

**Hiruharama Ponui Land
Management Ltd**

Financial Statements
For the Year Ended 31 March 2025



Hiruharama Ponui Land Management Ltd

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For the Year Ended 31 March 2025

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Hiruharama Ponui Land Management Ltd

Directory

As at 31 March 2025

Nature of Business	Lease Management	
Address	Kusabs Lasike Limited 1st Floor, 1141 Pukaki Street Rotorua 3010	
Directors	Hinemoa S Henderson (ceased 10th March 2024) Lexia Hutchison Andrew Marutuehu Kusabs Alice Gloria McLaughlin Joseph Te Rahui Pene Eric Thomas Hirau Walters James Alexander Wilson Edward Donald Hay (Elected 10th March 2024)	
Shareholder	The Proprietors of Hiruharama Ponui Incorporation	1 Ordinary
Company Number	5861169	
Date Formed	24 December 2015	
Accountants	Kusabs Lasike Ltd Chartered Accountants	
Auditor	Silks Audit Chartered Accountants Suite 20, 19 Taumamutu Street Taupo 3330	
Bankers	BNZ	
Solicitors	Le Pine & Co, Taupo Grayson Clements Ltd, Hamilton	
IRD Number	118-721-497	



INDEPENDENT AUDITORS REPORT

To the Directors of Hiruharama Ponui Land Management Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hiruharama Ponui Land Management Ltd (the Company) on pages 4 to 10, 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.

Qualified Opinion on Financial Position

In our opinion, except for the possible effects of the matter described in the basis for Qualified Opinion section of our report, the financial statements of Hiruharama Ponui Land Management Ltd for the year ended 31 March 2025 are prepared, in all material respects, in accordance with the requirements of the Income Tax Act 2007 and the Tax Administration (Financial Statements) Order 2014.

Basis for Qualified Opinion

At the date of approval of the financial statements, there are some outstanding debts owed to Hiruharama Ponui Land Management Ltd by leasehold owners for which the recovery is now uncertain, and some that are now under dispute in accordance with the terms of the underlying lease agreements. Some of these debts are provided for in the provision for doubtful debts carried on the balance sheet, while others have not been provided for but are now uncertain in terms of their recoverability.

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 Company 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 qualified opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Hiruharama Ponui Land Management Ltd.

Emphasis of Matter - Material Uncertainty related to Going Concern

We draw attention to the 'Going Concern' paragraph in Note 1 to the financial statements, which states that the going concern basis assumes the continued financial support of the company's shareholder, The Proprietors of Hiruharama Ponui Incorporation. The Committee of Management of the Incorporation have undertaken that they will not demand repayment, either in part or in full, of the amounts owing by the company to the Incorporation until such time as the company's funds allow. Our audit report is not modified in respect of this matter.

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 owners and Inland Revenue Department. As a result, the financial statements may not be suitable for another purpose.

Directors' Responsibilities for the Financial Statements

The Directors are responsible on behalf of the Company for determining that the requirements of the Income Tax Act 2007 and the Tax Administration (Financial Statements) Order 2014 adopted is acceptable in the Company's circumstances, for the preparation and fair presentation of the financial statements in accordance with the in accordance with the requirements of the Income Tax Act 2007 and the Tax Administration (Financial Statements) Order 2014, and for such internal control as the Directors 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 Directors are responsible on behalf of the Company for assessing the Company'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 Directors either intend to liquidate the Company 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 Company'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 Company'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 Company'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 Distribution or Use

This report is made solely to Directors. Our audit has been undertaken so that we might state to the Directors 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 Directors, as a body, for our audit work, for this report, or for the opinions we have formed.



Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 10 September 2025

Hiruharama Ponui Land Management Ltd

Statement of Profit or Loss

For the Year Ended 31 March 2025

Note	2025 \$	2024 \$
Operating Revenue		
Ground Rent Received - Strata	306,749	421,758
Ground Rent Received - Grayson Clements	249,360	220,053
Total Gross Profit	556,109	641,811
Other Income		
Bad Debts Recovered	17,346	6,495
Interest Received - Other	769	952
Interest Received - Rental Arrears	13,350	813
Total Other Income	31,465	8,260
Gross Profit after Other Income	587,574	650,071
Less Expenses		
Accountancy & Secretarial Fees	21,940	14,230
Administration Fees	12,393	12,393
Audit Fee	4,500	1,950
Bad Debts Written Off	-	17,232
Bank Fees & Charges	236	59
Consultancy Fees	1,950	239
Debt Collection	1,030	500
Doubtful Debts Provision	(8,111)	378,385
Legal Fees - Deductible	187,646	208,602
Printing, Stationery & Postage	131	80
Rent - Hiruharama Ponui Incorporation	417,025	397,099
Resource Consents	20,752	-
Total Expenses	659,492	1,030,769
Net Loss	(71,918)	(380,698)

These financial statements are to be read in conjunction with the accompanying Notes to the Financial Statements and the Audit Report.



Hiruharama Ponui Land Management Ltd

Statement of Movements in Equity

For the Year Ended 31 March 2025

	Note	2025 \$	2024 \$
Revenues and Expenses			
Net Loss		(71,918)	(380,698)
Total Recognised Revenues and Expenses		<u>(71,918)</u>	<u>(380,698)</u>
Equity at the Beginning of the Year		(668,911)	(288,213)
Equity at the End of the Year		<u>(740,829)</u>	<u>(668,911)</u>
Movements in Retained Earnings			
Opening Balance		(668,911)	(288,213)
Less:			
Net Deficit		71,918	380,698
Retained Earnings Closing Balance		<u>(740,829)</u>	<u>(668,911)</u>

These financial statements are to be read in conjunction with the accompanying Notes to the Financial Statements and the Audit Report.



Hiruharama Ponui Land Management Ltd

Balance Sheet

As at 31 March 2025

	Note	2025 \$	2024 \$
Current Assets			
BNZ Cheque A/c		33,884	42,330
BNZ Call A/c		31,575	31,030
Grayson Clements Ltd Trust Account		835	55,413
Strata Title Administration Ltd Account		17,847	24,839
Accounts Receivable		1,187,790	1,216,595
Less Provision for Doubtful Debts		(1,088,338)	(1,097,666)
Income Tax Receivable	3	212	21,651
GST Receivable		117,255	109,857
Parawera Management Ltd	5	-	1,000
Total Assets		301,060	405,049
Current Liabilities			
Accounts Payable		931,524	963,596
Hiruharama Ponui Incorporation	5	110,365	110,364
Total Liabilities		1,041,889	1,073,960
Net Liabilities		(740,829)	(668,911)
Equity			
Accumulated Losses	6	(740,829)	(668,911)
Total Equity		(740,829)	(668,911)

[Signature] Director Date 10 September 2025

[Signature] Director Date 10 September 2025



Hiruharama Ponui Land Management Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 31 March 2025

1 Statement of Accounting Policies

Reporting Entity

Hiruharama Pouni Land Management Ltd is a company incorporated in New Zealand, registered under the Companies Act 1993.

These financial statements have not been prepared for external use. They are prepared for tax purposes only and should not be relied on for any other purpose. They are therefore defined as special purpose reports.

The company is involved in Lease Management.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with taxation principles contained in the Income Tax Act 2007 and disclosure requirements contained in the Tax Administration (Financial Statements) Order 2014.

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

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

Going Concern

The company is dependent upon the continued support of its lenders including shareholder advances. The going concern basis assumes continued support of these parties in following financial periods. The directors in determining that the financial statements be prepared on a going concern basis have taken into account events subsequent to balance date.

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 company 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.

(b) Trade Receivables

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

(c) Goods and Services Taxation (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.

Hiruharama Ponui Land Management Ltd

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

For the Year Ended 31 March 2025

(d) 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.

2 Tax Reconciliation	2025	2024
	\$	\$
Loss before Income Tax	(71,918)	(380,698)
Permanent Differences		
Tax Losses approved by the IRD	(2,313)	-
Timing Differences		
Timing Differences	(8,111)	378,385
Total Loss	<u><u>(82,342)</u></u>	<u><u>(2,313)</u></u>

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

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

No change in taxation legislation adversely affects the entity in realising the taxation benefits of those losses, and

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

3 Income Tax	2025	2024
	\$	\$
Opening Balance	(21,651)	(45,321)
Plus:		
Refunds	21,651	23,898
Less:		
RWT Paid	212	228
Income Tax (Receivable)	<u><u>(212)</u></u>	<u><u>(21,651)</u></u>

4 Imputation Credits	2025	2024
	\$	\$
Imputation Credit Account at Tax Rate 28%		
Opening Balance	173,659	197,330
Plus:		
RWT Paid	212	227
Less:		
Tax Refunds	21,650	23,898
Total Imputation Credits	<u><u>152,221</u></u>	<u><u>173,659</u></u>

Hiruharama Ponui Land Management Ltd

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

For the Year Ended 31 March 2025

5 Related Parties

The Directors of Hiruharama Ponui Land Management Ltd (the Company) are also the Committee Members of Hiruharama Ponui Incorporation (the Incorporation). On 16th January 2017 the Incorporation settled outstanding rentals owed to it by a third party and as a part of that settlement the Company was established to collect all sublease rentals on the subdivision owned by the Incorporation. The company also incurred all accrued but unpaid sublease rentals as at 15/12/16 of \$242,458.76 and collected sublease rentals as at 15/12/16 of \$98,312.10. In August 2018 the Incorporation and Company received final settlement of outstanding arrears. A Bad Debt arose on settlement of \$179,345 of unpaid outstanding rentals. This Bad Debt has been taken to account in the 2019 year. However the Company is actively trying to recover outstanding rentals if possible.

The Company has taken over the lease of the subdivision on the same terms as the defaulted third party lessee from 1 January 2017, except for waiver of rental Lots the Incorporation has taken back in the settlement. If these lots are sold rental will commence. Annual rental for the year is \$417,025 plus GST (Last year \$397,099 plus GST). Owing at balance date included in Accounts payable is \$888,073 GST inc (Last year \$926,595 GST inc.).

The Company owes the Incorporation \$110,364 at balance date (Last Year \$110,364). This amount is repayable on demand, interest free.

The Company was owed money by Parawera Management Limited of \$1,000, but this was repaid at balance date (Last Year \$1,000). The directors of Parawera Management Limited are Andrew Kusabs and James Wilson, who are directors of the Company.

AM Kusabs, a Director of the Company, received \$795 GST exc for contract work. (Last Year \$238).

6 Accumulated Losses

	2025	2024
	\$	\$
Opening Balance	(668,911)	(288,213)
Less:		
Net Deficit	71,918	380,698
Accumulated Losses Closing Balance	<u>(740,829)</u>	<u>(668,911)</u>

7 Lease - Hiruharama Ponui Incorporation

The Company has a head lease agreement with Hiruharama Pouni Incorporation for the property development at Parawera. The head lease commenced 1 October 2002 for a term of eighty (80) years. The lease rental is calculated on the base rental of \$500,000 set in 2016 increased annually by the Consumer Price Index, less market rental of the lots held by the Company. For 2025 the rental was \$417,025.

8 Capital Commitments

The company has no capital commitments as at 31 March 2025 (2024: Nil).

9 Contingent Liabilities

At the date of approval of these financial statements, there are some outstanding debts owed to the Company by leasehold owners for which recovery is now uncertain, and some that are now under dispute in accordance with the terms of the underlying lease agreements. Some of these debts are already provided for in the provision for doubtful debts carried on the balance sheet, while others have not been provided for but are now uncertain in terms of their recoverability.

The Company has no other contingent liabilities or guarantees as at 31 March 2025. (2024: as above).

Hiruharama Ponui Land Management Ltd

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

For the Year Ended 31 March 2025

10 Events Occurring After Balance Date

During the year an application was made at the Maori Land Court (MLC) that due to the cancellation/postponment of the Annual General Meetings of Hiruharama Ponui Incorporations 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.

An Election for COM members must be convened immediately to address the expired terms and lack of quorum. Depending on the results of the election the existing Directors of the Company could be terminated and new Directors appointed.

There are two rental disputes currently on going, one is currently with the Disputes Tribunal and one is currently in negotiations with the Company.