

KAWERAU A8D TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

KAWERAU A8D TRUST

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FOR THE YEAR ENDED 31 MARCH 2024

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KUSABS LASIKE LTD
Chartered Accountants
Rotorua

KAWERAU A8D TRUST

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH, 2024

	Note	2024 \$	2023 \$
Income			
Lease Received		229,356	214,678
Interest Received (Gross)		25,135	7,638
Bonus Bonds		-	83
		254,491	222,399
Less Expenses:			
Administration Fees		12,704	6,232
Audit Fee		5,204	5,352
Bank Fees & Charges		45	45
Consultancy Fees		1,431	1,114
Depreciation		13	19
General Expenses		50	50
Postage & Stationery		27	8
Trustees Fees		1,500	-
Trustees Mileage		1,134	-
Trustees Expenses		50	-
		22,159	12,820
<u>Net Operating Surplus for the Year</u>		232,333	209,579
Provision for Taxation	9	(40,658)	(36,880)
<u>Profit/(Loss) after income tax</u>		191,674	172,698

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.

KAWERAU A8D TRUST

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	\$	\$
EQUITY AT BEGINNING OF THE YEAR	<u>1,109,265</u>	<u>936,567</u>
SURPLUS/DEFICIT AND REVALUATIONS		
Net Surplus for the period	<u>191,674</u>	<u>172,698</u>
Total recognised revenues and expenses for the period	<u>191,674</u>	<u>172,698</u>
EQUITY AT END OF THE YEAR	<u><u>1,300,939</u></u>	<u><u>1,109,265</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.

KAWERAU A&D TRUST

BALANCE SHEET

AS AT 31 MARCH 2024

	Note	2024 \$	2023 \$
CURRENT ASSETS			
Cash			
BNZ Cheque Account		69,832	3,103
BNZ Call Account		211,692	673,124
Matthew Shaw Legal Trust Account	6	136,032	132,287
		417,557	808,513
Receivables			
Accounts Receivable		-	171
Accrued Income		1,591	-
Goods & Services Tax		7,942	6,436
		9,533	6,608
Investments			
BNZ Term Deposit 002		600,000	-
Total Current Assets		1,027,090	815,121
NON-CURRENT ASSETS			
Property, Plant & Equipment			
Freehold Land	5	514,000	514,000
Motor Vehicles		30	43
		514,030	514,043
Total Non-Current Assets		514,030	514,043
Total Assets		1,541,120	1,329,164
CURRENT LIABILITIES			
Creditors and Borrowings			
Accrued Liabilities	8	5,000	5,000
Accounts Payable	7	212,434	204,093
Income Tax	9	22,747	10,806
Total Current Liabilities		240,181	219,899
Total Liabilities		240,181	219,899
Net Assets		1,300,939	1,109,265

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.

KAWERAU A8D TRUST

BALANCE SHEET

AS AT 31 MARCH 2024 (continued)

	Note	2024 \$	2023 \$
TRUST FUNDS			
Beneficiaries Equity	3	<u>1,300,939</u>	<u>1,109,265</u>
<u>Trust Equity</u>		<u><u>1,300,939</u></u>	<u><u>1,109,265</u></u>

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

30 September 2024

Date

P. Pefas

S. Stevenson

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.

KAWERAU A8D TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Kawerau A8D Trust is a trust originally vested under Section 438 of the Maori Affairs Act 1953, and continues under Section 215 of the Te Ture Whenua Maori Act 1993 as an Ahu Whenua Trust.

Measurement Base

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

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 a historical cost basis, modified by the revaluation of land and improvements (as described in the specific accounting policies section below) are followed by the Trust. Accrual accounting is used to recognise expenses and revenues when they occur.

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

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied.

Land

Land is recorded at a valuation. The most recent valuation was performed by Telfer Young, registered Property valuers, on 8th July 2016. Valuations are completed when requested at irregular intervals.

Other Property, Plant and Equipment is recorded at Cost less accumulated depreciation.

Depreciation: Motor Vehicles 30% DV

Accounts Receivable

Accounts receivable are recorded at their net realisable value after writing off all debts considered uncollectible.

Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis of accounting. Any GST due or recoverable at balance date is included within the amount of Current Assets or Current Liabilities.

Taxation

Income tax expense recognised in the Statement of Financial Performance (where appropriate) 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.

Investments

Investments are stated at cost price.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies which have been applied on bases consistent with those used in previous years.

KAWERAU A8D TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTE 2. BENEFICIARIES EQUITY

		This Year	Last Year
Asset Revaluation Reserve	(Note 3)	414,000	414,000
Retained Earnings	(Note 4)	886,939	695,265
		\$ 1,300,939	\$ 1,109,265

NOTE 3. ASSET REVALUATION RESERVE

	This Year	Last Year
Opening Balance	414,000	414,000
Plus Current Years Movement	-	-
		\$ 414,000
Closing Balance	\$ 414,000	\$ 414,000

In 2016 Land was revalued to a registered Valuation of \$514,000.
The asset revaluation reserve represents the difference between the original recorded land value and the 2016 valuation.

NOTE 4. RETAINED EARNINGS

	This Year	Last Year
Opening Balance	695,265	522,567
Net Surplus	191,674	172,698
		\$ 886,939
	\$ 886,939	\$ 695,265

NOTE 5. PROPERTY, PLANT & EQUIPMENT

2024 Class	Cost/Valuation	Accum Deprn	Current Deprn	Book Value
Land	514,000	-	-	514,000
Vehicles	5,773	5,743	13	30
		519,773	5,743	514,030
2023 Class	Cost/Valuation	Accum Deprn	Current Deprn	Book Value
Land	514,000	-	-	514,000
Vehicles	5,773	5,730	19	43
		519,773	5,730	514,043

KAWERAU A8D TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTE 6. MATTHEW SHAW LEGAL TRUST ACCOUNT

During the 2016 year, Te Ahi O Maui entered into a Project Development agreement with the Trust and the initial funding of \$200,000 plus GST was deposited to the Matthew Shaw Legal Trust account, solicitor for the Trust. The funds are held in the trust account as part of the agreement with Te Ahi O Maui to support a scheme of arrangement with creditors.

NOTE 7. ACCOUNTS PAYABLE

Aurere Law	203,518	203,518
Total Legal Fees	\$ 203,518	\$ 203,518
Additional Creditors		
Kusabs Lasike Limited	7,401	575
Inland Revenue – PAYE	300	-
Trustee Fees & Expenses	1,215	-
Total Accounts Payable	\$ 212,434	\$ 204,093

NOTE 8. ACCRUED LIABILITIES

At year end the Trust has accrued the following GST exclusive expenses for which invoices have not yet been received:

Audit Fee – William Buck Audit (NZ)	5,000	5,000
Total Accrued Liabilities	\$ 5,000	\$ 5,000

NOTE 9. TAXATION

	This Year	Last Year
Net Surplus as per the Accounts	232,333	209,578
Permanent Differences	-	(83)
Timing Differences	-	1,250
Taxable Income	\$ 232,333	\$ 210,745
Taxation @ 17.5c	\$ 40,658	\$ 36,880
Less RWT current year	(5,032)	(1,771)
Tax Paid	(16,496)	(24,303)
Prior Years Tax	3,617	-
Taxation Owing	\$ 22,747	\$ 10,806

KAWERAU A8D TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTE 10. MAORI AUTHORITY TAX CREDIT ACCOUNT

	This Year	Last Year
Opening Balance 1 April	160,518	128,203
Taxation Paid	23,685	46,948
Tax Refunds	-	(16,404)
RWT	5,032	1,771
Closing Balance – 31 March	\$ 189,236	\$ 160,518

NOTE 11. RELATED PARTY TRANSACTIONS

In April 2011 the Maori Land Court appointed Andrew Kusabs as an independent Trustee and Chairman of the Trust. A General Meeting of owners was held in October 2021 where an election of Trustees was called. In March 2024 the Maori Land Court confirmed the appointment of Leigh Bason, Phillip Peters and Shirley Stevenson as Responsible Trustees and Jeenero Leef as an Advisory Trustee.

Andrew Kusabs retired as director from Kusabs Lasike Ltd in 2017 and Lau Lasike remains the director. Kusabs Lasike Ltd invoiced for work carried out during the year of \$16,060 GST incl (Last Year \$8,350). At year end owing was \$7,402 GST incl (Last Year \$575).

No other related party transactions were due to or from the Trust.

NOTE 12. GEOTHERMAL RIGHTS

The Trustees have obtained an independent valuation of the value of geothermal rights based on the current lease agreement with Te Ahi o Maui. The valuation by Telfer Young dated 8 July 2016, is \$2,920,000 based on capitalisation of lease income. The valuation notes that the lessee has the right to terminate the lease at any stage where the geothermal resource is uneconomic. Because there has been no economic outflow to create this intangible asset, there is no balance recorded in the financial statements.

NOTE 13. CONTINGENT LIABILITIES

- There is an ongoing dispute with Norske Skog Tasman Ltd as to the condition of the block in relation to contamination coming from neighbouring leased blocks. This has and is entailing the Trust to seek legal advice and management of the block. This is likely to be a considerable drain on the Trusts finances into the future. The cost to the Trust of this has not been quantified.
- The loan agreement the Trust has with Tohia O Te Rangi Marae includes an arrangement to come to an agreement as to any financial recompense for the use of the loans at the time they are repaid. A calculation has not been made for any possible interest or finance charges that may result from any further agreement.

NOTE 14. COMMITMENTS

There are no commitments at year end (Last Year \$Nil).

NOTE 15. GOING CONCERN

The Trust will continue to operate for the foreseeable future.

NOTE 16. EVENTS 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.

Kawerau A8D Trust

Independent auditor's report to the Trustees

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kawerau A8D Trust (the Trust), which comprise the statement of financial position as at 31 March 2024, and the statement of financial position and statement of 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 accompanying financial statements of the Trust are prepared, in all material respects, in accordance with the accounting policies outlined in Note 1 to the financial statements.

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 Society in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Trust.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared to enable the Trust to report to its trustees and for taxation purposes.

Trustees Responsibilities

The trustees are responsible on behalf of the entity for the preparation of financial statements prepared in accordance with the accounting policies disclosed in Note 1 to the financial statements, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The trustees are also responsible for the selection of accounting policies that are appropriate for the entity.

In preparing the financial statements, the trustees are responsible 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.

Auditor's 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust'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 Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events.

We communicate with the Trustees 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.

The engagement partner on the audit resulting in this independent auditor's report is Craig Rossouw.

Restriction on Distribution and Use

This report is made solely to the Trustees. Our audit work has been undertaken so that we might state to the Trustees those matters which 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 Trust and the Trustees, for our audit work, for this report or for the opinions we have formed.

William Buck

William Buck Audit (NZ) Limited

Tauranga
8 October 2024