

TE PUKE 2B1C TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

TE PUKE 2B1C TRUST

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FOR THE YEAR ENDED 30 JUNE 2022

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INDEPENDENT AUDITORS REPORT

To the Trustees of Te Puke 2B1C Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Te Puke 2B1C Trust (the Trust) on pages 1 to 12, which comprise the balance sheet as at 30 June 2022, and the statements of profit or loss and 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 financial statements of Te Puke 2B1C Trust for the year ended 30 June 2022 are prepared, in all material respects, in accordance with Special Purpose accounting policies as determined by governance.

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 Trust 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, Te Puke 2B1C Trust.

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

Trustees' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Trust for determining that the Special Purpose Framework adopted is acceptable in the Trust'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 Trustees 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 Trustees are responsible on behalf of the Trust 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.

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.

A detailed description of the auditors' responsibilities including those related to assessment of risk of material misstatement, evaluation of appropriateness of going concern assumptions and determining key audit matters are available on the external reporting board website:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

Other Matter

The financial statements of Te Puke 2B1C Trust for the year ended 30 June 2021 were audited by another auditor who expressed an unqualified opinion on those statements on the 3rd February 2022.

Restriction on Responsibility

This report is made solely to the Trustees, as a body, in accordance with the trust deed of Te Puke 2B1C Trust. Our audit work has been undertaken so that we might state to the Trustees 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Silks Audit

**Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand**

Date: 1st March 2023

TE PUKE 2B1C TRUST

STATEMENT OF KIWIFRUIT TRADING - FORTUNA

FOR THE YEAR ENDED 30 JUNE, 2022

	2022 \$	2021 \$
Income		
Crop Sales - Eastpack	595,055	594,364
Total Income	<u>595,055</u>	<u>594,364</u>
Less Expenses		
Operating Expenses		
Coolstore	65,780	50,846
Fertiliser	7,166	4,605
Freight	13,493	11,299
Girdling	7,231	5,012
Grafting	158	143
Harvesting	30,100	37,074
Monitoring & Testing	2,765	348
Mowing & Mulching	4,585	3,735
Packing	102,870	109,459
Pollination	8,712	14,773
Pruning	144,634	110,600
Subscriptions & Licenses	225	75
Trees & Shelter	2,755	4,276
Weed & Pest Control	17,278	20,639
Total Operating Expenses	<u>407,752</u>	<u>372,885</u>
Repairs & Maintenance		
Orchard Expenses	366	554
Plant & Equipment	165	30
Total Repairs and Maintenance	<u>531</u>	<u>583</u>
Administration Expenses		
East Pack - Administration	1,412	1,102
Fees & Levies	718	732
Management Fees	15,239	15,738
Total Administration Expenses	<u>17,369</u>	<u>17,572</u>
Total Expenses	<u>425,651</u>	<u>391,040</u>
Trading Profit/(Loss) for the Year	<u><u>169,403</u></u>	<u><u>203,323</u></u>

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

TE PUKE 2B1C TRUST

STATEMENT OF KIWIFRUIT TRADING - JFD

FOR THE YEAR ENDED 30 JUNE, 2022

	2022 \$	2021 \$
Income		
Crop Sales - Green	358,725	425,225
Crop Sales - Gold	103,628	154,610
Sundry Income	596	-
Total Income	<u>462,948</u>	<u>579,835</u>
Less Expenses		
Operating Expenses		
Coolstore	41,904	53,001
Fertiliser	9,248	8,897
Freight	9,655	9,309
Girdling	3,601	2,851
Harvesting	26,984	23,757
Monitoring & Testing	3,794	1,235
Mowing & Mulching	7,050	5,700
Packing	96,489	74,941
Pollination	9,098	8,580
Pruning	107,635	82,477
Trees & Shelter	2,469	2,469
Weed & Pest Control	24,833	23,324
Total Operating Expenses	<u>342,760</u>	<u>296,541</u>
Repairs & Maintenance		
Orchard Expenses	135	564
Section Clearing	-	347
Plant & Equipment	2,413	-
Tracks, Yards & Races	2,558	-
Total Repairs and Maintenance	<u>5,105</u>	<u>910</u>
Administration Expenses		
East Pack - Administration	865	1,140
Fees & Levies	791	737
Management Fees	12,345	10,925
Total Administration Expenses	<u>14,001</u>	<u>12,802</u>
Total Expenses	<u>361,866</u>	<u>310,253</u>
Trading Profit/(Loss) for the Year	<u><u>101,082</u></u>	<u><u>269,583</u></u>

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

TE PUKE 2B1C TRUST

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2022

	Note	2022 \$	2021 \$
Income			
Lease - Kapenga M Trust		9,450	7,875
KIWIFRUIT TRADING - FORTUNA		169,403	203,323
KIWIFRUIT TRADING - JFD		101,082	269,583
		<u>279,935</u>	<u>480,781</u>
Non Trading Income			
Dividends Received (Net)		69,732	50,219
Interest Received		244	136
		<u>69,976</u>	<u>50,355</u>
Total Income before Expenses		349,911	531,136
Repairs and Maintenance			
Tracks		-	878
Total Repairs and Maintenance		<u>-</u>	<u>878</u>
Administration Expenses			
Accounting & Secretarial		25,641	25,773
Advertising		1,179	1,236
Audit Fee		3,262	3,414
Bank Fees & Charges		303	114
Contracting Expenses		-	3,500
Postage & Stationery		563	190
Share Register Maintenance		5,839	5,254
Trustees Fees		21,110	21,548
Trustees Expenses		543	1,512
Total Administration Expenses		<u>58,440</u>	<u>62,541</u>
Standing Charges			
Interest - Overdraft		13	17
Interest - IRD Use of Money		-	15
Interest - BNZ Loan 3003		54,413	58,958
Rates		7,614	7,235
Total Standing Charges		<u>62,040</u>	<u>66,223</u>
Total Expenses		<u>120,480</u>	<u>129,642</u>
<u>Net Cash Operating Profit/(Loss) for the Year</u>		229,431	401,494
Non-Cash Adjustments for the Year:			
Depreciation		<u>(4,661)</u>	<u>(5,180)</u>
Total Non-Cash Adjustments for the Year		<u>(4,661)</u>	<u>(5,180)</u>

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

TE PUKE 2B1C TRUST

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

	Note	2022 \$	2021 \$
<u>Taxable Profit/(Loss) for the Year</u>		224,770	396,314
Adjustments for Taxation Purposes:			
Profit/(Loss) before Income Tax		224,770	396,314
Provision for Taxation (Tax Refund Due)		17,858	53,243
(Taxation Over provision)/Under provision prior years		(8)	-
Profit/(Loss) after Income Tax		<u>206,921</u>	<u>343,071</u>
Non Assessable Income			
Non Deductible Expenses			
Koha - Marae		-	50,000
Entertainment		-	426
Total Non Deductible Expenses		<u>-</u>	<u>50,426</u>
Net Profit/(Loss) for the year		<u><u>206,921</u></u>	<u><u>292,645</u></u>

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

TE PUKE 2B1C TRUST

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE, 2022

	2022 \$	2021 \$
EQUITY AT BEGINNING OF THE YEAR	<u>4,675,044</u>	<u>4,334,604</u>
SURPLUS/DEFICIT AND REVALUATIONS		
Surplus/(Deficit) for the period	206,921	292,645
Increase/(Decrease) in Share Revaluation Movement	(72,795)	76,895
Total recognised revenues and expenses for the period	<u>134,126</u>	<u>369,540</u>
CONTRIBUTIONS AND DISTRIBUTIONS		
Kaumatua Grant	(27,900)	(29,100)
Covid Hardship Grant	(8,800)	-
EQUITY AT END OF THE YEAR	<u><u>4,772,470</u></u>	<u><u>4,675,044</u></u>

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

TE PUKE 2B1C TRUST

BALANCE SHEET

AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash			
BNZ Cheque A/c		76,925	48,972
BNZ Call Account		20,443	135,370
		<u>97,367</u>	<u>184,342</u>
Receivables			
Accounts Receivable		3,166	906
Tax Refund Due	5	21,843	-
		<u>25,010</u>	<u>906</u>
<u>Total Current Assets</u>		<u>122,377</u>	<u>185,248</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	2		
Freehold Land		5,362,525	5,362,525
Property Improvements		41,878	46,539
		<u>5,404,403</u>	<u>5,409,064</u>
Intangibles			
G3 License - Rangioru Road		153,480	153,480
Investments			
Ownership Shares held by Trust		14,169	14,169
Seeka Ltd - 10,000 Shares @ \$4.45		44,500	51,000
Zespri Group Ltd - 35,835 Shares @ \$9.10		326,099	392,393
EastPack Limited - 101,548 shares @ \$1		101,548	73,274
		<u>486,316</u>	<u>530,837</u>
<u>Total Non-Current Assets</u>		<u>6,044,198</u>	<u>6,093,380</u>
<u>Total Assets</u>		<u>6,166,575</u>	<u>6,278,628</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.

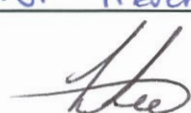
TE PUKE 2B1C TRUST


BALANCE SHEET

AS AT 30 JUNE 2022 (continued)

	Note	2022 \$	2021 \$
CURRENT LIABILITIES			
Creditors and Borrowings			
Accrued Liabilities		5,115	-
Accounts Payable		55,392	63,793
Current Portion of Term Liabilities	4	71,280	67,800
Goods & Services Tax		3,837	6,642
Provision for Taxation	5	-	35,008
		<u>135,625</u>	<u>173,244</u>
Total Current Liabilities		135,625	173,244
NON-CURRENT LIABILITIES			
Term Liabilities			
BNZ Loan 3003		1,329,760	1,498,140
Less Transferred to Current Liabilities		(71,280)	(67,800)
	4	<u>1,258,480</u>	<u>1,430,340</u>
Total Non-Current Liabilities		1,258,480	1,430,340
Total Liabilities		1,394,105	1,603,584
Net Assets		4,772,470	4,675,044
TRUST FUNDS			
Beneficiaries Equity	6	<u>4,772,470</u>	<u>4,675,044</u>
Trust Equity		4,772,470	4,675,044

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

1st March 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.

TE PUKE 2B1C TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2022

1. Statement of Accounting Policies

These are the special purpose financial statements for TE PUKE 2B1C 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 Kiwifruit Growing.

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.

(c) Investments

Investments are stated at the lower of cost or net realisable value.

except for listed shares which are stated at market value, by reference to prevailing market rates and Eastpack shares. Eastpack shares are recorded at cost. Ordinary shares have no nominal value, so the value is only what a willing seller and a willing buyer would exchange at. As at 31 December 2021 the Net Tangible Assets (NTA) per fully paid share was \$1.81.

TE PUKE 2B1C TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

(d) Property, Plant & Equipment

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

Land and Improvements have been revalued to the latest ratings valuation at 01 July 2019.

(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 10 - 12% DV

(f) Intangible Assets

Intangible assets are recorded at cost. No policy has been developed to amortise this cost over time.

(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.

2. Property, Plant & Equipment

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2022
Freehold Land	5,362,525	-	-	5,362,525
Property Improvements	82,604	4,661	40,726	41,878
	5,445,129	4,661	40,726	5,404,403

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2021
Freehold Land	5,362,525	-	-	5,362,525
Property Improvements	82,604	5,180	36,065	46,539
	5,445,129	5,180	36,065	5,409,064

3. Security

Registered 1st ranking mortgage over the following properties owned by the Trust: 6.9140ha at 464 Rangioru Road, Te Puke as described by certificate of title SA71C/859.

Security interest in all present and after acquired property of the Trust.

TE PUKE 2B1C TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

4. Non-Current Liabilities

BNZ Loan 3003		2022	2021
Non Current Liability	30 Jun 2022	1,329,760.00	1,498,140.00
Less Current Portion of Term Liabilities		71,280.00	67,800.00
Non Current Liability	30 Jun 2023	<u>1,258,480.00</u>	<u>1,430,340.00</u>

Loan 003 - Irregular repayments of \$5,940.00 interest @ 5.28% maturing on 21 May 2029.

5. Taxation

	2022	2021
Surplus (Deficit) for the year	224,770.37	396,313.60
Plus Timing Difference	5,115.14	-
Plus Imputation Credit	27,117.83	19,529.54
	<u>257,003.34</u>	<u>415,843.14</u>
Taxation charge @ 17.5%	44,975.58	72,772.55
Less Imputation Credit	<u>(27,117.83)</u>	<u>(19,529.54)</u>
	17,857.75	53,243.01
Less RWT	(4,885.20)	(3,504.94)
Less Provisional Tax Paid	(34,816.00)	(7,365.00)
Less Prior Year Adjustment	(8.48)	(7,365.00)
	<u>(21,843.45)</u>	<u>35,008.07</u>

Maori Authority Credit Account (MACA)

	2022	2021
	\$	\$
Opening Balance @ 01/07/2021	175,742.49	151,634.25
RWT Paid on Dividends	4,560.37	3,409.28
RWT Paid on Interest	12.48	14.30
Imputation Credits attached to dividends	25,538.19	19,092.03
Tax Refunds	-	(6,291.24)
Income Tax Paid	69,816.00	7,365.00
Closing Balance @ 31/03/2022	<u>275,669.53</u>	<u>175,223.62</u>
RWT Paid on Dividends	282.07	78.13
RWT Paid on Interest	30.28	3.23
Imputation Credits attached to dividends	1,579.64	437.51
Closing Balance @ 30/06/2022	<u>277,561.52</u>	<u>175,742.49</u>

TE PUKE 2B1C TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

6. Beneficiaries Equity

	2022	2021
Original Capital	255,000.00	255,000.00
Retained Earnings (Pre 2004) (1)	352,909.00	389,609.00
Retained Earnings (Post 2004) (2)	1,377,167.93	1,170,246.83
Unrealised Reserves (3)		
Asset Revaluation - Land & Improvements	2,442,389.00	2,442,389.00
Seeka Ltd Share Revaluation	18,906.00	25,406.00
Zespri Group Ltd Share Revaluation	326,098.50	392,393.25
	<u>2,787,393.50</u>	<u>2,860,188.25</u>
	<u><u>4,772,470.43</u></u>	<u><u>4,675,044.08</u></u>

(1) Retained Earnings (Pre 2004)

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

Opening Balance	389,609.00	418,709.00
Less:		
Grants	(36,700.00)	(29,100.00)
Closing Balance	<u>352,909.00</u>	<u>389,609.00</u>

(2) Retained Earnings (Post 2004)

Opening Balance	1,170,246.83	877,601.74
Net Surplus/(Deficit) for Year	206,921.10	292,645.09
Closing Balance	<u>1,377,167.93</u>	<u>1,170,246.83</u>

(3) Unrealised Reserves

Opening Balance	2,860,188.25	2,783,293.50
Seeka Ltd Share Revaluation	(6,500.00)	10,600.00
Zespri Group Ltd Share Revaluation	(66,294.75)	66,294.75
Closing Balance	<u>2,787,393.50</u>	<u>2,860,188.25</u>

7. Asset Revaluation Reserve - Land and Improvements

The Net Book Value of Land and Improvements have been revalued to the current rating revaluation dated 1 July, 2019, as valued by Landmass Technology Ltd.

Total Valuation of Land and Improvements at 1 July, 2019 was \$5,420,000.00

TE PUKE 2B1C TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2022 (Continued)

8. Related Party Transactions

There were no related party transactions during the year.

9. Contingent Liabilities & Guarantees

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

2021
Nil

10. Capital & Lease Expenditure Commitments

There were no commitments for expenditure at year end.

2021
\$ 28,274

11. 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.

2021
Nil