

Proprietors of Hiruharama Ponui Incorporation

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Proprietors of Hiruharama Ponui Incorporation

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FOR THE YEAR ENDED 31 MARCH 2025

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KUSABS LASIKE LTD
Chartered Accountants
Rotorua



INDEPENDENT AUDITORS REPORT

To the Shareholders of The Proprietors of Hiruharama Ponui Incorporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Proprietors of Hiruharama Ponui Incorporation (the Incorporation) on pages 1 to 15, which comprise the balance sheet as at 31 March 2025, and the statement of profit or loss, and statement of changes in equity for the year then ended, and notes to the financial statements including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the basis for Qualified Opinion section of our report, the financial statements of The Proprietors of Hiruharama Ponui Incorporation for the year ended 31 March 2025 are prepared, in all material respects, in accordance with Special Purpose accounting policies as determined by governance.

Basis for Qualified Opinion

The balance sheet includes current assets of \$110,365 receivable from Hiruharama Ponui Land Management Ltd, and a \$933,030 accounts receivable balance that includes \$888,072.71 of ground lease rental owed by Hiruharama Ponui Land Management Ltd. Hiruharama Ponui Land Management Ltd is in the process of recovering the overdue ground lease rentals from the lot owners, and as such is not currently in a position to repay these debts in full to Hiruharama Ponui Incorporation. Currently the Committee of Management cannot yet determine whether any impairment should be accounted for on these accounts receivable balances.

The Incorporation has recorded the forest valuation in the financial statements at fair value for \$468,081 based upon an independent valuation. We noted on review of the forest valuation report it included a disclaimer “that the valuation is based on estimated post-harvest area for reestablishment and stand information available through the Incorporation, and no independent check of the area or stand history information has been undertaken by Prime Forest Management Ltd”. As there has been significant time and harvesting since the last inventory stocktake and the area/stand information being independently checked and verified, this could impact on the valuation calculated and reported in the financial statements.

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 Incorporation.

Emphasis of Matter - 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 Maori Land Court and Inland Revenue Department. As a result, the financial statements may not be suitable for another purpose.

As disclosed in Note 1 to the financial statements, the Incorporation has elected not to consolidate the financial statements with subsidiaries Hiruharama Ponui Land Management Limited and Parawera Management Limited, of which the Incorporation is the sole shareholder.

We draw attention to Note 15 in the financial statements, which describes the governance matter that arose after balance date. As disclosed, the Māori Land Court issued a judgment on 12 June 2025 confirming that the terms of several Committee of Management (COM) members had expired due to the cancellation or postponement of Annual General Meetings, resulting in the COM acting without valid tenure and without a quorum. Consequently, recent appointments were deemed invalid. The Court has appointed an Examining Officer for a six-month period to assess the Incorporation's compliance with legal requirements under the Act, and an election for COM members is to be convened immediately. Our opinion is not modified in respect of this matter.

Committee of Management 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.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Incorporation's internal control.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Incorporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Incorporation's to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Responsibility

This report is made solely to the shareholders, as a body, in accordance with section 277 of Te Ture Whenua Māori Act 1993. Our audit work has been undertaken so that we might state to the shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal or regulatory requirements

We also report in accordance with section 277 of Te Ture Whenua Maori Act 1993. In relation to our audit of the financial statements for the year ended 31 March 2024:

- Proper accounting records have been kept by The Proprietors of Hiruharama Ponui Incorporation as far as appears from our examination of those records, and
- The share register and index of shareholders required by section 263 of Te Ture Whenua Maori Act 1993 to be kept by the Incorporation have been duly and correctly kept.



Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 15 September 2025

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Proprietors of Hiruharama Ponui Incorporation

STATEMENT OF Forestry Trading

FOR THE YEAR ENDED 31 MARCH, 2025

	2025	2024
	\$	\$
Income		
Logging Income	-	5,059,429
Total Income	-	5,059,429
Less Expenses		
Operating Expenses		
Cartage and Weighbridge	-	1,596,863
Forestry Expenses	55,081	95,378
Levies	-	14,954
Logging Contractor	-	1,405,648
Pruning & Planting	162,909	166,144
Chemicals & Sprays	71,844	59,390
Total Operating Expenses	289,834	3,338,377
Repairs & Maintenance		
Tracks	17,000	20,651
Administration Expenses		
Forestry Adviser	45,398	63,508
Fixed and Financial Expenses		
Insurance	-	6,720
Rates	13,263	12,854
Depreciation	3,466	3,696
Total Fixed and Financial Expenses	16,729	23,270
Total Expenses	368,961	3,445,806
Trading Profit/(Loss) for the Year	(368,961)	1,613,623

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



Proprietors of Hiruharama Ponui Incorporation

STATEMENT OF RENTAL TRADING

FOR THE YEAR ENDED 31 MARCH, 2025

	2025	2024
	\$	\$
Income		
Land Rental	417,025	397,099
Rental - Caretakers House	16,640	16,640
Trailer/Boat Park Rental	28,660	18,216
Lease Rental - Cameron Drive Hanger	3,043	3,043
	<u>465,368</u>	<u>434,998</u>
Less Expenses		
Commission Paid	2,469	2,678
Depreciation	148	185
Insurance	2,821	2,076
Rates	37,507	37,260
Repairs & Maintenance	140	1,205
Body Corp Fees	44,260	42,589
Legal Fees	11,816	9,186
Resource Consents	13,889	-
Valuation Fees	-	3,092
	<u>113,050</u>	<u>98,271</u>
Net Rental Profit/(Loss) for the Year	<u><u>352,318</u></u>	<u><u>336,727</u></u>

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.



Proprietors of Hiruharama Ponui Incorporation

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH, 2025

	Note	2025 \$	2024 \$
Income			
Interest Received		423,815	348,475
Forestry Trading		(368,961)	1,613,624
Rental Trading		352,318	336,727
		407,172	2,298,826
Total Income before Expenses			
Less Expenses:			
Administration Expenses			
Accountancy & Secretarial Fees		69,963	68,979
Audit Fee		5,775	5,250
AGM Expenses		-	8,154
Bank Fees & Charges		247	310
Consultancy		4,474	5,718
Postage, Stationery & Tolls		862	2,448
Share Register Maintenance		22,404	35,460
Legal Fees		106,642	42,632
Meeting & Travel Expenses		11,222	4,722
Committee Fees		68,500	43,000
		290,089	216,673
Total Administration Expenses			
Total Expenses		290,089	216,673
		117,083	2,082,153
Operating Profit/(Loss) before income tax			
Provision for Taxation	4	20,489	364,377
		96,594	1,717,776
Net Profit/(Loss) for the year			

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



Proprietors of Hiruharama Ponui Incorporation

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	\$	\$
EQUITY AT BEGINNING OF THE YEAR	<u>86,172,320</u>	<u>86,078,034</u>
SURPLUS/DEFICIT AND REVALUATIONS		
Surplus/(Deficit) for the period	96,594	1,717,776
Forestry Revaluation Adjustment	<u>577,252</u>	<u>(1,373,152)</u>
Total recognised revenues and expenses for the period	<u>673,846</u>	<u>344,624</u>
CONTRIBUTIONS AND DISTRIBUTIONS		
Distributions to owners	<u>-</u>	<u>(250,338)</u>
EQUITY AT END OF THE YEAR	<u><u>86,846,166</u></u>	<u><u>86,172,320</u></u>

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



Proprietors of Hiruharama Ponui Incorporation

BALANCE SHEET

AS AT 31 MARCH 2025

	Note	2025 \$	2024 \$
CURRENT ASSETS			
Cash			
BNZ - Current Account		58,641	2,614
BNZ - 025 Call A/c		154,440	321,974
		213,081	324,588
Receivables			
Accounts Receivable		933,030	1,020,051
Hiruharama Ponui Management Ltd		110,365	110,365
Parawera Management Co Ltd		-	5,566
Lot 22 Lease, 67 Parawera Drive		110,000	110,000
Lot 40 Lease, 58 Parawera Drive		90,000	90,000
Lot 70 Lease, 3 Parawera Drive		60,000	60,000
Lot 81 Lease, 1 Parawera Drive		285,000	285,000
Lot 1 Lease, 17 Parawera Drive		85,000	85,000
Lot 75 Lease, 89 Parawera Drive		105,000	105,000
Lot 78 Lease, 15 Parawera Drive		175,000	175,000
Lot 79 Lease, 11 Parawera Drive		148,000	148,000
Lot 80 Lease, 85 Parawera Drive		210,000	210,000
Lot 200 Lease, 87 Parawera Drive		245,000	245,000
Tax Refund Due	4	279,246	287,205
		2,835,641	2,936,187
Prepayments			
Insurance		2,736	2,435
Subdivision Costs - Ladbrook		11,711	11,711
Development Costs -85-87 Parawera Drive		127,248	127,248
		141,695	141,394
Investments			
BNZ - Term Deposit 3014		645,018	706,967
BNZ - Term Deposit 3020		104,886	100,000
BNZ - Term Deposit 3022		417,326	397,277
BNZ - Term Deposit 3023		889,177	846,798
BNZ - Term Deposit 3024		2,794,444	2,663,255
BNZ - Term Deposit 3025		771,544	728,620
BNZ - Term Deposit 3026		1,800,149	1,700,000
		7,422,544	7,142,917
Total Current Assets		10,612,961	10,545,086

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.



Proprietors of Hiruharama Ponui Incorporation

BALANCE SHEET


AS AT 31 MARCH 2025 (continued)

	Note	2025 \$	2024 \$
NON-CURRENT ASSETS			
Property, Plant & Equipment	3		
Land		75,642,700	75,642,700
Forestry		1,104,859	531,073
Buildings		591	738
		76,748,150	76,174,511
<u>Total Non-Current Assets</u>		76,748,150	76,174,511
<u>Total Assets</u>		87,361,111	86,719,597
CURRENT LIABILITIES			
Creditors and Borrowings			
Land Rental in Advance		18,709	875
Accounts Payable		17,458	80,392
Unclaimed Dividends		356,062	362,226
Goods & Services Tax		122,716	103,784
		514,945	547,277
<u>Total Current Liabilities</u>		514,945	547,277
<u>Total Liabilities</u>		514,945	547,277
<u>Net Assets</u>		86,846,166	86,172,320
TRUST FUNDS			
Beneficiaries Equity	5	86,846,166	86,172,320
<u>Trust Equity</u>		86,846,166	86,172,320

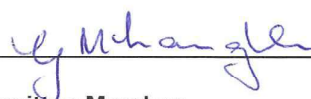
For and on behalf of the Committee of Management, which authorised the financial statements for issue on:

15/9/2025

Date



 Committee Member



 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.



Proprietors of Hiruharama Ponui Incorporation

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

1. Statement of Accounting Policies

These are the special purpose financial statements for Proprietors of Hiruharama Ponui Incorporation.

Entity Reporting

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

The Incorporation is the sole shareholder of Hiruharama Ponui Land Management Limited and Parawera Management Limited. The Incorporation has elected not to consolidate the financial statements of subsidiaries Hiruharama Ponui Land Management Limited and Parawera Management Limited, of which the Incorporation is the sole shareholder.

The principal activity of the Incorporation is Commercial Rental.

Measurement Base

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

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

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

Specific Accounting Policies

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

(a) Revenue

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 entity and 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 entity and revenue can be reliably measured.

Logging revenue is recognised when the entity has transferred the significant risks and rewards associated with the ownership of the goods to the customer.

Rental revenue is 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.

Proprietors of Hiruharama Ponui Incorporation

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025 (Continued)

(b) 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.

(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 stated at the lower of cost or net realisable value.

(e) Property

Property is stated at cost (unless otherwise noted below) less aggregate depreciation.

Land has been revalued to the Rating Valuation dated 01 July 2022.

These rating valuations are issued every three years.

Forestry is recorded at the latest valuation, after deduction of point of sale costs, as assessed by an independent professional forestry services valuer recognising the particular requirements of NZIAS 41. Refer Note 7. The revaluation movement is recorded in the Unrealised Reserves.

(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:

Forestry	0 - 12% DV
Buildings	20% 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

(h) Deferred Expenses

The Incorporation has incurred expenses in the Ladbrook subdivision. The expenses relating to this project will be written off against any lease income received or when the projects are completed or land sold.

Proprietors of Hiruharama Ponui Incorporation

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025 (Continued)

2. Committee Fees

	2025	2024
TRUSTEES	\$	\$
J. Wilson	11,000	6,500
J. Pene	9,000	5,000
T Walters	9,000	5,500
G. McLaughlin	10,000	7,000
H. Henderson	-	3,500
A. Kusabs	10,500	9,000
L Hutchinson	9,000	6,000
E Hay	10,000	500
	68,500	43,000

3. Property, Plant & Equipment

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2025
Land	75,642,700	-	-	75,642,700
Forestry	1,267,195	3,466	162,336	1,104,859
Buildings	3,450	148	2,860	590
	76,913,345	3,614	165,196	76,748,149

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2024
Land	75,642,700	-	-	75,642,700
Forestry	689,943	3,696	158,870	531,073
Buildings	3,450	185	2,712	738
	76,336,093	3,881	161,582	76,174,511

The Net Book Value of the Forest has been valued at \$1,045,333 by Shane Perrett of Prime Forest Management Ltd, independent registered valuers, as at 31 March 2025.

4. Taxation

	2025	2024
Surplus (Deficit) for the year	117,083	2,082,153
Taxable Income	117,083	2,082,153
Taxation Charge @ 17.5%	20,490	364,377
Resident Withholding Tax Paid	(81,050)	(51,964)
Taxation Paid	(218,686)	(599,619)
Tax to Pay/(Refund Due)	(279,246)	(287,206)

Maori Authority Credit Account (MACA)

	2025	2024
	\$	\$
Opening Balance @ 01/04/2024	2,258,353	1,115,432
Income Tax paid	115,638	1,090,958
RWT Paid on Interest	81,050	51,963
Tax Refund	(184,157)	-
Closing Balance @ 31/03/2025	2,270,884	2,258,353

Proprietors of Hiruharama Ponui Incorporation

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025 (Continued)

5. Beneficiaries Equity	2025	2024
Original Capital	750,000	750,000
Appropriation Balance Surplus (1)	9,362,055	9,265,461
Unrealised Reserves (2)		
Forest Revaluation	1,045,333	468,081
Land Revaluation	74,913,696	74,913,696
	75,959,029	75,381,777
Realised Capital Reserves (3)		
Capital Gain on Sale of Sections	361,742	361,742
Picnic Area	534,413	534,413
Sale of Wilding Trees 50%	8,847	8,847
Wakeman Rd Compensation	371,905	371,905
Donations	(1,150)	(1,150)
Dividend Paid	(500,676)	(500,676)
	775,082	775,082
	86,846,166	86,172,320
(1) Appropriation Balance Surplus		
Opening Balance	9,265,461	7,547,685
Net Surplus/(Deficit) for Year	96,594	1,717,776
Closing Balance	9,362,055	9,265,461
(2) Unrealised Reserves		
Opening Balance	75,381,777	76,754,929
Forest Revaluation	577,252	(1,373,152)
Closing Balance	75,959,029	75,381,777
(3) Realised Capital Reserves		
Opening Balance	775,082	1,025,420
Dividend Paid	-	(250,338)
Closing Balance	775,082	775,082

Proprietors of Hiruharama Ponui Incorporation

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025 (Continued)

6. Asset Revaluation Reserve - Land and Buildings

The Net Book Value of Land and Buildings have been revalued to the current ratings valuation dated 1 July 2022. As valued by Opteon Technologies Ltd.

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

	2022
	Net Book Val
Land @ Cost - Main Block	729,004
Asset Revaluation Reserve	74,913,696
	<hr/> 75,642,700 <hr/>
This is Represented By:	
<u>Ratings Valuation at 1 July, 2022</u>	
Land - 314.3336Ha	7,027,000
Land - Parawera	68,195,700
Land - .9790Ha Lot 2&3 DPS91260	420,000
	<hr/> 75,642,700 <hr/>

7. Forestry Revaluation

The Net Book Value of Forestry has been valued at \$1,045,333 by Shane Perrett of Prime Forest Management Ltd dated 31 March 2025.

8. Pre 1990 Forestland

There is pre-1990 Forest land on the property and a liability will arise under the Climate Change Response Act 2002 (The Act) if the pre-1990 forest area or part of it is cleared and not replanted or has not regenerated with at least 500 stems per hectare within 4 years of clearing. The area must also have 30% minimum crown cover 10 or 20 years after planting or regeneration depending on whether the forest was exotic or native respectively. The potential liability is not recognised in the financial statements.

9. Pre 1990 Carbon Credits Allocated By Government

There are 4,380 NZU credits held at balance date with a market value of \$249,660 (\$57.00 per NZU) Last year \$254,040 (\$58.00 per NZU). No trading was undertaken during the year. The value of these NZU credits has not been recorded on the Balance Sheet.

10. Post 1989 Forest Land Registered in ETS

There is post 1989 forest land on the property that has been voluntarily registered under the Climate Change Response Act 2002 (The Act). Through discussions with MPI the Committee elected to surrender these carbon credits at harvest to avoid the need for mandatory remeasurement and associated costs. This was undertaken in 2019.

Proprietors of Hiruharama Ponui Incorporation

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025 (Continued)

11. Settlement for Outstanding Rents

On 16th January 2017 Hiruharama Ponui Incorporation (HPI) entered into a Deed of Settlement with Crown Land Management Trust Ltd and Tuscanus Ltd for unpaid rentals and interest as follows:

	2025
	\$
Crown Rental Arrears including interest	1,818,333
<u>Part Settlement</u>	
1) Accrued but unpaid sublease rentals as at 15/12/16 assigned to HPI.	(242,459)
2) Collected sublease rentals as at 15/11/16 to be paid to HPI.	(98,312)
3) Agreed value of 4 unmortgaged Tuscanus sections transferred to HPI.	(360,000)
4) Agreed value of Caretakers house transferred to HPI.	(285,000)
5) Plum property management rights.	(5,000)
Crown Rent and Interest arrears owing	<u>827,562</u>

The Crowns right, title and interest in the Head Lease, including all entitlements to sublease rental arrears has been assigned to Hiruharama Management Co. Ltd for \$1.00.

Tuscanus continued to actively market the residential sections it owned for a period of 12 months and pay to HPI any surpluses after costs of sale and mortgage repayments to reduce debt owing.

Any sections owned by Tuscanus not sold within 12 months were to be transferred to HPI free of mortgages and with all outgoings and sublease rentals paid.

HPI and Hiruharama Management Co. Ltd will not be able to pursue or claim any residual debt after the expiry of the 12 month period.

Settlement was received on 8th August 2018. At that date further interest had accrued for \$102,031.72 increasing the debt to \$929,593.78. Hiruharama Ponui Land Management Ltd (HPLM) was owed \$409,751.01 in outstanding rentals. Total owing was \$1,339,344.79.

The Incorporation and HPLM accepted the transfer of 8 Lots with a market value of \$1,160,000.00 These Lots were transferred to the Incorporation. The bad debt written off of \$179,345 is recorded in HPLM's accounts. Three Lots have been sold at balance date.

Lot 22 is currently under negotiation for sale.

Proprietors of Hiruharama Ponui Incorporation

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025 (Continued)

12. Related Party Transactions

Gloria McLaughlin is a committee member and a shareholder in Quadrant Investments Ltd. Quadrant Property Maintenance, a division of Quadrant Investments Ltd, is the rental agent for the Incorporation's house at Parawera Drive. Commission and maintenance costs paid to Quadrant Investments was \$2,469 (2024 \$2,678).

AM Kusabs a Committee Member received \$4,019 gst exc for Consultancy work (2024 \$2,602). Hiruharama Ponui Management Ltd (the Company) director's are Committee Members of Hiruharama Ponui Incorporation (the Incorporation). The Company owes the Incorporation \$110,364 (2024 \$110,364). Accounts Receivable includes \$888,072 gst inc owing by the Company to the Incorporation (2024 \$926,833). Refer Note 11.

Parawera Management Company Ltd directors are Andrew Kusabs and James Wilson, they are Committee Members of the Incorporation.

Parawera Management Company Ltd owes the Incorporation \$Nil (2024 \$5,566). Refer to Note 11.

13. Contingent Liabilities & Guarantees

At balance date there was outstanding rates payable by overseas owners to Taupo District Council and Waikato Regional Council on Parawera lots of \$253,700 (2024 \$267,282). Should these not be paid by the leasee's the Council will seek recovery from the Incorporation. The rates outstanding by New Zealand resident owners are expected to be recovered in full.

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

2024
(Nil)

14. Commitments for Expenditure

There were no commitments for expenditure at year end.

2024
(Nil)

15. Events Occurring Subsequent to Balance Date

During the year an application was made at the Maori Land Court (MLC) that due to the cancellation/postponement of the Annual General Meetings the Committee of Management (COM) elections were not held and therefore all COM were acting without tenure. The judgement was issued 12th June 2025 and the Court found that the terms of several of the COM members had expired and there was no valid quorum, rendering recent appointments invalid. The court intends to appoint an Examining Officer for 6 months to assess and report on the Incorporation's compliance with legal requirements under the Act. An Election for COM members must be convened immediately to address the expired terms and lack of quorum.

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.

2024
(Nil)