

KAPENGA H TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

KAPENGA H TRUST

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FOR THE YEAR ENDED 31 MAY 2023

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KUSABS LASIKE LTD
Chartered Accountants
Rotorua

KAPENGA H TRUST

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MAY, 2023

	2023	2022
	\$	\$
Milksolids Production Dividend	31,600	26,077
Rental Income - Land	246,419	268,500
Tenant Recoveries	25,975	20,092
	303,994	314,669
Non Trading Income		
Dividends Received	2,479	1,186
	2,479	1,186
Total Income before Expenses	306,473	315,855
Less Expenses:		
Operating Expenses		
Effluent Expenses	430	409
Forestry Expenses	42,698	128,847
Resource Consent	148	-
Wages	10,443	-
	53,719	129,256
Total Farm Operating Expenses		
Repairs and Maintenance		
Fencing	-	-
Employee Accommodation	2,015	92,555
Repairs & Maintenance	-	6,005
	2,015	98,561
Total Repairs and Maintenance		
Administration Expenses		
Accountancy Fees	29,270	29,375
Administration Fees	74,627	-
Audit Fee	1,980	2,062
AGM Expenses	2,588	-
Bank Fees & Charges	418	530
Consultancy Fees	2,240	-
General Expenses	77	45
Postage & Stationery	1,689	601
Share Register Maintenance	2,196	-
Subscriptions & Licences	-	225
Legal Fees	-	5,376
Trustees Fees	8,731	4,478
Trustees Expenses	2,936	741
Valuation Fees	1,525	950
	128,277	44,382
Total Administration Expenses		

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

KAPENGA H TRUST

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MAY, 2023 (Continued)

	2023	2022
	\$	\$
Standing Charges		
Insurance	14,729	11,714
Interest Paid - Loan 91	22,716	18,093
Interest Paid - Loan 94	1,734	9,014
Rates	18,120	16,198
Rent	200	200
Total Standing Charges	<u>57,499</u>	<u>55,218</u>
Total Expenses	<u>241,510</u>	<u>327,417</u>
<u>Net Cash Operating Profit/(Loss) for the Year</u>	64,963	(11,562)
Non-Cash Adjustments for the Year:		
Depreciation	(10,326)	(9,244)
Operating Profit/(Loss) before income tax	<u>54,637</u>	<u>(20,806)</u>
Provision for Income Tax	<u>5,921</u>	<u>-</u>
Net Profit/(Loss) for the year	<u><u>48,717</u></u>	<u><u>(20,806)</u></u>

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

KAPENGA H TRUST

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY, 2023

	2023	2022
	\$	\$
EQUITY AT BEGINNING OF THE YEAR	<u>5,725,706</u>	<u>5,084,668</u>
SURPLUS/DEFICIT AND REVALUATIONS		
Surplus/(Deficit) for the period	48,717	(20,806)
Increase/(Decrease) in Capital Reserve	-	800,000
Increase/(Decrease) in Share Revaluation Reserve	<u>20,475</u>	<u>(138,156)</u>
Total recognised revenues and expenses for the period	<u>69,191</u>	<u>641,038</u>
EQUITY AT END OF THE YEAR	<u><u>5,794,897</u></u>	<u><u>5,725,706</u></u>

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

KAPENGA H TRUST

BALANCE SHEET

AS AT 31 MAY 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash			
Westpac		219,608	524,629
Receivables			
Accounts Receivable		79,255	113,816
Tax Refund Due	5	3,629	8,090
		82,884	121,906
Prepayments			
Prepayments		200	-
		302,692	646,535
NON-CURRENT ASSETS			
Property, Plant & Equipment	2		
Freehold Land		4,032,500	4,032,500
Property Improvements		263,334	270,436
Buildings		992,718	992,718
Plant & Equipment		27,577	12,383
Furniture & Fittings		990	1,208
Plantation		45,938	45,938
		5,363,057	5,355,183
Investments			
Farmlands Shares 862 @ \$1		862	862
Fonterra Shares 136,316 @ \$2.52		343,066	322,592
		343,928	323,454
		5,706,985	5,678,636
<u>Total Assets</u>		6,009,677	6,325,172
CURRENT LIABILITIES			
Creditors and Borrowings			
Rent in Advance		3,750	2,917
Accounts Payable		8,857	3,507
Current Portion of Term Liabilities		156,804	137,544
Goods & Services Tax		27,116	28,944
		196,527	172,912
<u>Total Current Liabilities</u>		196,527	172,912

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.

KAPENGA H TRUST

BALANCE SHEET


AS AT 31 MAY 2023 (continued)

	Note	2023 \$	2022 \$
NON-CURRENT LIABILITIES			
Term Liabilities			
Westpac Term Loan - 091		175,057	385,988
Westpac Term Loan - 094		-	178,111
Less Transferred to Current Liabilities		<u>(156,804)</u>	<u>(137,544)</u>
	4	<u>18,253</u>	<u>426,554</u>
<u>Total Non-Current Liabilities</u>		<u>18,253</u>	<u>426,554</u>
<u>Total Liabilities</u>		<u>214,780</u>	<u>599,466</u>
<u>Net Assets</u>		<u>5,794,897</u>	<u>5,725,706</u>
TRUST FUNDS			
Beneficiaries Equity	6	<u>5,794,897</u>	<u>5,725,706</u>
<u>Trust Equity</u>		<u>5,794,897</u>	<u>5,725,706</u>

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

16 February 2024

Date



Trustee



Trustee

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.

KAPENGA H TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS *FOR THE YEAR ENDED 31 MAY, 2023*

1. Statement of Accounting Policies

These are the special purpose financial statements for KAPENGA H TRUST.

Entity Reporting

The Trust is an Ahu Whenua Trust as defined under section 215 of Te Ture Whenua Maori Act 1993.

The Trust is engaged in the business of: Land Rental & Forestry

Measurement Base

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

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

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

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

Changes in Accounting Policies

There have been no changes in Accounting Policies. All policies have been applied on bases consistent with those used in previous years.

Specific Accounting Policies

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

(a) Accounts Receivable

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

(b) 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.

KAPENGA H TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY, 2023 (Continued)

(c) Investments

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

(d) Property, Plant & Equipment

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

Land & Buildings have been revalued to the latest ratings valuation by Opteon Technologies Ltd dated 01 September 2020.

(e) Depreciation

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

Property Improvements	0 - 5% DV
Buildings	0% DV
Plant & Equipment	8 - 16% DV
Furniture & Fittings	10 - 25% DV
Plantation	0% DV

(f) Goods and Services Tax (GST)

These financial statements have been prepared on a GST exclusive basis where all items in the Revenue Accounts, together with Fixed Assets have been recorded exclusive of GST. Accounts Receivable and Accounts Payable are recorded in the Statement of Financial Position inclusive of GST.

KAPENGA H TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY, 2023 (Continued)

2. Property, Plant & Equipment

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2023
Freehold Land	4,032,500	-	-	4,032,500
Property Improvements	330,576	7,102	67,242	263,334
Buildings	992,718	-	-	992,718
Plant & Equipment	46,393	3,006	18,816	27,577
Furniture & Fittings	6,497	218	5,507	990
Plantation	45,938	-	-	45,938
	5,454,622	10,326	91,565	5,363,057

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2022
Freehold Land	4,032,500	-	-	4,032,500
Property Improvements	330,576	7,476	60,140	270,436
Buildings	992,718	-	-	992,718
Plant & Equipment	28,193	1,492	15,810	12,383
Furniture & Fittings	6,497	276	5,289	1,208
Plantation	45,938	-	-	45,938
	5,436,422	9,244	81,239	5,355,183

3. Security

Westpac Loans are secured by registered first mortgage over the 354.3253 ha rural farm property situated 367 SH 30, Rotorua, as legally described in CT SA62A/479.

The Trust has an overdraft facility with Westpac bank, security as noted. The limit is \$25,000. The facility has not been used at balance date.

4. Non-Current Liabilities

Westpac Term Loan - 091		2023	2022
Non Current Liability	31 May 2023	175,057	385,988
Less Current Portion of Term Liabilities		156,804	18,298
Non Current Liability	31 May 2024	18,253	367,690
Westpac Term Loan - 094		2023	2022
Non Current Liability	31 May 2023	-	178,111
Less Current Portion of Term Liabilities		-	119,246
Non Current Liability	31 May 2024	-	58,864

Westpac Loan #091 - Interest is 8.45%. Expires 3/05/25. Repayments \$13,067 monthly.

KAPENGA H TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY, 2023 (Continued)

5. Taxation	2023	2022
Surplus (Deficit) for the year	54,637	(20,806)
Income/(Tax Loss)	54,637	(20,806)
Less Tax Losses Brought Forward	(20,806)	-
Taxable Income/(Tax Losses carried forward)	33,832	(20,806)
Taxation charge @ 17.5%	5,921	Nil
<u>Tax Paid/(Refund Due)</u>		
Opening Balance	8,090	8,529
Tax Paid/(Refund Due)	(17,704)	(16,227)
Resident Withholding Tax Paid	(818)	(392)
Tax Refund	17,062	-
Tax Paid/(Tax Refund Due)	3,629	8,090

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

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

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

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

Maori Authority Credit Account (MACA)	2023	2022
	\$	\$
Opening Balance @ 01/06/2022	141,560	12,942
Income Tax Paid	17,704	150
RWT Paid on Interest	394	260
Tax Refunds	(17,062)	-
Closing Balance @ 31/03/2023	142,596	140,251
Income Tax Paid	-	1,178
RWT Paid on Interest	424	131
Closing Balance @ 31/05/2023	143,020	141,560

KAPENGA H TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY, 2023 (Continued)

6. Beneficiaries Equity

	2023	2022
<i>Retained Earnings (Post 2004) (1)</i>	635,428	586,711
<i>Unrealised Reserves (2)</i>		
Land & Improvements Revaluation	4,700,683	4,700,683
Share Revaluation - Fonterra	(341,214)	(361,689)
	4,359,469	4,338,994
<i>Realised Capital Reserves (3)</i>		
Nitrogen Discharge Reduction Agreement	800,000	800,000
	5,794,897	5,725,706
(1) Retained Earnings (Post 2004)		
Opening Balance	586,711	607,517
Net Surplus/(Deficit) for Year	48,717	(20,806)
Closing Balance	635,428	586,711
(2) Unrealised Reserves		
Opening Balance	4,338,994	4,477,150
Share Revaluation - Fonterra	20,475	(138,156)
Closing Balance	4,359,469	4,338,994
(3) Realised Capital Reserves		
Opening Balance	800,000	-
Nitrogen Discharge Reduction Agreement	-	800,000
Closing Balance	800,000	800,000

7. Asset Revaluation Reserve - Land and Buildings

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

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

KAPENGA H TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY, 2023 (Continued)

8. Related Party Transactions

Helen Jones is a Trustee of Kapenga H Trust. During the year Helen was paid \$74,626.86 gross for administration services from 2016 as approved by the Maori Land Court.

Kapenga H Trust harvested trees in the previous year using Revhead Logging Ltd. Christopher Grant is the sole director of the company and was a Trustee of Kapenga H Trust. The Trust agreed a 50/50 deal of net proceeds from the harvest.

Accounts receivable includes an account balance to Revhead Logging of \$4,750 for fencing (Last year \$5,229.05).

Ivor Thomas was elected a Trustee of Kapenga H Trust at the AGM held 13 May 2023. During the year Ivor completed the Trust harvesting activities. Cost \$3,795.

There were no related party transactions during the year.

9. Contingent Liabilities & Guarantees

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

2022
(Nil)

10. Events Occurring Subsequent to balance Date

There have been no events subsequent to balance date that would have materially affected the financial position of the Trust or the figures contained within these financial statements.

2022
(Nil)