

PAEROA SOUTH B2B1 TRUST

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

PAEROA SOUTH B2B1 TRUST

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

	Page
Auditors Report	
Statement of Sheep Trading	1
Statement of Beef Cattle Trading	2
Statement of Dry Stock Unit Profit or Loss	4
Statement of Dairy Cattle Trading Unit #1	6
Statement of Dairy Unit #1 Profit or Loss	7
Statement of Dairy Cattle Trading Unit #2	9
Statement of Dairy Unit #2 Profit or Loss	11
Statement of Forestry Profit or Loss	13
Statement of General Profit or Loss	14
Statement of Changes in Equity	16
Balance Sheet	17
Notes to the Financial Statements	20 - 26

Kusabs Lasike Ltd
Chartered Accountants
Rotorua

PAEROA SOUTH B2B1 TRUST

STATEMENT OF SHEEP TRADING

FOR THE YEAR ENDED 30 JUNE, 2023

		2023			2022	
	Qty.	\$	Avge \$	Qty.	\$	Avge \$
SALES						
MA Ewes	119	11,015	93	342	51,294	150
Lambs	823	115,935	141	830	130,939	158
Total Sales	942	126,950		1,172	182,233	
PURCHASES						
MA Ewes	369	71,330	193	295	70,800	240
Breeding Rams	6	5,600	933	-	-	-
Total Purchases	375	76,930		295	70,800	
Cash Surplus for the Year	567	50,020		877	111,433	
OPENING STOCK						
<i>Market Value</i>						
Ewe Hoggets	180	23,400	130	-	-	-
MA Ewes	636	124,230	195	831	159,153	192
Breeding Rams	7	2,240	320	9	2,250	250
Total Opening Stock	823	149,870		840	161,403	
CLOSING STOCK						
<i>Market Value</i>						
Ewe Hoggets	-	-	-	180	23,400	130
MA Ewes	765	130,050	170	636	124,230	195
Breeding Rams	18	4,500	250	7	2,240	320
Total Closing Stock	783	134,550		823	149,870	
Decrease in Stock Value		15,320			11,533	
Gross Profit for the Year		34,700			99,900	

RECONCILIATION OF NUMBERS

	2023	2022
Opening Stock Numbers	823	840
Purchases	375	295
Natural Increase	651	1,010
	<u>1,849</u>	<u>2,145</u>
Less:		
Sales	942	1,172
Deaths and Missing	124	150
	<u>1,066</u>	<u>1,322</u>
Closing Stock Numbers	<u>783</u>	<u>823</u>

This financial statement must be read in conjunction with the accompanying Accounting Policies, Notes to the Financial Statements and the Audit Report.

PAEROA SOUTH B2B1 TRUST

STATEMENT OF BEEF CATTLE TRADING

FOR THE YEAR ENDED 30 JUNE, 2023

		2023			2022	
	Qty.	\$	Avge \$	Qty.	\$	Avge \$
SALES						
R1 Heifers	56	32,186	575	-	-	-
R2 Heifers	33	49,320	1,495	15	18,930	1,262
MA Cows	4	3,778	944	10	4,999	500
R1 Steers/Bulls	51	36,865	723	-	-	-
R3+ Steers/Bulls	31	50,260	1,621	48	76,982	1,604
Total Sales	175	172,408		73	100,911	
PURCHASES						
R1 Steers/Bulls	52	25,756	495	-	-	-
Cash Surplus for the Year	123	146,652		73	100,911	
OPENING STOCK						
<i>Market Value</i>						
R1 Heifers	67	43,550	650	40	24,100	603
R2 Heifers	78	80,028	1,026	49	46,050	940
MA Cows	89	88,550	995	85	92,950	1,094
R1 Steers/Bulls	36	19,800	550	67	45,122	673
R2 Steers/Bulls	-	-	-	66	70,830	1,073
R3+ Steers/Bulls	2	2,900	1,450	-	-	-
Total Opening Stock	272	234,828		307	279,052	
CLOSING STOCK						
<i>Market Value</i>						
R1 Heifers	-	-	-	67	43,550	650
R2 Heifers	42	42,000	1,000	78	80,028	1,026
MA Cows	132	180,200	1,365	89	88,550	995
R2 Steers/Bulls	65	87,750	1,350	36	19,800	550
R3+ Steers/Bulls	5	7,000	1,400	2	2,900	1,450
Total Closing Stock	244	316,950		272	234,828	
Decrease in Stock Value		<u>(82,122)</u>			<u>44,224</u>	
Gross Profit for the Year		<u><u>228,774</u></u>			<u><u>56,687</u></u>	

This financial statement must be read in conjunction with the accompanying Accounting Policies, Notes to the Financial Statements and the Audit Report.

PAEROA SOUTH B2B1 TRUST

STATEMENT OF BEEF CATTLE TRADING

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

RECONCILIATION OF NUMBERS

	2023	2022
Opening Stock Numbers	272	307
Purchases	52	-
Natural Increase	119	103
	<u>443</u>	<u>410</u>
Less:		
Sales	175	73
Deaths and Missing	24	65
	<u>199</u>	<u>138</u>
Closing Stock Numbers	<u>244</u>	<u>272</u>

This financial statement must be read in conjunction with the accompanying Accounting Policies, Notes to the Financial Statements and the Audit Report.

PAEROA SOUTH B2B1 TRUST

STATEMENT OF DRY STOCK UNIT PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2023

	2023	2022
	\$	\$
Cash Profit/(Loss) from Livestock Trading		
Sheep	50,020	111,433
Beef Cattle	146,652	100,911
	196,673	212,344
Other Income		
Wool Sales	5,843	1,906
Rent Received	13,257	12,500
Grazing	-	51,554
	19,100	65,960
Total Income before Expenses	215,772	278,304
Less Expenses:		
Farm Operating Expenses		
Animal Identification	542	-
Animal Health	9,448	10,773
Cultivation & Cropping	1,560	10,498
Dog Expenses	4,329	4,810
Electricity & Gas	6,911	6,016
Farm Stores	-	79
Fertiliser	-	74,138
Freight & Cartage	5,026	2,048
Grazing	12,139	-
Health & Safety	121	200
Protective Clothing	117	402
Seed	323	6,625
Shearing & Crutching Contractors	10,531	3,971
Shearing Expenses	257	1,037
Staff Expenses	-	129
Stock Food	-	2,021
Wages	98,949	78,001
Kiwisaver Emp Contribution	2,326	1,802
Waste Disposal	4,365	3,862
Weed & Pest Control	18,168	9,759
Total Farm Operating Expenses	175,112	216,172
Repairs and Maintenance		
Buildings	-	1,282
Fencing	9,599	2,128
Employee Accommodation	1,315	7,644
Plant & Equipment	885	1,783
Tracks, Yards & Races	1,365	-
Water Supply	45	708
Total Repairs and Maintenance	13,209	13,545

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

PAEROA SOUTH B2B1 TRUST

STATEMENT OF DRY STOCK UNIT PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

	2023	2022
	\$	\$
Vehicle Expenses		
Fuel & Oil	4,054	2,743
Motorcycle Expenses	2,090	1,901
Tractor Expenses	47	9
Utility Expenses	2,587	3,230
Total Vehicle Expenses	8,777	7,884
Administration Expenses		
Farm Advisory	8,046	9,780
Subscriptions & Licences	502	100
Telephone & Tolls	1,255	1,234
Valuations Fees	-	450
Total Administration Expenses	9,803	11,563
Fixed and Financial Expenses		
ACC Levies	2,107	1,583
Insurance	4,097	3,600
Interest - ANZ Bank Loans	37,565	30,361
Rates	3,036	2,866
Total Standing Charges	46,805	38,410
Total Expenses	253,705	287,574
<u>Net Cash Operating Profit/(Loss) for the Year</u>	(37,933)	(9,270)
Non-Cash Adjustments for the Year:		
Increase (Decrease) in Livestock Values:		
Sheep	(15,320)	(11,533)
Beef Cattle	82,122	(44,224)
Depreciation	66,802	(55,757)
Total Non-Cash Adjustments for the Year	(24,689)	(22,624)
Total Non-Cash Adjustments for the Year	42,113	(78,381)
<u>Operating Profit/(Loss) for the Year</u>	4,180	(87,651)

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

PAEROA SOUTH B2B1 TRUST

STATEMENT OF DAIRY CATTLE TRADING UNIT #1

FOR THE YEAR ENDED 30 JUNE, 2023

	Qty.	2023 \$	Avge \$	Qty.	2022 \$	Avge \$
SALES						
R2 Heifers	13	10,187	784	11	6,592	599
MA Cows	136	77,813	572	75	60,917	812
Breeding Bulls	5	5,029	1,006	21	28,034	1,335
Bobby Calves	389	35,373	91	322	8,743	27
Total Sales	543	128,401		429	104,286	
PURCHASES						
Breeding Bulls	6	8,190	1,365	21	38,160	1,817
Cash Surplus for the Year	537	120,211		408	66,126	
OPENING STOCK						
<i>Market Value</i>						
R1 Heifers	144	129,600	900	155	139,500	900
R2 Heifers	147	249,900	1,700	140	217,000	1,550
MA Cows	546	1,007,400	1,845	525	939,600	1,790
Total Opening Stock	837	1,386,900		820	1,296,100	
CLOSING STOCK						
<i>Market Value</i>						
R1 Heifers	151	120,800	800	144	129,600	900
R2 Heifers	151	256,700	1,700	147	249,900	1,700
MA Cows	488	877,200	1,798	546	1,007,400	1,845
Total Closing Stock	790	1,254,700		837	1,386,900	
Decrease in Stock Value		132,200			(90,800)	
Gross Loss for the Year		11,989			(156,926)	

RECONCILIATION OF NUMBERS

	2023	2022
Opening Stock Numbers	837	820
Purchases	6	21
Natural Increase	540	466
	<u>1,383</u>	<u>1,307</u>
Less:		
Sales	543	429
Deaths and Missing	50	41
	<u>593</u>	<u>470</u>
Closing Stock Numbers	<u>790</u>	<u>837</u>

This financial statement must be read in conjunction with the accompanying Accounting Policies, Notes to the Financial Statements and the Audit Report.

PAEROA SOUTH B2B1 TRUST

STATEMENT OF DAIRY UNIT #1 PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2023

	2023	2022
	\$	\$
Cash Surplus (Deficit) from Livestock Trading		
Dairy Cattle	120,211	66,126
Income		
Sales of Milksolids	1,689,341	1,826,998
Milksolids Production Dividend	61,308	49,046
Sundry Income	435	-
	1,751,083	1,876,044
Total Income before Expenses	1,871,294	1,942,169
Less Expenses:		
Farm Operating Expenses		
Animal Identification	5,272	1,885
Animal Health	105,446	101,388
Calf Rearing	28,678	14,272
Cultivation & Cropping	50,464	34,788
Dairy Shed Expenses	869	2,907
Effluent Expenses	685	655
Electricity & Gas	18,058	14,676
Farm Stores	-	51
Fertiliser	247,823	193,210
Freight & Cartage	18,802	14,117
Grazing	138,459	170,436
Hay & Silage	35,337	128,367
Herd Testing & Breeding	38,568	34,227
Protective Clothing	-	360
Seed	32,065	24,576
Stock Food	330,011	247,300
Waste Disposal	4,762	6,163
Weed & Pest Control	20,365	21,689
	1,075,664	1,011,069
Total Farm Operating Expenses		
Repairs and Maintenance		
Fencing	15,086	5,845
Buildings	8,507	496
Employee Accommodation	21,314	27,566
Plant & Equipment	30,287	46,933
Tracks, Yards & Races	25,883	14,595
Water Supply	7,704	10,896
	108,782	106,331
Total Repairs and Maintenance		

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

PAEROA SOUTH B2B1 TRUST

STATEMENT OF DAIRY UNIT #1 PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

	2023	2022
	\$	\$
Vehicle Expenses		
Fuel & Oil	9,632	14,103
Tractor Expenses	2,292	6,976
Total Vehicle Expenses	<u>11,924</u>	<u>21,079</u>
Administration Expenses		
Bio Security Levies	4,933	4,707
Farm Advisory	11,070	12,950
Subscriptions & Licences	2,153	2,168
Valuations Fees	1,467	1,290
Total Administration Expenses	<u>19,623</u>	<u>21,115</u>
Standing Charges		
Development & Research	7,400	7,061
Insurance	24,814	22,167
Interest - ANZ Bank Loans	102,473	52,582
Rates	26,776	25,291
Total Standing Charges	<u>161,462</u>	<u>107,101</u>
Total Expenses	<u>1,377,455</u>	<u>1,266,696</u>
<u>Net Cash Operating Profit/(Loss) for the Year</u>	493,839	675,474
Non-Cash Adjustments for the Year:		
Dairy Cattle	(132,200)	90,800
Depreciation Recovered	-	2,979
Depreciation	(64,641)	(70,428)
Total Non-Cash Adjustments for the Year	<u>(196,841)</u>	<u>23,351</u>
<u>Net Profit/(Loss) for the Year</u>	<u>296,998</u>	<u>698,825</u>

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

PAEROA SOUTH B2B1 TRUST

STATEMENT OF DAIRY CATTLE TRADING - UNIT #2

FOR THE YEAR ENDED 30 JUNE, 2023

	Qty.	2023 \$	Avge \$	Qty.	2022 \$	Avge \$
SALES						
R2 Heifers	1	571	571	3	2,339	780
MA Cows	104	61,697	593	68	49,011	721
R1 Steers/Bulls	-	-	-	3	2,841	947
Breeding Bulls	19	22,412	1,180	16	18,462	1,154
Bobby Calves	194	5,208	27	273	7,026	26
Total Sales	318	89,889		363	79,679	
PURCHASES						
MA Cows	18	30,627	1,702	-	-	-
Breeding Bulls	19	35,135	1,849	18	30,480	1,693
Total Purchases	37	65,762		18	30,480	
Cash Surplus for the Year	281	24,126		345	49,199	
OPENING STOCK						
<i>Market Value</i>						
R1 Heifers	84	73,500	875	-	-	-
R2 Heifers	94	150,400	1,600	80	124,000	1,550
MA Cows	347	641,950	1,850	342	615,600	1,800
R1 Steers/Bulls	-	-	-	4	2,400	600
R2 Steers/Bulls	-	-	-	2	1,900	950
Total Opening Stock	525	865,850		428	743,900	
CLOSING STOCK						
<i>Market Value</i>						
R1 Heifers	98	78,400	800	84	73,500	875
R2 Heifers	91	150,150	1,650	94	150,400	1,600
MA Cows	330	610,500	1,850	347	641,950	1,850
Total Closing Stock	519	839,050		525	865,850	
Decrease in Stock Value		26,800			(121,950)	
Gross Loss for the Year		2,674			(171,149)	

This financial statement must be read in conjunction with the accompanying Accounting Policies, Notes to the Financial Statements and the Audit Report.

PAEROA SOUTH B2B1 TRUST

STATEMENT OF DAIRY CATTLE TRADING - UNIT #2

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

RECONCILIATION OF NUMBERS

	2023	2022
Opening Stock Numbers	525	428
Purchases	37	18
Natural Increase	<u>292</u>	<u>357</u>
	<u>854</u>	<u>803</u>
Less:		
Sales	318	363
Deaths and Missing	<u>17</u>	<u>(85)</u>
	<u>335</u>	<u>278</u>
Closing Stock Numbers	<u><u>519</u></u>	<u><u>525</u></u>

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PAEROA SOUTH B2B1 TRUST

STATEMENT OF DAIRY UNIT #2 PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2023

	2023	2022
	\$	\$
Cash Profit/(Loss) from Livestock Trading		
Dairy Cattle	24,126	49,199
	24,126	49,199
Income		
Sales of Milksolids	900,586	1,004,193
Milksolids Production Dividend	33,689	27,493
	934,274	1,031,685
Total Income before Expenses	958,401	1,080,884
Less Expenses:		
Farm Operating Expenses		
Animal Identification	1,669	1,396
Animal Health	41,508	34,707
Calf Rearing	8,146	12,666
Cultivation & Cropping	15,095	17,392
Dairy Shed Expenses	191	511
Effluent Expenses	1,008	-
Electricity & Gas	10,548	9,499
Farm Stores	-	296
Fertiliser	98,754	99,917
Freight & Cartage	12,390	7,621
Grazing	99,036	109,439
Hay & Silage	28,226	48,395
Herd Testing & Breeding	17,946	17,138
Health & Safety	180	-
Resource Consents	195	-
Seed	5,267	12,164
Stock Food	140,355	138,773
Waste Disposal	4,197	4,360
Weed & Pest Control	12,136	5,300
	496,848	519,575
Total Farm Operating Expenses		
Repairs and Maintenance		
Fencing	3,955	2,708
Employee Accommodation	19,704	12,999
Plant & Equipment	19,584	17,649
Tracks, Yards & Races	26,304	1,909
Water Supply	5,117	989
	74,663	36,254
Total Repairs and Maintenance		

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

PAEROA SOUTH B2B1 TRUST

STATEMENT OF DAIRY UNIT #2 PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

	2023	2022
	\$	\$
Vehicle Expenses		
Fuel & Oil	12,155	11,394
Tractor Expenses	2,646	7,002
Total Vehicle Expenses	14,801	18,397
Administration Expenses		
Bio Security Levies	3,503	3,124
Farm Advisory	12,920	14,771
Subscriptions & Licences	-	749
Valuations Fees	283	750
Total Administration Expenses	16,706	19,394
Standing Charges		
Development & Research	5,255	4,686
Insurance	15,374	14,318
Interest - ANZ Bank Loans	56,942	33,319
Rates	19,056	17,998
Total Standing Charges	96,627	70,321
Total Expenses	699,645	663,941
<u>Net Cash Operating Profit/(Loss) for the Year</u>	258,756	416,943
Non-Cash Adjustments for the Year:		
Increase (Decrease) in Livestock Values:		
Dairy Cattle	(26,800)	121,950
Depreciation	(37,589)	(41,609)
Total Non-Cash Adjustments for the Year	(64,389)	80,341
<u>Net Profit/(Loss) for the Year</u>	194,366	497,284

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

PAEROA SOUTH B2B1 TRUST

STATEMENT OF FORESTRY PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2023

	2023	2022
	\$	\$
Income	-	-
Less Expenses:		
Expenses		
Forestry Expenses	128,467	2,620
Insurance	11,969	10,649
Total Expenses	<u>140,436</u>	<u>13,269</u>
<u>Operating Surplus/(Deficit) for the Year</u>	<u>(140,436)</u>	<u>(13,269)</u>
Non-Cash Adjustments for the Year:		
Depreciation	<u>(63)</u>	<u>(70)</u>
Total Non-Cash Adjustments for the Year	<u>(63)</u>	<u>(70)</u>
<u>Net Surplus/(Deficit) for the Year</u>	<u><u>(140,499)</u></u>	<u><u>(13,339)</u></u>

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PAEROA SOUTH B2B1 TRUST

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2023

	Notes	2023 \$	2022 \$
Trading Activities Surplus/Deficit			
DRYSTOCK UNIT		4,180	(87,651)
DAIRY UNIT #1		296,998	698,825
DAIRY UNIT #2		194,366	497,284
FORESTRY		(140,499)	(13,339)
Total Trading Activities Surplus		355,046	1,095,118
Other Income			
Interest Received (Gross)		4,331	446
Rebate - Ballance Agri-Nutrients		10,982	20,986
Rebate -Farm Source		2,100	2,640
Dividends Received (Gross)		2,244	990
Total Other Income		19,657	25,061
Total Income Surplus before Expenses		374,703	1,120,179
Less Expenses:			
Administrative and Overhead Expenses			
Accountancy & Secretarial Fees		55,417	50,712
Advertising		756	520
Audit Fee		4,495	4,679
Bank Fees & Charges		376	717
Consultancy Fees		71	654
Farm Advisory		2,290	2,882
General Expenses		435	-
Legal Fees		9,334	8,692
Postage & Stationery		1,217	541
Share Register		10,395	9,452
Trustee Fees		12,090	21,045
Trustee & Meeting Expenses		4,107	3,241
Valuations Fees		1,960	-
Total Administrative and Overhead Expenses		102,942	103,134
Fixed and Financial Expenses			
Insurance - Trustee Liability		4,460	4,222
Interest - Overdraft & Trading		45	773
Interest - IRD Use of Money		1,573	147
Total Fixed and Financial Expenses		6,079	5,142
Total Expenses		109,021	108,276

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

PAEROA SOUTH B2B1 TRUST

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

	Notes	2023 \$	2022 \$
<u>Operating Surplus/(Deficit) Before Income Tax</u>		<u>265,682</u>	<u>1,011,903</u>
Provision for Taxation	5	<u>47,651</u>	<u>161,692</u>
Net Surplus/(Deficit) for the year		<u><u>218,031</u></u>	<u><u>850,211</u></u>

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

PAEROA SOUTH B2B1 TRUST

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE, 2023

	2023	2022
	\$	\$
EQUITY AT BEGINNING OF THE YEAR	<u>19,459,907</u>	<u>18,935,618</u>
SURPLUS/DEFICIT AND REVALUATIONS		
Surplus/(Deficit) for the period	218,031	850,211
Increase Capital Profit on Disposal of Fixed Assets	-	54,853
Increase/(Decrease) Forestry Revaluation	271,259	(18,862)
Revaluation - Fonterra Shares	(67,032)	(329,413)
Revaluation - LIC Shares	(1,877)	501
Total recognised revenues and expenses for the period	<u>420,381</u>	<u>557,289</u>
CONTRIBUTIONS AND DISTRIBUTIONS		
Kaumatua Grant	<u>(39,600)</u>	<u>(33,000)</u>
EQUITY AT END OF THE YEAR	<u><u>19,840,688</u></u>	<u><u>19,459,907</u></u>

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

PAEROA SOUTH B2B1 TRUST

BALANCE SHEET

AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash			
ANZ Bank - Free Plan Account		198,512	129,358
ANZ Bank - Call Account		349	189
		198,861	129,548
Receivables			
Accounts Receivable		605,973	695,524
Trustpower Bond		500	500
Tax Refund Due	5	28,311	-
		634,784	696,024
Prepayments			
Insurance		47,275	34,891
Livestock			
Sheep on Hand		134,550	149,870
Dairy Cattle on Hand - Dairy Unit #1		1,254,700	1,386,900
Dairy Cattle on Hand - Dairy Unit #2		839,050	865,850
Beef Cattle on Hand		316,950	234,828
		2,545,250	2,637,448
<u>Total Current Assets</u>		3,426,170	3,497,911
NON-CURRENT ASSETS			
Property, Plant & Equipment			
	2		
Freehold Land		13,095,688	13,095,688
Property Improvements		1,041,081	1,056,873
Buildings		1,076,357	1,060,580
Plant & Equipment		337,178	386,080
Motor Vehicles		153,147	155,814
Furniture & Fittings		13,494	12,945
Office Equipment		406	811
Forestry		2,470,569	2,199,373
		18,187,920	17,968,164

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.

PAEROA SOUTH B2B1 TRUST

BALANCE SHEET

AS AT 30 JUNE 2023 (continued)

	Note	2023 \$	2022 \$
Investments			
Ballance Agri-Nutrients - 12690 Shares @ \$8.10		102,789	102,789
Farmlands Trading Society - 2049 Shares @ \$1		2,049	2,049
Ravensdown - 100 Shares		100	100
LIC Ltd - 2,304 Shares @ \$1.16		2,673	2,746
LIC Ltd - 4,800 Shares @ \$1.16		5,568	6,960
Fonterra Co-Op Group (No.1)-245,230 Shares @ \$2.72		668,252	711,167
Fonterra Co-Op Group (No.2)-137,808 Shares @ \$2.72		375,527	399,643
		1,156,957	1,225,455
<u>Total Non-Current Assets</u>		19,344,877	19,193,619
<u>Total Assets</u>		22,771,047	22,691,529
CURRENT LIABILITIES			
Creditors and Borrowings			
Accrued Liabilities		6,480	3,987
Accounts Payable		104,024	141,588
Current Portion of Term Liabilities		2,750,000	2,900,000
Goods & Services Tax		69,854	86,997
Provision for Taxation	5	-	93,819
		2,930,358	3,226,392
Provisions			
Provision for Holiday Pay		-	5,230
<u>Total Current Liabilities</u>		2,930,358	3,231,622

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.

PAEROA SOUTH B2B1 TRUST

BALANCE SHEET

AS AT 30 JUNE 2023 (continued)


	Note	2023 \$	2022 \$
NON-CURRENT LIABILITIES			
Term Liabilities			
ANZ Term Loan #1002		250,000	400,000
ANZ Term Loan #1006		1,500,000	1,500,000
ANZ Term Loans #1007		1,000,000	1,000,000
Less Transferred to Current Liabilities		<u>(2,750,000)</u>	<u>(2,900,000)</u>
		-	-
<u>Total Non-Current Liabilities</u>		<u>-</u>	<u>-</u>
<u>Total Liabilities</u>		<u>2,930,358</u>	<u>3,231,622</u>
<u>Net Assets</u>		<u>19,840,688</u>	<u>19,459,907</u>
TRUST FUNDS			
Beneficiaries Equity	6	<u>19,840,688</u>	<u>19,459,907</u>
<u>Trust Equity</u>		<u>19,840,688</u>	<u>19,459,907</u>

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

9th November 2023
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.

PAEROA SOUTH B2B1 TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2023

1. Statement of Accounting Policies

These are the special purpose financial statements for PAEROA SOUTH B2B1 TRUST.

Entity Reporting

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

The principal activity of the Trust is that of Forestry, Dairy, Sheep & Beef Farming.

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) Livestock

Livestock has been recorded for accounting purposes at estimated market values. The increase or decrease in value during the current year of livestock on hand at the close of the financial year has been credited as an adjustment to Statement of Profit or Loss.

A contingent taxation liability exists as at balance date to the extent that the recorded total market value exceeds the value determined in accordance with the provisions of the Income Tax Act and which has been used for the purpose of filing the current year's taxation return.

For the purposes of Livestock Trading and Balance Sheet, current market values of livestock are used. Any difference between market value and tax values is shown in the taxation note.

PAEROA SOUTH B2B1 TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

(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 generally recorded at cost, except for shares held in cooperatively owned companies and shares traded on the NZAX market, which have been revalued based on redemption values advised by those companies.

(e) Property, Plant & Equipment

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

Land, Improvements and Buildings except 2635 Te Kopia Rd, have been revalued to the latest ratings valuation by Opteon Technologies Ltd dated 1st September 2020.

(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:

Land	0% DV
Property Improvements	0 - 19.2% DV
Buildings	0 - 20% DV and Cost
Plant & Equipment	4 - 80.4% DV
Motor Vehicles	10 - 30% DV
Furniture & Fittings	10 - 48% DV
Office Equipment	48 - 50% DV
Forestry	0 - 10% 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 GST.

(h) Forestry Assets

Forestry Assets are revalued to the latest available Market value as assessed by an independent forestry consultant. Refer Note 8.

PAEROA SOUTH B2B1 TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

2. Property, Plant & Equipment

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2023
Freehold Land	13,095,688	-	-	13,095,688
Property Improvements	1,482,478	29,019	441,397	1,041,081
Buildings	1,486,281	17,631	409,924	1,076,357
Plant & Equipment	1,005,732	50,112	668,553	337,178
Motor Vehicles	401,185	27,885	248,038	153,147
Furniture & Fittings	32,250	1,102	18,756	13,494
Office Equipment	2,095	405	1,689	406
Forestry	2,472,166	63	1,597	2,470,569
	<u>19,977,874</u>	<u>126,217</u>	<u>1,789,954</u>	<u>18,187,920</u>

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2022
Freehold Land	13,095,688	-	-	13,095,688
Property Improvements	1,469,251	29,804	412,378	1,056,873
Buildings	1,452,873	15,530	392,293	1,060,580
Plant & Equipment	1,004,521	55,744	618,441	386,080
Motor Vehicles	375,967	28,307	220,153	155,814
Furniture & Fittings	30,599	1,613	17,654	12,945
Office Equipment	2,095	684	1,284	811
Forestry	2,200,907	70	1,534	2,199,373
	<u>19,631,901</u>	<u>131,752</u>	<u>1,663,737</u>	<u>17,968,164</u>

3. Security

First charged Reg Mortgage Dairy Farm Freehold SA570880 Tutukau Rd, Mihi, Reporoa.

First charged Reg Mortgage Beef/Cattle freehold SA25D/201, SA51C/558, SA36C/336, 2635 Te Kopia Road, Reporoa.

The Trust has an overdraft facility with ANZ Bank, security as above. The limit is \$10,000.

The facility has not been used at balance date.

PAEROA SOUTH B2B1 TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

4. Non-Current Liabilities

		2023	2022
ANZ Term Loan #1002			
Non Current Liability	30 Jun 2023	250,000	400,000
Less Current Portion of Term Liabilities		250,000	400,000
Non Current Liability	30 Jun 2024	-	-
ANZ Term Loan #1006			
Non Current Liability	30 Jun 2023	1,500,000	1,500,000
Less Current Portion of Term Liabilities		1,500,000	1,500,000
Non Current Liability	30 Jun 2024	-	-
ANZ Term Loans #1007			
Non Current Liability	30 Jun 2023	1,000,000	1,000,000
Less Current Portion of Term Liabilities		1,000,000	1,000,000
Non Current Liability	30 Jun 2024	-	-

Term Loan 1002 - Interest 8.55% pa matures 02/04/24 (Interest only).

Term Loan 1006 - Interest 8.55% pa matures 31/05/24 (Interest only).

Term Loan 1007 - Interest 8.55% pa matures 21/06/24 (Interest only).

5. Taxation

	2023	2022
Surplus (Deficit) for the year	265,682	1,011,903
Imputation Tax Credit	576	358
Less Holiday Pay Provision	(5,230)	5,230
Less Livestock Adjustment	14,555	(91,489)
Taxable Income	275,583	926,002
Taxation Charge @ 17.5%	48,227	162,050
Less Imputation Tax Credit	(576)	(358)
	47,651	161,692
Taxation Paid	(74,308)	(67,653)
RWT Paid	(1,654)	(220)
Tax to Pay/(Refund Due)	(28,311)	93,819

Maori Authority Credit Account (MACA)

	2023	2022
	\$	\$
Opening Balance @ 01/07/2022	1,023,385	933,903
Income Tax paid	168,128	88,992
RWT Paid on Interest & Dividends	700	116
Imputation Tax Credits attached to Dividends	576	283
Closing Balance @ 31/03/2023	1,192,789	1,023,295
RWT Paid on Interest & Dividends	954	91
Closing Balance @ 30/06/2023	1,193,743	1,023,385

PAEROA SOUTH B2B1 TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

6. Beneficiaries Equity

	2023	2022
Original Capital	8,976	8,976
<i>Retained Earnings (Pre 2004) (1)</i>	2,424,721	2,464,321
<i>Retained Earnings (Post 2004) (2)</i>	6,063,803	5,845,772
<i>Unrealised Reserves (3)</i>		
Land & Improvements Revaluation	8,202,261	8,202,261
Affco Share Revaluation	(25)	(25)
Ballance Agri-Nutrients Share Revaluation	55,400	55,400
Forestry Revaluation	2,447,241	2,175,982
LIC Share Revaluation	(1,168)	709
Fonterra Bonus Issue & Share Revaluation	(480,532)	(413,500)
	10,223,178	10,020,827
<i>Realised Capital Reserves (4)</i>		
Capital Reserves	117,027	117,027
Non Taxable Dividend	186	186
SIDC Merger Distribution	30,848	30,848
50% Sale of Trees	538,797	538,797
NZDG Shares/Fonterra Merger	429,248	429,248
Fonterra Tax Free Distribution	3,904	3,904
	1,120,011	1,120,011
	19,840,688	19,459,907

(1) Retained Earnings (Pre 2004)

The Trust elected to join the Maori Authority regime for tax purposes from 1 April 2004. Distribution to members from income retained prior to the 2004-2005 income year will be treated as non-taxable distributions in the hands of the members.

Opening Balance	2,464,321	2,497,321
Less:		
Kaumatua Grant	(39,600)	(33,000)
Closing Balance	2,424,721	2,464,321

(2) Retained Earnings (Post 2004)

Opening Balance	5,845,772	4,995,561
Net Surplus/(Deficit) for Year	218,031	850,211
Closing Balance	6,063,803	5,845,772

(3) Unrealised Reserves

Opening Balance	10,020,827	10,368,601
Forestry Revaluation	271,259	(18,862)
LIC Share Revaluation	(1,877)	501
Fonterra Bonus Issue & Share Revaluation	(67,032)	(329,413)
Closing Balance	10,223,178	10,020,827

(4) Realised Capital Reserves

Opening Balance	1,120,011	1,065,158
Capital Reserves	-	54,853
Closing Balance	1,120,011	1,120,011

PAEROA SOUTH B2B1 TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

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 Technologies Ltd.

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

		2020 Net Book Val
Land		4,893,427
Buildings & Improvements	2,793,712	
Less Depreciation	(698,400)	2,095,312
Asset Revaluation		8,202,261
		15,191,000
This is Represented By:		
<u>Ratings Valuation at 1 September, 2020</u>		
Valuation Roll # 07030/102.02		165,000
Valuation Roll # 07030/102.00		8,136,000
Valuation Roll #07303/097.28		3,550,000
Valuation Roll #07030/097.38		3,340,000
		15,191,000

8. Forestry Revaluation

The Net Book Value of Forestry has been valued by Shane Perrett of Prime Forest Management Ltd, dated 30 June,2023. The adjustment to the value has been made to the

Asset Revaluation Reserve as follows:

		2023 Net Book Val
Asset Revaluation Reserve - Forestry		2,447,241
		2,447,241
This is Represented By:		
<u>Market Valuation at 30 June, 2023</u>		
Forestry		2,447,241
		2,447,241

9. Pre 1990 Forests

There is pre-1990 Forest Land on the property and a liability will arise under the Climate Change response Act 2002 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 is exotic or native respectively. This potential liability is not recognised in the financial statements. The Trust's carbon Credits are 7,260 at balance date (Last Year 7,260). The value of these NZU's at balance date is \$60.00 per NZU, a Total value of \$435,600. (Last Year \$76.50 per NZU, a total value of \$555,390).

There has been no trading during the year.

PAEROA SOUTH B2B1 TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

10. Related Party Transactions

Mr Andrew M Kusabs is a Trustee of Paeroa South B2B1 Trust and was paid consultancy fees of \$71 (2022 \$653).

Mr Graham Hayde is a Trustee of Paeroa South B2B1 Trust and was paid wages of \$13,932 for work done on the drystock farm (2022 \$Nil).

There were no other related party transactions during the year.

11. Contingent Liabilities & Guarantees

There were no contingent liabilities or guarantees as at balance date. 2022
(Nil)

12. Capital & Lease Expenditure Commitments

At balance date a commitment exists for the purchase of 932 LIC Nil shares (2022 1,343 shares). 2022
(Nil)

There were no other commitments for expenditure at year end. 2022
(Nil)

13. Events Occurring Subsequent to Balance Date

On 18 August 2023 a capital return was made by Fonterra Co-Operative Group Limited, resulting in one ordinary share for every six ordinary shares being cancelled and repurchased by Fonterra for a price of \$3.00 per share. At the same time as the share cancellation, a share subdivision occurred so that immediately after the share buyback and cancellation, the same number of shares remain held. Dairy Unit #1 had 40,872 shares cancelled and subdivided at a value of \$122,616 and Dairy Unit #2 had 22,968 shares cancelled and subdivided at a value of \$68,904.

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.

2022
(Nil)