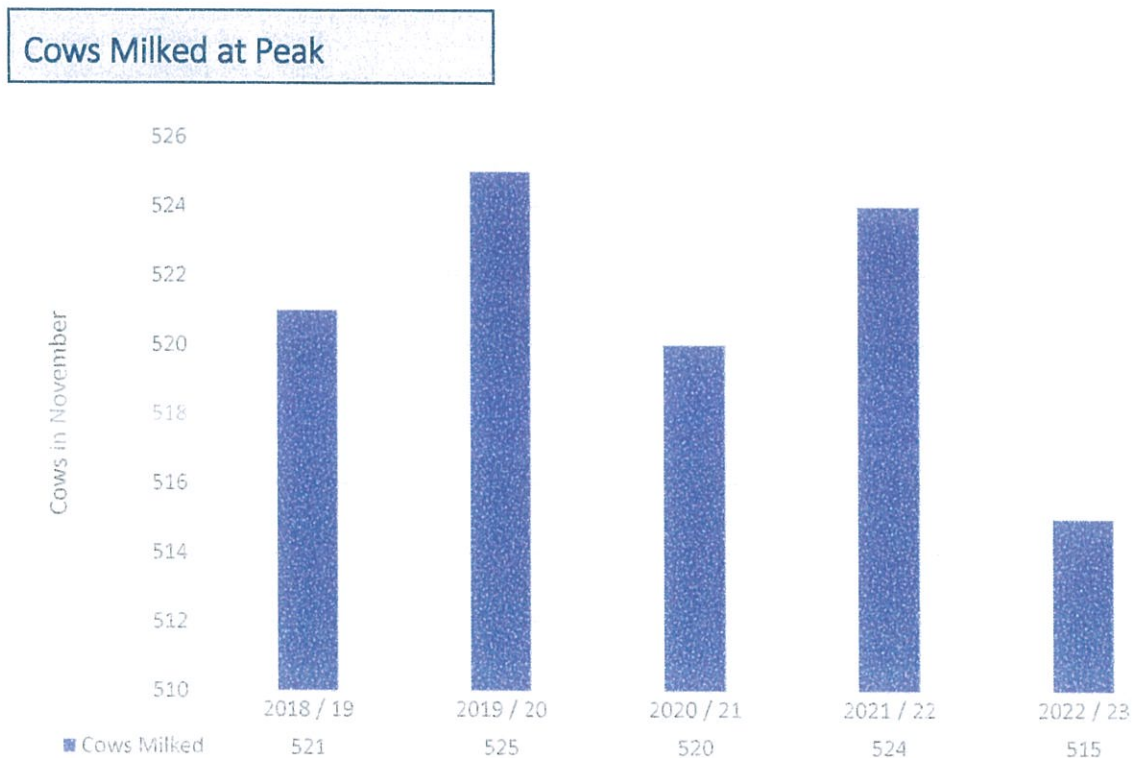
Farm performance has been very strong, and as the herd and pastures improve, the Trustees expect to see further incremental improvement over time.

After many years of having 50 / 50 sharemilkers (who provided the livestock, plant / machinery, and labour), the Trust purchased its own herd and machinery in 2018. Rangatira 8A17 Trust now engages a contract milker who provides the staff and day-to-day management input. This investment was made to bring a higher proportion of the profit back to the Trust rather than a 50 / 50 share as was the case prior to 2018. This move has been very rewarding for the Trust.

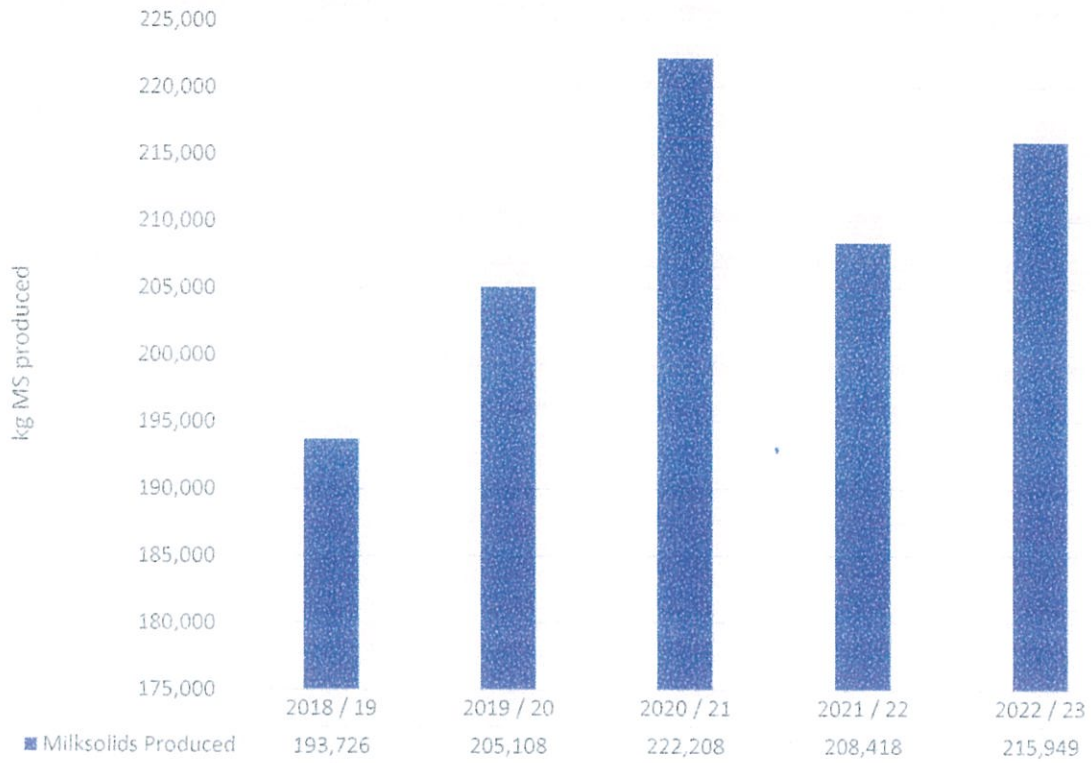
The farm operation is a strong performer and well placed to accommodate the many changes that new compliance rules and codes of good practice around Animal Welfare, Health and Safety, and Environmental Management are introducing.

It is no secret that dairy farming is under the spotlight for a variety of reasons, but in a similar fashion it remains a cornerstone of the national economy. This won't change in a hurry but the way we use land, and in particular farm it, is being continually modified to stay relevant!

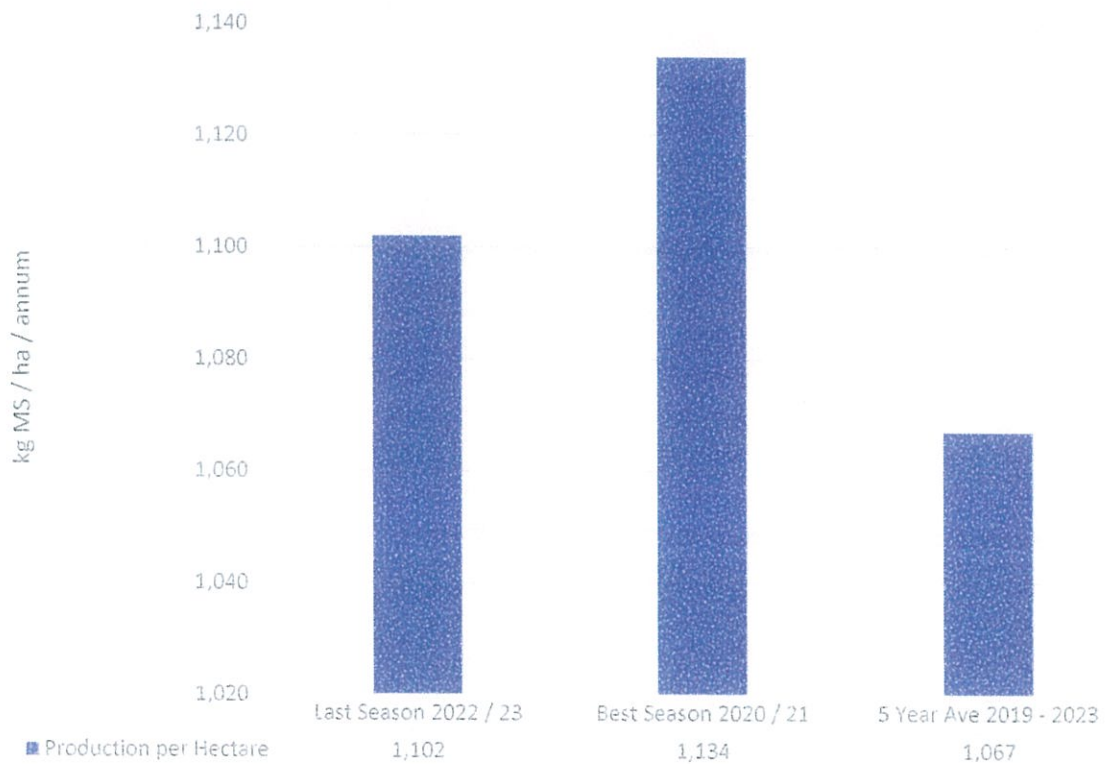
2.0 FARM PERFORMANCE



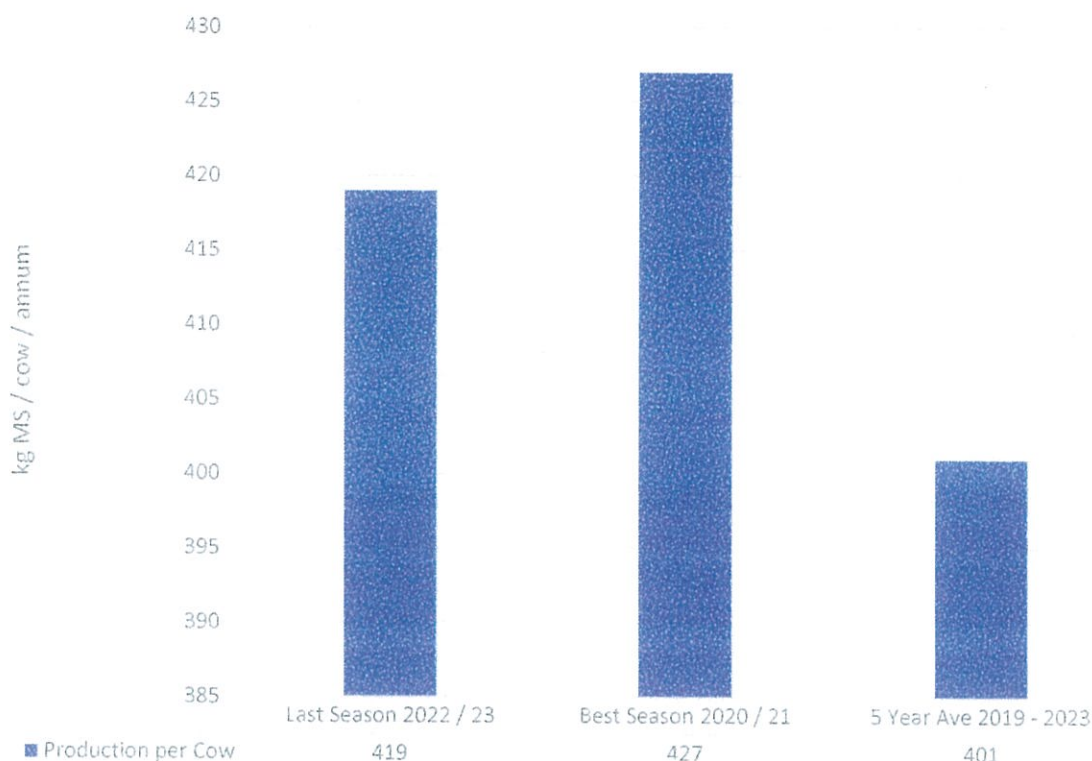
Milksolids (Kg) Produced



Milksolids (Kg) per Hectare



Milksolids (Kg) per Cow



Milk Quality Profile

The Trusts' herd has been showing steady improvement in milk quality produced over the last three years, culminating in no downgrades in 2022 / 23 and only three in 2021 / 22.

The average Somatic Cell Count is also well below the Fonterra Company average at 100,000 – 120,000 over the last three seasons. This is excellent and brings bonus payments.

Stock Quality

There is a strong team effort going into improving the quality of cows in the herd. This starts with producing well grown, healthy replacement heifers and ensuring that the poorer end of the herd is culled each year. The herd is a strong performer within the local industry.

In recent seasons' there have been challenges to achieving favourable reproductive performances, an issue the dairy industry as a whole is grappling with. The impact of high "not in calf" rates for herds is a loss of short-term profitability and breeding opportunity.

Farm Maintenance

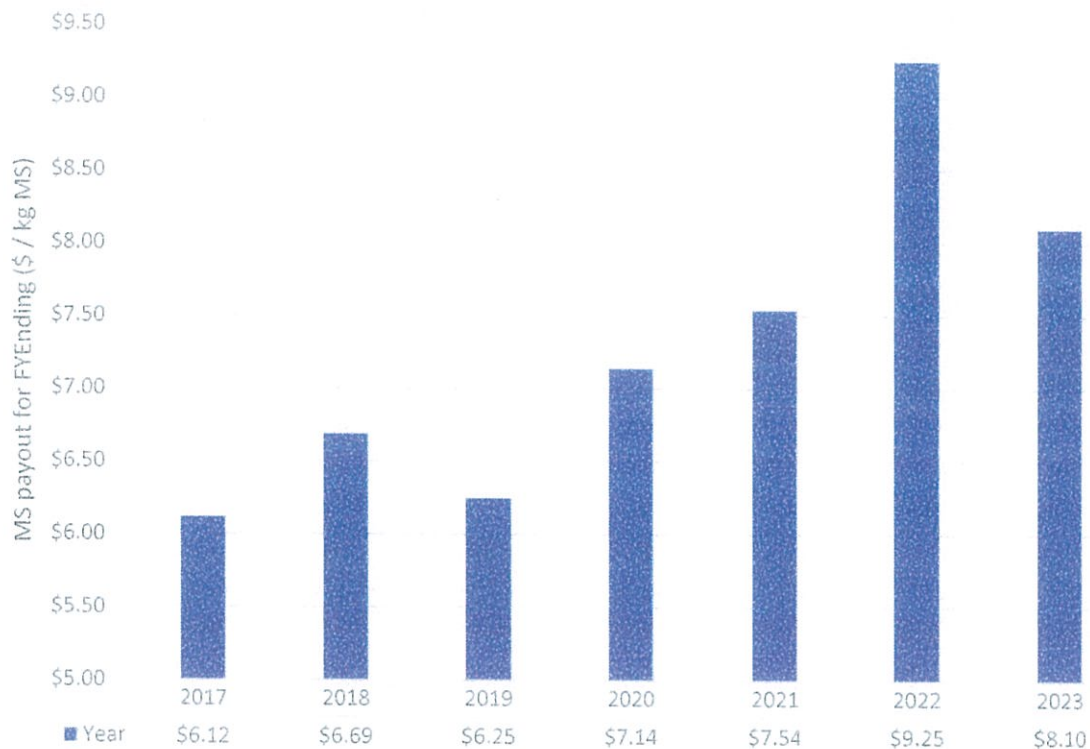
There has been a significant level of re-investment back into the Trusts' farm over the last five to six seasons. This has included an effluent system upgrade, improving the pasture irrigation system, extra milk chilling capability to meet new MPI standards and better races / fences. The 40 aside herringbone cowshed is well looked after and has an "in-shed" meal feeding system.

3.0 INDUSTRY UPDATE

A roller coaster ride scenario seems to have been the nature of life as a dairy farmer over the last 15 years. Payouts have ranged from just under \$4 / kg MS to a peak of over \$9 / kg MS in 2021/22. The Trust supplies milk to Fonterra Ltd from late July to May each year.

Whilst the last two years have provided a record payout to farmers for the milk sold, the period ahead could be a little “rockier”. The five–year average Fonterra payout is now around \$7.65 / kg MS. It is probable that the figure for the current 2023 / 24 season will be under \$8 / kg MS.

FONTERRA Payout for Milksolids (\$/kg)



The Trust also holds Fonterra supply shares and has received a dividend on these in most years. In 2021 / 22 this was 20 cents / share and is likely to be between 30 and 35 cents for 2022 / 23. The value of the Fonterra Shares has dropped a long way in recent years but has recovered a little in 2023 to sit just above \$3.00 / share.

Farm input costs have risen sharply since early 2021. The on-farm inflation rate has been reported as 13 – 16% for last year and is now likely to be no less than 5 – 7 % in 2023. This is squeezing profit margins in a significant fashion. On this basis management is looking at how inputs can be trimmed without adversely impacting on productivity.

It is generally felt that the industry needs to see at least an \$8 – 9 / kg MS payout each year for most farmers to breakeven. This of course depends on the farm system chosen and level of debt one carries. Rangatira 8A17 Trust made a conscious decision to take on “short-term” debt to buy the herd/machinery as part of a business growth strategy in 2018. The plan was then to pay back the loan as quickly as possible. This was achieved by 2022 and now the Trust has been accumulating funds for future opportunities as they arise. A good position to hold!

4.0 ENVIROMENTAL

Farmers are being asked to become more “savvy” when it comes to leaving a much lower environmental footprint. Already there are tighter rules around land and soil management, nutrient losses to groundwater. In the coming years farmers will add a Freshwater Farm Plan to the existing Farm Environmental Plan.

In addition, it is expected that there will be direct contributions required by farmers to mitigating against Greenhous Gas (GHG) emissions. This may start as an extra levy (tax) in 2025 but then evolve into a farm-by-farm model of the GHG emission profile against which individual farmers would need to show long term emission reductions of at least 24%. Part of the current planning also involves water course protection and bio-diversity corridor considerations. Rangatira 8A17 Trust has been participating in such a programme by retiring relevant lands along watercourses.

There are upper limits set on how much artificial nitrogen a farmer can apply each year and most of the discussion around the environmental footprint matter is related to reducing nitrogen and phosphorus losses to ground water. In short, unless new technology is available over the next decade, we could see a need to implement farm system intensity reductions by 2030. There are new technologies being developed but many are probably up to a decade away from approved use. Rangatira 8A17 Trust is acutely aware of the task ahead and considering options.

5.0 SUMMARY

Rangatira 8A17 Trust has a highly profitable, well run dairy operation. The investment made to purchase its’ own herd has been productively and financially beneficial. A strong commitment to paying off the loans as quickly as possible was made and this now provides an opportunity to look at new investments / ideas around the future. This provides a solid base to leave the Trusts’ affairs in a strong position for the next generation of owners / beneficiaries.

It is often said that “**farming doesn’t sleep**”! There is always a new task around the corner.

New Zealand Agriculture is at a point where change will need to occur to meet the mountain of new compliance rules and to maintain profit margins. Rangatira 8A17 Trust is in a favourable position to evolve and adapt to future requirements.

Rob and Donna, and their “*on-farm*” team are an integral part of the equation and their dedication to the daily mahi needed inside the farm gate to look after the Trusts’ herd and assets is noted.

Thanks to the Trustees and team at KLL for their guidance and support over the years.

Peter Livingston/Bridget Ray
Agribusiness Consultants-AgFirst

Disclaimer:

The content of this report is based upon current available information and is only intended for the use of the party named. All due care was exercised by AgFirst in the preparation of this report. Any action in reliance on the accuracy of the information contained in this report is the sole commercial decision of the user of the information and is taken at their own risk. Accordingly, AgFirst disclaims any liability whatsoever in respect of any losses or damages arising out of the use of this information or in respect of any actions taken in reliance upon the validity of the information contained within this report.

RANGATIRA 8A17 TRUST

Incorporating Rangatira 8A1T2X & 8A1T2Y

**Summary of Financial Statements for the Years
ended 31 May 2019, 2020, 2021, 2022**



RANGATIRA 8A17 TRUST

STATEMENT OF TRADING ACCOUNTS

FOR THE YEARS ENDED 31 MAY 2019, 2020, 2021, 2022

	2019 \$	2020 \$	2021 \$	2022 \$
RENTAL - KAUMATUA FLATS				
Income				
Rent	19,761	19,250	20,270	17,386
Less:				
Agents Fees & Commission	2,841	2,509	2,489	2,254
Depreciation	682	567	471	1,115
Insurance	3,083	3,076	3,141	2,971
Rates	6,255	6,484	6,738	7,156
Repairs & Maintenance	581	1,807	1,776	6,547
Loss on Sale of Assets	-	-	-	20
Total Expenses	<u>13,442</u>	<u>14,443</u>	<u>14,615</u>	<u>20,063</u>
Net Profit from Rent	<u>6,319</u>	<u>4,807</u>	<u>5,655</u>	<u>(2,677)</u>

RENT - COMMERCIAL SHOPPING COMPLEX

Income				
Rent	107,956	98,920	108,679	106,812
Expenses Recovered	23,601	23,543	26,312	28,752
	<u>131,557</u>	<u>122,463</u>	<u>134,991</u>	<u>135,564</u>
Less:				
Agents Fees and Commission	14,521	12,300	13,497	11,686
Depreciation	3,325	3,078	13,070	12,690
Light & Power	2,621	2,407	2,650	2,489
Grounds	2,652	4,640	7,572	3,591
Insurance	4,232	4,129	5,817	6,921
Legal Expenses	22.00	482	-	1,946
Rates	15,465	19,943	20,468	17,533
Repairs & Maintenance	1,065	2,139	1,887	1,359
Valuation Fees	-	-	1,400	-
Total Expenses	<u>43,903</u>	<u>49,118</u>	<u>66,361</u>	<u>58,215</u>
Net Profit from Rent	<u>87,654</u>	<u>73,345</u>	<u>68,630</u>	<u>77,349</u>

FARM TRADING

Income				
Sales of Milksolids	855,418	1,146,156	1,318,407	1,584,702
Milksolids Production Dividend	-	-	19,941	41,876
Gross Profit from Dairy Cattle Trading	11,774	32,000	152,352	102,323
Rebates	7,895	7,188	7,027	12,414
	<u>875,087</u>	<u>1,185,344</u>	<u>1,497,727</u>	<u>1,741,315</u>
Less:				
Farm Working Expenses	649,336	626,136	608,270	763,916
Vehicle Expenses	15,753	5,903	14,264	8,383
Repairs & Maintenance	194,976	262,752	106,185	159,404
Fixed and Financial Charges	55,881	54,431	47,019	48,674
Depreciation	83,189	77,383	72,723	70,754
Loss on Sale of Fixed Assets	63,582	146	-	-
Total Expenses	<u>1,062,717</u>	<u>1,026,750</u>	<u>848,461</u>	<u>1,051,131</u>
Net Profit/(Loss) from farming	<u>(187,630)</u>	<u>158,594</u>	<u>649,266</u>	<u>690,184</u>

RANGATIRA 8A17 TRUST

STATEMENT OF TRADING ACCOUNTS

FOR THE YEARS ENDED 31 MAY 2019, 2020, 2021, 2022

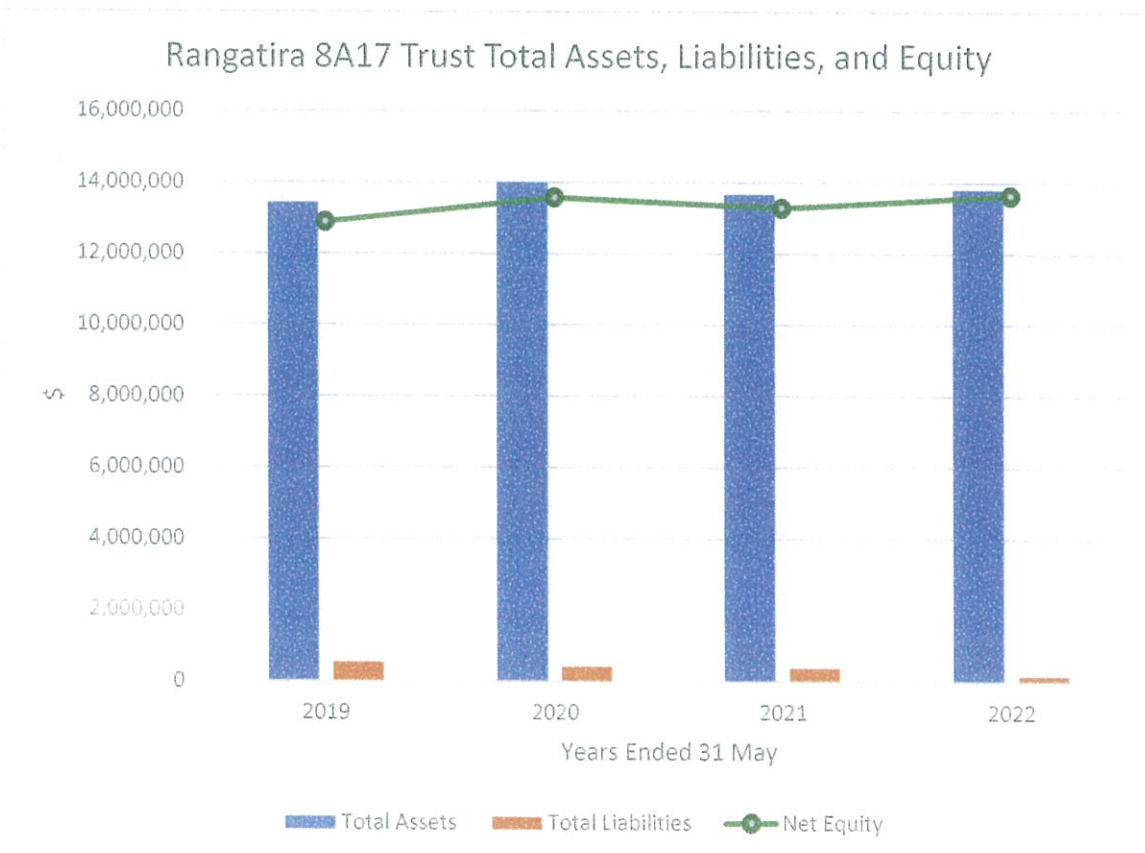
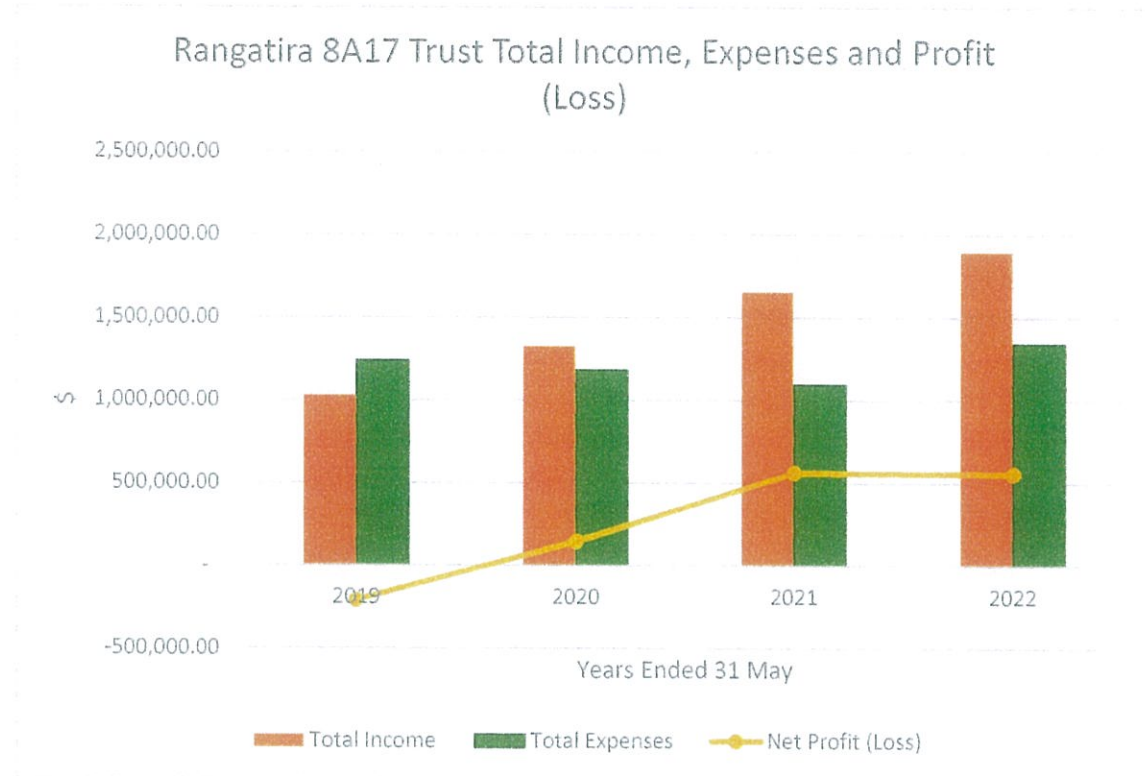
	2019	2020	2021	2022
	\$	\$	\$	\$
Trading Surpluses/(Deficits)				
Farm Trading Surplus/(Deficit)	(187,630)	158,594	649,266	690,184
Kaumatua Flats Surplus/(Deficit)	6,319	4,807	5,655	(2,677)
Commercial Shopping Complex Surplus/(Deficit)	87,654	73,345	68,630	77,349
	<u>(93,657)</u>	<u>236,746</u>	<u>723,551</u>	<u>764,856</u>
Other Income				
Interest Received	3,458	1,967	94	1,616
Dividends Received	-	-	2,545	3,163
Sundry Income	-	-	300	-
	<u>(90,199)</u>	<u>238,713</u>	<u>726,490</u>	<u>769,635</u>
Less Administration Expenses	119,373	92,642	85,553	119,018
Surplus/(Deficit) before Taxation	<u>(209,572)</u>	<u>146,071</u>	<u>640,937</u>	<u>650,617</u>
Less Income Tax Expense	-	-	(79,820)	(95,737)
NET SURPLUS AFTER TAXATION	<u>(209,572)</u>	<u>146,071</u>	<u>561,117</u>	<u>554,880</u>

STATEMENT OF FINANCIAL POSITION

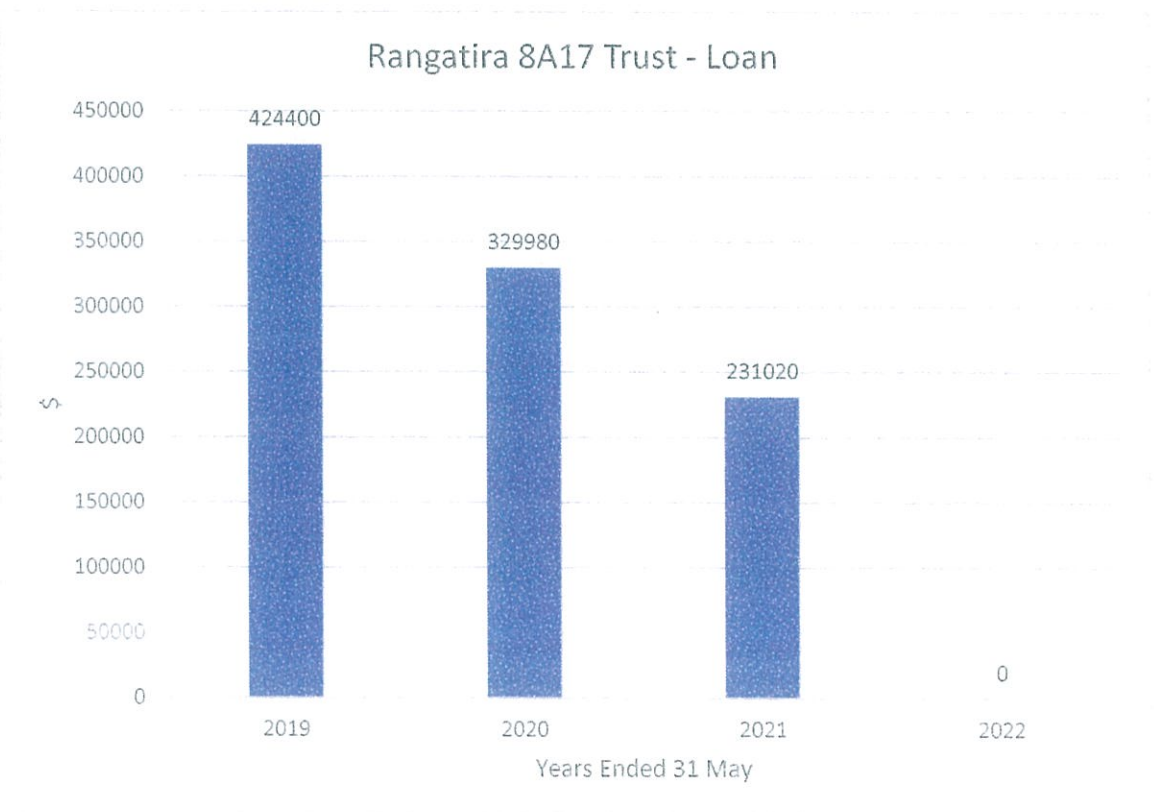
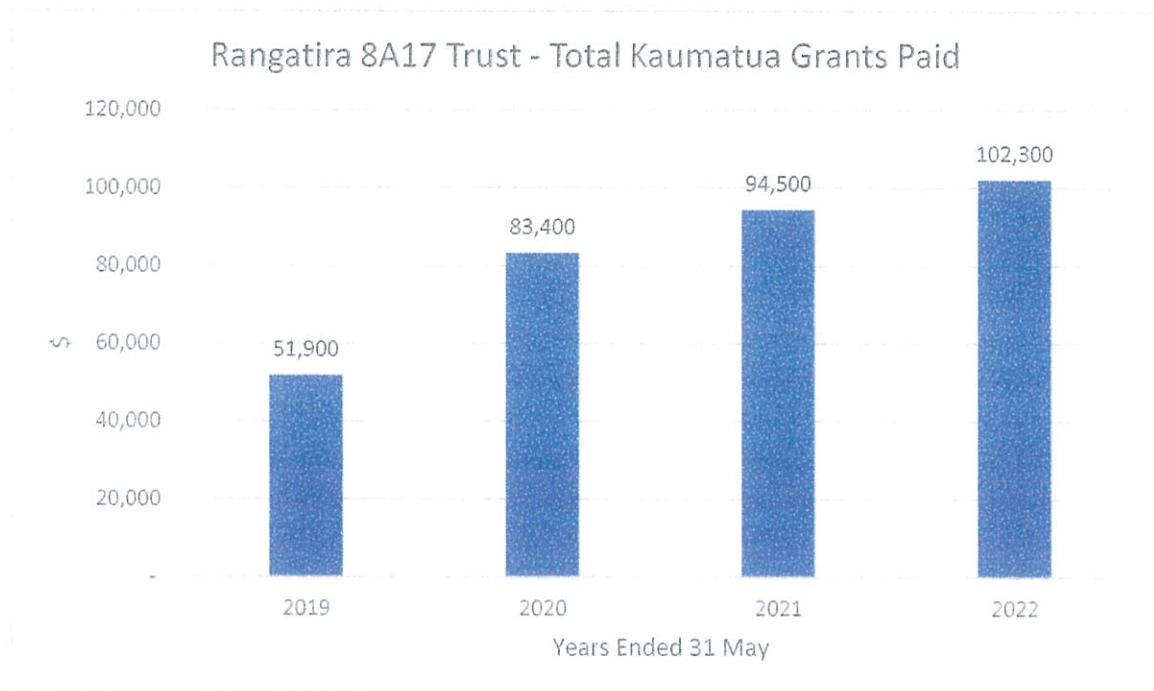
AS AT THE YEARS ENDED 31 MAY 2019, 2020, 2021, 2022

	2019	2020	2021	2022
	\$	\$	\$	\$
Current Assets	1,462,885	1,478,850	1,936,309	2,321,420
Non-Current Assets	11,972,787	12,534,246	11,743,417	11,494,886
TOTAL ASSETS	<u>13,435,672</u>	<u>14,013,096</u>	<u>13,679,726</u>	<u>13,816,306</u>
Current Liabilities	213,681	194,826	261,524	173,079
Non-Current Liabilities	333,680	234,820	131,300	-
TOTAL LIABILITIES	<u>547,361</u>	<u>429,646</u>	<u>392,824</u>	<u>173,079</u>
NET ASSETS	<u>12,888,311</u>	<u>13,583,450</u>	<u>13,286,902</u>	<u>13,643,227</u>
TRUST FUNDS				
Beneficiaries Equity	12,888,311	13,583,450	13,286,902	13,643,227
TOTAL TRUST EQUITY	<u>12,888,311</u>	<u>13,583,450</u>	<u>13,286,902</u>	<u>13,643,227</u>

Summarised Graphs for Rangatira 8A17 Trust



Summarised Graphs for Rangatira 8A17 Trust



Rangatira 8A 17 Trust

Financial Statements
For the Year Ended 31 May 2022



Rangatira 8A 17 Trust
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For the Year Ended 31 May 2022

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INDEPENDENT AUDITORS REPORT

To the Trustees of Rangatira 8A 17 Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rangatira 8A 17 Trust (the Trust) on pages 4 to 19, which comprise the balance sheet as at 31 May 2022, and the statements of profit or loss 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 Rangatira 8A 17 Trust for the year ended 31 May 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, Rangatira 8A 17 Trust.

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 shareholders/owners and the 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/>

Other Matter

The financial statements of Rangatira 8A 17 Trust for the year ended 31 May 2021 were audited by another auditor who expressed an unqualified opinion on those statements on the 16th December 2021.

Restriction on Responsibility

This report is made solely to the Trustees, as a body, in accordance with the trust deed of Rangatira 8A 17 Trust. Our audit work 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.

Silks Audit

Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 13th March 2023

Rangatira 8A 17 Trust

Directory

As at 31 May 2022

Nature of Business	Dairy Farming and Property Management
Trustees	Andrew Kusabs Craig Kusabs Gloria McLaughlin Joseph Pene Diane Stockman
Accountants	Kusabs Lasike Ltd, Rotorua Chartered Accountants Rotorua
Auditor	Silks Audit, Chartered Accountants, Taupo
Bankers	BNZ, Rotorua
Solicitors	Le Pine & Co, Taupo
IRD Number	046-602-269



Rangatira SA 17 Trust

Rental Income Schedule

For the Year Ended 31 May 2022

	2022	2021
	\$	\$
Rental Income Schedule for Kaumatua Flats		
Income		
Rental Income - Kaumatua Flats	17,366	20,270
Less Expenses		
Agents Fees and Commission	2,254	2,489
Depreciation	1,115	471
Grounds Maintenance	138	-
Insurance	2,971	3,141
Rates	7,156	6,738
R & M - General	472	229
R & M - Buildings	5,938	1,547
Loss on Sale of Assets	20	-
	<u>20,064</u>	<u>14,615</u>
Net Rental (Loss) Income	(2,677)	5,655
Rental Income Schedule for Shopping Complex		
Income		
Rental Income - Shopping Complex	106,812	108,679
Expenses Recovered	28,752	26,312
	<u>135,564</u>	<u>134,991</u>
Less Expenses		
Agents Fees and Commission	11,686	13,497
Depreciation	12,690	13,070
Grounds Maintenance	3,591	7,572
Insurance	6,921	5,817
Legal Fees	1,946	-
Light, Power & Heating	2,489	2,650
Rates	17,533	20,468
R & M - Buildings	1,359	1,887
Valuation Fees	-	1,400
	<u>58,214</u>	<u>66,361</u>
Net Rental Income	77,349	68,630

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.



Rangafira 8A 17 Trust

Rental Income Schedule (continued)

For the Year Ended 31 May 2022

	2022	2021
	\$	\$
Summary of Rental Schedules		
Net Rental (Loss) Income from Kaumalua Flats	(2,677)	5,655
Net Rental Income from Shopping Complex	77,349	68,630
Total Income from Rentals	<u>74,672</u>	<u>74,285</u>

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.



Rangatira & A 17 Trust

Statement of Livestock Trading - Dairy Farm

For the Year Ended 31 May 2022

	2022			2021		
	Qty	Avg. Price	\$	Qty	Avg. Price	\$
Dairy Cattle Trading Account						
Sales						
Calves	362	26	9,553	329	22	7,368
R2 Heifers	11	569	6,256	-	-	-
MA Cows	133	650	86,469	105	603	63,298
Breeding Bulls	21	1,275	26,775	20	1,098	21,961
	<u>527</u>		<u>129,053</u>	<u>454</u>		<u>92,627</u>
Purchases						
MA Cows	20	1,675	33,500	-	-	-
Breeding Bulls	21	1,797	37,730	20	1,598	31,950
	<u>41</u>		<u>71,230</u>	<u>20</u>		<u>31,950</u>
Cash Surplus for the Year	486		57,823	434		60,677
Opening Stock						
R1 Heifers	128	825	105,600	120	700	84,000
R1 Steers/Bulls	-	-	-	2	600	1,200
R2 Heifers	114	1,389	158,300	112	1,350	151,200
R2 Steers/Bulls	-	-	-	1	875	875
MA Cows	436	1,750	763,000	423	1,650	697,950
Total Opening Stock	<u>678</u>		<u>1,026,900</u>	<u>658</u>		<u>935,225</u>
Closing Stock						
R1 Heifers - Mkt Value	122	900	109,800	128	825	105,600
R2 Heifers - Mkt Value	113	1,700	192,100	114	1,389	158,300
MA Cows - Mkt Value	405	1,900	769,500	436	1,750	763,000
Total Closing Stock	<u>640</u>		<u>1,071,400</u>	<u>678</u>		<u>1,026,900</u>
Movement in Livestock Values			44,500			91,675
Gross Profit from Dairy Cattle Trading			<u>102,323</u>			<u>152,352</u>
Dairy Cattle Reconciliation of Numbers						
Opening Stock	678			658		
Plus						
Purchases	41			20		
Natural Increase	484			457		
	<u>525</u>			<u>477</u>		
Less						
Sales	527			454		
Deaths & Missing	36			3		
	<u>563</u>			<u>457</u>		
Closing Stock Numbers	<u>640</u>			<u>678</u>		

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

Rangatira 8A 17 Trust

Statement of Financial Performance - Dairy Farm

For the Year Ended 31 May 2022

	Note	2022 \$	2021 \$
Livestock Trading Revenue			
Gross Profit from Dairy Cattle Trading		102,323	152,352
Operating Revenue			
Sale of Milksolids		1,584,702	1,318,407
Fonterra Dividend		41,876	19,941
Rebates		12,414	7,027
Gross Profit		1,638,992	1,345,375
Net Revenue		1,741,315	1,497,727
Less Expenses			
Farm Expenses			
Animal Health		76,630	66,142
Animal Identification		1,897	2,174
Biosecurity Levy		4,993	5,277
Calf Rearing		7,731	8,956
Cropping & Cultivation		20,487	12,732
Dairy Insight		7,489	7,897
Dairy Shed Expenses		11,753	4,508
Effluent Disposal		7,606	4,168
Farm Advisory		21,672	17,246
Fertiliser & Lime		138,616	117,491
Freight & Cartage		5,202	3,841
Grazing		86,255	68,797
Hay & Silage - Purchases		33,236	18,118
Health & Safety		2,561	42
Herd Testing		26,527	25,187
Lease Livestock		-	1,200
Light, Heat & Power		89,173	97,477
Protective Clothing		283	-
Resource Consents		4,181	3,789
Rubbish & Waste Disposal		3,141	2,221
Seed		15,775	7,682
Shelter Tree Expenses		300	-
Stock Food		187,155	122,520
Weed & Pest Control		11,253	10,805
		763,916	608,270
Vehicle Expenses			
Fuel & Oil		5,069	1,949
Motor Vehicle - Tractor		3,314	12,315
		8,383	14,264

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.



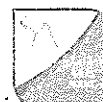
Rangatira 8A 17 Trust

Statement of Financial Performance - Dairy Farm (continued)

For the Year Ended 31 May 2022

	Note	2022	2021
		\$	\$
Repairs and Maintenance			
Fencing, Gates & Yards		36,279	7,296
Irrigation - R&M		37,760	4,002
Buildings		2,110	13,008
Employee Accommodation		20,783	11,798
Plant & Equipment		23,445	19,729
Tracks & Races		587	8,675
Water Supply		38,440	41,679
		<u>159,404</u>	<u>106,185</u>
Fixed & Financial Expenses			
Insurance		22,385	9,275
Interest Paid - Loans		730	8,724
Rates		21,384	26,613
Subscriptions & Licences		2,234	1,807
Valuation Fees		1,941	600
		<u>48,674</u>	<u>47,019</u>
Non Cash Expenses			
Depreciation		70,754	72,723
Total Expenses		<u>1,051,131</u>	<u>848,461</u>
Net Profit		<u>690,184</u>	<u>649,266</u>

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.



Rangatira 8A 17 Trust

Combined Statement of Financial Performance

For the Year Ended 31 May 2022

	Note	2022 \$	2021 \$
Divisional Farm Revenue			
Net Profit from Dairy Farm		690,184	649,266
Other Income			
Sundry Income		-	300
Dividends Received		3,163	2,545
Interest Received		1,616	94
Rental Income		74,673	74,285
Total Other Income		<u>79,452</u>	<u>77,224</u>
Gross Profit after Other Income		<u>769,636</u>	<u>726,490</u>
Less Expenses			
Administration Expenses			
Accountancy Fees		44,639	36,130
Advertising		787	787
Audit Fee		3,850	4,014
Consultancy Fees		6,850	3,851
Printing, Postage & Stationery		969	1,206
Share Register		8,718	13,481
Trustees - Mileage		1,500	2,448
Trustees Fees		37,350	16,650
Trustees Expenses		978	119
		<u>105,641</u>	<u>78,686</u>
Fixed & Financial Expenses			
Bank Fees & Charges		147	151
Interest - Bank Overdraft		-	61
Interest - IUOM		646	-
Legal Fees - Deductible		6,281	374
Rates		5,303	5,281
Subscriptions		1,000	1,000
		<u>13,377</u>	<u>6,867</u>
Total Expenses		<u>119,018</u>	<u>85,553</u>
Profit before Income Tax		<u>650,618</u>	<u>640,937</u>
Income Tax Expense	2	95,737	79,820
Net Profit		<u><u>554,881</u></u>	<u><u>561,117</u></u>

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.



Rangatira 8A 17 Trust

Statement of Changes in Equity

For the Year Ended 31 May 2022

	2022	2021
	\$	\$
Revenues and Expenses		
Net Profit	554,881	561,117
Movement in Asset Revaluation Reserve	-	(704,698)
Movement in Retained Earnings (Pre-2004)	(900)	(94,500)
Movement in LIC Share Revaluation Reserve	230	-
Movement in Fonterra Share Revaluation Reserve	(197,886)	(58,466)
Total Recognised Revenues and Expenses	<u>356,325</u>	<u>(296,547)</u>
Trust Equity at the Beginning of the Year	13,286,902	13,583,449
Trust Equity at the End of the Year	<u><u>13,643,227</u></u>	<u><u>13,286,902</u></u>

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.



Rangatira 8A 17 Trust

Balance Sheet

As at 31 May 2022

	Note	2022 \$	2021 \$
Current Assets			
BNZ Rapid Repay		240,576	346,483
BNZ - Rental Account		40,452	52,045
Accounts Receivable		97,830	97,391
Prepayments		27,613	4,306
Dairy Cattle on Hand		1,071,400	1,026,900
Deemed Cost of Undeveloped Land		235,930	235,930
Development Costs - Stage 4		140,867	108,208
Term Deposits		400,000	-
Rangatira 8A 2X & 2Y Loan	5	66,752	65,046
Total Current Assets		2,321,420	1,936,309
Non-Current Assets			
Property, Plant & Equipment	6	10,883,543	10,936,761
Shares in Listed Companies	7	611,343	806,636
Total Non-Current Assets		11,494,886	11,743,417
Total Assets		13,816,306	13,679,726
Current Liabilities			
Accounts Payable		107,926	60,135
Current Portion of Term Liabilities	8	-	99,720
Income Tax Payable	3	53,247	78,981
GST Payable		11,906	22,688
Total Current Liabilities		173,079	261,524
Non-Current Liabilities			
Term Loans - Secured	8	-	131,300
Total Liabilities		173,079	392,824
Net Assets		13,643,227	13,286,902
Trust Equity			
Capital		13,660	13,660
Retained Earnings	9	3,646,523	3,091,642
Reserves	10	9,983,044	10,181,600
Total Trust Equity		13,643,227	13,286,902

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.



Rangatira 8A 17 Trust
Balance Sheet (continued)
As at 31 May 2022

For and on behalf of the Trustees



Trustee

Dee Rangatira

1/1



Rangatira 8A 17 Trust

Notes to and forming part of the Financial Statements

For the Year Ended 31 May 2022

1 Statement of Accounting Policies

Reporting Entity

The Trust is an Ahu Whenua Trust as defined under Section 215 of Te Ture Whenua Māori Act 1993 and these financial statements have been prepared in accordance with the requirements of the Act.

The principal activity of the Trust is that of Dairy Farming and Property Management.

Statement of Compliance and Basis of Preparation

These financial statements are of Special Purpose and have been prepared for taxation purposes on the principals contained in the Income Tax Act 2007 and internal management purposes.

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

The financial statements have been prepared on an accrual basis.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Profit or Loss and Balance Sheet on a historical cost basis are followed by the society, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Profit or Loss and Balance Sheet have been applied:

(a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to the society 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.

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.

Rental revenue is recognised on a straight line basis over the term of the lease.

(b) Biological Assets

For taxation purposes, livestock can be valued using either or both of the National Average Market Value (NAMV) 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 shown at Market Values supplied by an independent livestock valuer. For taxation purposes livestock values are recorded at Herd Scheme values. The difference between Market and Herd values are recorded in the Tax Reconciliation note.

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.



Rangatira 8A 17 Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 May 2022

A contingent taxation liability exists as at balance date to the extent that the actual value of livestock on hand exceeds the value determined in accordance with the provisions of the Income Tax Act and as recorded in the financial statements.

(c) Trade Receivables

Trade Receivables are recognised at estimated realisable value. Bad debts are written off in the year in which they are identified.

(d) Property, Plant & Equipment and Investment Property

All property, plant and equipment except for land and buildings is stated at cost less depreciation. Farm land and buildings have been revalued to the latest ratings valuations dated 1 July 2017 by Quotable Value NZ. Land and buildings for the Kaumatua Flats and Commercial Shopping Complex have been revalued to the latest valuation dates 1 July 2019 by Opteon Valuation.

The following estimated depreciation rates/useful lives have been used:

Land	Nil
Buildings	0-33% DV 0-2.5% CP
Property Improvements	0-10% DV
Plant & Equipment	5-50% DV
Motor Vehicles	13% DV
Furniture & Fittings	11-4-39.6% DV
Kaumatua Flats	0-26.4% DV
Commercial Shopping Complex	0-20% DV 0-2%CP

Depreciation has been claimed at the maximum rates allowed by the Inland Revenue Department. The revalued portion of Buildings has not been depreciated.

(e) Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense recognised in the Statement of Profit or Loss is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior years.

(f) Investments

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

(g) Goods and Services Tax (GST)

Revenue and expenses have been recognised in the financial statements exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense to which it relates. All items in the Balance Sheet are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

(h) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.



Rangatira 8A 17 Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 May 2022

2 Tax Reconciliation	2022	2021
	\$	\$
Profit before Income Tax	650,618	640,937
Permanent Differences		
Tax Livestock Adjustment	(103,433)	(65,161)
Imputation Credits	25	-
Tax Losses approved by the IRD	-	(119,661)
Total Permanent Differences	<u>(103,408)</u>	<u>(184,822)</u>
Taxable Income	<u>547,210</u>	<u>456,115</u>
Tax Expense at 17.5%	95,762	79,820
Imputation Credits	(25)	-
Tax Expense	<u>95,737</u>	<u>79,820</u>
3 Income Tax	2022	2021
	\$	\$
Opening Balance	78,981	(20,096)
Plus:		
Provision for Taxation	95,736	79,820
Refunds	2,020	20,097
	<u>97,756</u>	<u>99,917</u>
Less:		
Provisional Tax Paid	122,464	-
RWT Paid	1,026	840
	<u>123,490</u>	<u>840</u>
Income Tax Payable	<u>53,247</u>	<u>78,981</u>
4 Maori Authority Tax Credits	2022	2021
	\$	\$
Opening Balance June 2021	612,761	632,018
Plus:		
Taxation Paid	121,618	-
Imputation Credits attached to Dividends	25	-
RWT Paid	983	514
	<u>122,626</u>	<u>514</u>
Less:		
Tax Refunds	1,374	20,097
Closing Balance March 2022	<u>734,213</u>	<u>612,435</u>
Plus:		
RWT Paid	44	326
	<u>44</u>	<u>326</u>
Total Maori Authority Tax Credits	<u>734,257</u>	<u>612,761</u>

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited



Rangaitira 8A 17 Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 May 2022

5	Related Parties	2022	2021
		\$	\$
	Rangaitira 8A 2X & 2Y Loan	66,752	65,046
	The Trustees of Rangaitira 8A 17 Trust are also the Trustees of Rangaitira 8A 17 Sec IT 2X and 2Y.		
	Total Receivables from Related Parties	66,752	65,046

Other transactions with related parties occurred during the year:

Gloria McLaughlin is a Trustee of the Trust and she is also a shareholder in Quadrant Investments Ltd. Quadrant Property Management, a division of Quadrant Investments Ltd is a rental agent for the Kaumatua Flats and Shopping Complex.

Commission and rent collection paid to Quadrant Property Management was \$13,940 (2021 \$15,986).

Trustee Fees \$6,300 (2021 \$2,700).

Grounds and Property Maintenance paid to Quadrant Property Management \$7,675. (2021 \$5,224).

Fixed Assets purchased through Quadrant Property Management \$7,980. (2021 \$Nil).

Accounts receivable includes \$1,218 (2021 \$1,643) payable to Quadrant Properties Ltd.

Andrew Kusabs Chairman of the Trust, was paid for contracting secretarial services \$ 6,850 (2021 \$3,851).

There were no other related party transactions during the year.

6 Property, Plant & Equipment

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
	\$	\$	\$	\$
Property, Plant & Equipment 2022				
Land	6,714,078	-	-	6,714,078
Buildings	713,766	5,225	233,068	480,698
Property Improvements	926,275	20,327	440,508	485,767
Plant & Equipment	522,141	35,336	297,691	224,450
Motor Vehicles	108,650	9,301	46,404	62,246
Furniture & Fittings	16,647	564	13,879	2,768
Kaumatua Flats	962,328	1,115	123,509	838,819
Commercial Shopping Complex	2,297,609	12,690	222,892	2,074,717
Total Property, Plant & Equipment	12,261,494	84,558	1,377,951	10,883,543

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.



Rangatira 8A 17 Trust

Notes to and forming part of the Financial Statements (continued)

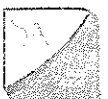
For the Year Ended 31 May 2022

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
	\$	\$	\$	\$
Property, Plant & Equipment 2021				
Land	6,714,078	-	-	6,714,078
Buildings	713,766	5,546	227,843	485,923
Property Improvements	920,065	21,313	420,181	499,884
Plant & Equipment	504,993	34,484	262,355	242,637
Motor Vehicles	108,650	10,691	37,103	71,547
Furniture & Fixings	16,647	669	13,315	3,332
Kaumalua Flats	964,159	471	132,186	831,973
Commercial Shopping Complex	2,297,609	13,070	210,202	2,087,407
Total Property, Plant & Equipment	12,239,967	86,264	1,303,185	10,936,781

7 Term Investments	Qty	2022	2021
		\$	\$
Shares in Listed Companies			
Ballance Agri-Nutrients Ltd @ \$8.10/Share	5,436	44,032	44,032
Fonterra Co-op Group @ \$2.50/Share	224,870	562,175	760,060
Ravensdown @ \$1.00/Share	2,544	2,544	2,544
LIC @ \$1.62/share	1,600	2,592	-
Total Shares in Listed Companies		611,343	806,636
Total Term Investments		611,343	806,636

8 Term Loans - Secured	2022	2021
	\$	\$
BNZ Term Loan #01		
Total Outstanding	-	231,020
Less:		
Current Portion	-	99,720
Term Portion	-	131,300
Total Term Loans - Secured	-	131,300

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.



Rangatira 8A 17 Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 May 2022

9 Trust Equity	2022	2021
	\$	\$
Original Capital	13,660	13,660
Retained Earnings (Pre 2004/2005) (1)	2,310,672	2,311,572
Retained Earnings (Post 2004) (2)	3,646,524	3,091,643
Unrealised Reserves (3)		
Asset Revaluation Reserve	7,704,839	7,704,839
Ballance Share Revaluation	8,217	8,217
Fonterra Share Revaluation	(56,325)	142,560
LIC Share Revaluation	229	-
	<u>7,657,960</u>	<u>7,855,616</u>
Realised Reserves (4)		
Gain on Shares	1,757	1,757
Capital Profit/(Loss) on Assets	12,654	12,654
	<u>14,411</u>	<u>14,411</u>
Total Trust Equity	<u>13,643,227</u>	<u>13,286,902</u>

(1) Retained Earnings (Pre-2004)

The Trust 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	2,311,572	2,406,072
Less:		
- Kaumatua Grants Paid	900	94,500
Closing Balance	<u>2,310,672</u>	<u>2,311,572</u>

(2) Retained Earnings (Post 2004)

Opening Balance	3,091,643	2,530,526
Net Profit	554,881	561,117
Closing Balance	<u>3,646,524</u>	<u>3,091,643</u>

(3) Unrealised Reserves

Opening Balance	7,855,616	8,618,781
Asset Revaluation Reserve - Land &	-	(704,698)
Fonterra Share Revaluation	(197,885)	(58,467)
LIC Share Revaluation	229	-
Closing Balance	<u>7,657,960</u>	<u>7,855,616</u>

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited



Rangatira 8A 17 Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 May 2022

Asset Revaluation Reserve		
Opening Balance	7,704,839	8,409,537
Plus:		
Asset Revaluation Reserve	-	(704,698)
Closing Balance	<u>7,704,839</u>	<u>7,704,839</u>

The Net Book Value of Farm Land and Buildings have been revalued to the current Opteon Technologies Ltd rating valuation date 01 September 2020 and Kaumatua Flats and Shopping Complex to the current Opteon Valuation date 01 July 2019. The difference has been credited to the Asset Revaluation Reserve - Land and Buildings Accounts

(4) Realised Reserves

Opening Balance	14,411	14,411
Closing Balance	<u>14,411</u>	<u>14,411</u>

10 Deemed Cost of Undeveloped Land

8A 17A5 Balance Land is recorded in the accounts as \$235,930.00, and has been valued by Opteon at 01/07/2019 as \$1010,000.00.

11 Securities and Guarantees

The Trust has a registered first mortgage over property situated at 325 Earle Road, Reporoa. CT No.SA55A/6. Perfected security interest in all present and after acquired investment securities issued by Fonterra Co-op Group Ltd No.224716.

12 Capital Commitments

The Trust has no capital commitments at balance date. (Last year \$Nil)

13 Contingent Liabilities

The Trust has no contingent liabilities and no guarantees as at balance date. (Last year: Contingent Liabilities Nil. Guarantees Nil)

15 Events Occurring After Balance Date

The Trustees are considering subdividing lands owned by Rangatira 8A 2X and 2Y. To do this the lands may need to be amalgamated and converted from Maori freehold land to general title.

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.

