

TE PUKE 2B1C TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

TE PUKE 2B1C TRUST

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FOR THE YEAR ENDED 30 JUNE 2023

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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 2023, 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 a summary of significant accounting policies.

In our opinion the financial statements of Te Puke 2B1C Trust for the year ended 30 June 2023 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.

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 shareholders/owners and 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.

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.
- 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 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 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 Trustees as required under the Trust Deed. Our audit 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.



Mark Fraser
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 31 March 2024

TE PUKE 2B1C TRUST

STATEMENT OF KIWIFRUIT TRADING - FORTUNA

FOR THE YEAR ENDED 30 JUNE, 2023

	2023	2022
	\$	\$
Income		
Crop Sales - Eastpack	447,569	595,055
Total Income	<u>447,569</u>	<u>595,055</u>
Less Expenses		
Operating Expenses		
Coolstore	56,530	65,780
Fertiliser	11,530	7,166
Freight	11,896	13,493
Girdling	9,366	7,231
Grafting	-	158
Harvesting	22,213	30,100
Monitoring & Testing	4,116	2,765
Mowing & Mulching	5,888	4,585
Packing	85,489	102,870
Pollination	9,270	8,712
Pruning	117,907	144,634
Subscriptions & Licenses	241	225
Trees & Shelter	3,425	2,755
Weed & Pest Control	17,161	17,278
Total Operating Expenses	<u>355,031</u>	<u>407,752</u>
Repairs & Maintenance		
Orchard Expenses	683	366
Plant & Equipment	-	165
Total Repairs and Maintenance	<u>683</u>	<u>531</u>
Administration Expenses		
East Pack - Administration	1,182	1,412
Fees & Levies	562	718
Management Fees	14,070	15,239
Total Administration Expenses	<u>15,813</u>	<u>17,369</u>
Total Expenses	<u>371,527</u>	<u>425,651</u>
Trading Profit/(Loss) for the Year	<u><u>76,042</u></u>	<u><u>169,403</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, 2023

	2023	2022
	\$	\$
Income		
Crop Sales - Green	320,872	358,725
Crop Sales - Gold	75,274	103,628
Sundry Income	321	596
Total Income	396,468	462,948
 Less Expenses		
Operating Expenses		
Coolstore	44,184	41,904
Fertiliser	11,675	9,248
Freight	9,957	9,655
Girdling	4,362	3,601
Harvesting	21,824	26,984
Monitoring & Testing	5,014	3,794
Mowing & Mulching	7,625	7,050
Packing	84,136	96,489
Pollination	9,196	9,098
Pruning	95,749	107,635
Trees & Shelter	-	2,469
Weed & Pest Control	34,641	24,833
Total Operating Expenses	328,362	342,760
 Repairs & Maintenance		
Orchard Expenses	1,204	135
Plant & Equipment	509	2,413
Tracks, Yards & Races	-	2,558
Total Repairs and Maintenance	1,713	5,105
 Administration Expenses		
East Pack - Administration	925	865
Fees & Levies	486	791
Management Fees	13,200	12,345
Total Administration Expenses	14,611	14,001
 Total Expenses	344,687	361,866
 Trading Profit/(Loss) for the Year	51,781	101,082

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, 2023

	Note	2023 \$	2022 \$
Income			
Lease - Kapenga M Trust		9,862	9,450
KIWIFRUIT TRADING - FORTUNA		76,042	169,403
KIWIFRUIT TRADING - JFD		51,781	101,082
		137,686	279,935
Non Trading Income			
Dividends Received (Net)		45,869	69,732
Interest Received		105	244
		45,974	69,976
Total Income before Expenses		183,660	349,911
Less Expenses:			
Administration Expenses			
Accounting & Secretarial		22,827	25,641
Advertising		-	1,179
Audit Fee		3,250	3,262
Bank Fees & Charges		449	303
General Expenses		52	-
Postage & Stationery		1,070	563
Share Register Maintenance		5,267	5,839
Trustees Fees		17,064	21,110
Trustees Expenses		1,410	543
Total Administration Expenses		51,388	58,440
Standing Charges			
Interest - Overdraft		180	13
Interest - BNZ Loan 3003		92,423	54,413
Rates		8,351	7,614
Total Standing Charges		100,955	62,040
Total Expenses		152,343	120,480
<u>Net Cash Operating Profit/(Loss) for the Year</u>		31,317	229,431
Non-Cash Adjustments for the Year:			
Depreciation		(4,193)	(4,661)
Total Non-Cash Adjustments for the Year		(4,193)	(4,661)
<u>Taxable Profit/(Loss) for the Year</u>		27,124	224,770

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, 2023 (Continued)

	Note	2023 \$	2022 \$
Profit/(Loss) before Income Tax		27,124	224,770
Provision for Taxation (Tax Refund Due)	5	-	17,858
Profit/(Loss) after Income Tax		<u>27,124</u>	<u>206,913</u>
Non Assessable Income			
Extraordinary Items - Income		-	8
Total Non Assessable Income		-	8
Non Deductible Expenses			
Koha - Tangi		500	-
Total Non Deductible Expenses		500	-
Net Profit/(Loss) for the year		<u><u>26,624</u></u>	<u><u>206,921</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, 2023

	2023	2022
	\$	\$
EQUITY AT BEGINNING OF THE YEAR	<u>4,758,301</u>	<u>4,675,044</u>
SURPLUS/DEFICIT AND REVALUATIONS		
Surplus/(Deficit) for the period	26,624	206,921
Increase/(Decrease) in Share Revaluation Movement	(136,656)	(72,795)
Shares repurchased transfer to Equity	-	(14,169)
Asset Revaluation Reserve	<u>1,179,748</u>	<u>-</u>
Total recognised revenues and expenses for the period	<u>1,069,716</u>	<u>119,957</u>
CONTRIBUTIONS AND DISTRIBUTIONS		
Kaumatua Grant	(31,500)	(27,900)
Covid Hardship Grant	(1,400)	(8,800)
	<u>(32,900)</u>	<u>(36,700)</u>
EQUITY AT END OF THE YEAR	<u><u>5,795,118</u></u>	<u><u>4,758,301</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 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash			
BNZ Cheque A/c		535	76,925
BNZ Call Account		29	20,443
		564	97,367
Receivables			
Accounts Receivable		1,213	3,166
Tax Refund Due	5	25,997	21,843
Goods & Services Tax		2,468	-
		29,678	25,010
<u>Total Current Assets</u>		30,242	122,377
NON-CURRENT ASSETS			
Property, Plant & Equipment			
Freehold Land	2	6,542,273	5,362,525
Property Improvements		37,685	41,878
		6,579,958	5,404,403
Intangibles			
G3 License - Rangioru Road		153,480	153,480
Investments			
Seeka Ltd - 10,000 Shares @ \$2.61		26,100	44,500
Zespri Group Ltd - 35,835 Shares @ \$5.80		207,843	326,099
EastPack Limited - 110,405 shares @ Cost		114,125	101,548
		348,068	472,147
<u>Total Non-Current Assets</u>		7,081,506	6,030,029
<u>Total Assets</u>		7,111,748	6,152,406

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 2023 (continued)

	Note	2023 \$	2022 \$
CURRENT LIABILITIES			
Creditors and Borrowings			
Accrued Liabilities		3,031	5,115
Accounts Payable		43,240	55,392
Current Portion of Term Liabilities		78,480	71,280
Goods & Services Tax		-	3,837
		124,750	135,625
<u>Total Current Liabilities</u>		124,750	135,625
NON-CURRENT LIABILITIES			
Term Liabilities			
BNZ Loan 3003		1,270,360	1,329,760
Less Transferred to Current Liabilities		(78,480)	(71,280)
		1,191,880	1,258,480
<u>Total Non-Current Liabilities</u>		1,191,880	1,258,480
<u>Total Liabilities</u>		1,316,630	1,394,105
<u>Net Assets</u>		5,795,118	4,758,301
TRUST FUNDS			
Beneficiaries Equity	6	5,795,118	4,758,301
<u>Trust Equity</u>		5,795,118	4,758,301

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

31 March 2024

Date

Trustee

[Signature]

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, 2023

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. 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 2022 the Net Tangible Assets (NTA) per fully paid share was \$1.82.

TE PUKE 2B1C TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

(d) Property, Plant & Equipment

Property is stated at cost (unless otherwise noted below) less aggregate depreciation. Land, Improvements and Buildings have been revalued by Quotable Value NZ Ltd to the latest valuation at 01 September 2022.

(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 2023
Freehold Land	6,542,273	-	-	6,542,273
Property Improvements	82,604	4,193	44,919	37,685
	<u>6,624,877</u>	<u>4,193</u>	<u>44,919</u>	<u>6,579,958</u>

	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
	<u>5,445,129</u>	<u>4,661</u>	<u>40,726</u>	<u>5,404,403</u>

3. Security

The Trust has an overdraft facility of \$20,000 not utilised at balance date. Security is registered 1st ranking mortgage over the following properties owned by the Trust: 6.9140ha at 464 Rangiora Road, Te Puke as described by certificate of title SA71C/859. Security interest in all present and after acquired property of the Trust.

4. Non-Current Liabilities

BNZ Loan 3003		2023	2022
Non Current Liability	30 Jun 2023	1,270,360	1,329,760
Less Current Portion of Term Liabilities		78,480	71,280
Non Current Liability	30 Jun 2024	<u>1,191,880</u>	<u>1,258,480</u>

Loan 003 - Irregular repayments of \$6,540.00 Interest @ 8.67% maturing on 21 May 2029.

TE PUKE 2B1C TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

5. Taxation	2023	2022
Surplus (Deficit) for the year	27,124	224,770
Plus Timing Difference	(2,084)	5,115
Plus Imputation Tax Credit	11,037	27,118
Taxable Income/(Tax Loss)	36,076	257,003
Taxation charge @ 17.5%	6,313	44,976
Less Imputation Tax Credits Utilised	(6,313)	(27,118)
	-	17,858
Imputation Tax Credits Converted to a Loss@17.5c	(4,724)	-
Tax Losses available to be carried forward	(26,993)	
Tax Paid/(Refunded)		17,858
Less RWT	(7,760)	(4,885)
Less Provisional Tax Paid	(18,237)	(34,816)
Tax Refund Due	(25,997)	(21,843)

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 @ 01/07/2022	277,562	175,742
RWT Paid on Dividends	7,742	4,560
RWT Paid on Interest	18	12
Imputation Tax Credits attached to Dividends	11,037	25,538
Income Tax Paid	35,645	69,816
Tax Refunds	(39,252)	-
Closing Balance @ 31/03/2023	292,752	275,670
RWT Paid on Dividends	-	282
RWT Paid on Interest	0	30
Imputation Tax Credits attached to Dividends	-	1,580
Closing Balance @ 30/06/2023	292,752.39	277,562

TE PUKE 2B1C TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2023 (Continued)

6. Beneficiaries Equity

	2023	2022
Original Capital	255,000	255,000
Retained Earnings (Pre 2004) (1)	320,009	352,909
Retained Earnings (Post 2004) (2)	1,403,792	1,377,168
Unrealised Reserves (3)		
Asset Revaluation - Land & Improvements	3,622,137	2,442,389
Seeka Ltd Share Revaluation	506	18,906
Zespri Group Ltd Share Revaluation	207,843	326,099
	3,830,486	2,787,394
Realised Reserves (4)	(14,169)	
	5,795,118	4,772,470
 (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	352,909	389,609
Less:		
Grants	(32,900)	(36,700)
Closing Balance	320,009	352,909
 (2) Retained Earnings (Post 2004)		
Opening Balance	1,377,168	1,170,247
Net Surplus/(Deficit) for Year	26,624	206,921
Closing Balance	1,403,792	1,377,168
 (3) Unrealised Reserves		
Opening Balance	2,787,394	2,860,188
Asset Revaluation - Land & Improvements	1,179,748	-
Seeka Ltd Share Revaluation	(18,400)	(6,500)
Zespri Group Ltd Share Revaluation	(118,256)	(66,295)
Closing Balance	3,830,486	2,787,394
 (4) Realised Reserves		
Opening Balance	(14,169)	-
Trust Shares Repurchased	-	(14,169)
Closing balance	(14,169)	(14,169)

The Trust repurchased it's own shares in prior years. These have been reclassified from investments to Equity in the 2022 year.

7. Asset Revaluation Reserve - Land and Improvements

The Net Book Value of Land and Improvements had been revalued to the current ratings revaluation dated 1 September, 2022, as valued by Quotable Value NZ Ltd.

Total Valuation of Land and Improvements at 1 September 2022 was \$6,583,000.

TE PUKE 2B1C TRUST

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2023 (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.

2022
(Nil)

10. Capital & Lease Commitments

There were no commitments for expenditure at year end.

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)