

**TUTUKAU EAST Z TRUST**  
**FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2021

# TUTUKAU EAST Z TRUST

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FOR THE YEAR ENDED 30 JUNE 2021

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Kusabs Lasike Ltd  
Chartered Accountants  
Rotorua

## **INDEPENDENT AUDITOR'S REPORT**

# **To the Beneficiaries of Tutukau East Z Trust**

### **Opinion**

We have audited the financial statements of Tutukau East Z Trust on pages 1 to 26, which comprise the balance sheet as at 30 June 2021, 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 accompanying financial statements of Tutukau East Z Trust for the year ended 30 June 2021 are prepared, in all material respects in accordance with the accounting policies stated 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 Tutukau East Z 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 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, Tutukau East Z 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 for the shareholders, Inland Revenue and internal management. As a result, the financial statements may not be suitable for another purpose.

### **Restriction on Responsibility**

This report is made solely to the Beneficiaries, as a body, in accordance with the Trust Order of Tutukau East Z Trust. Our audit work has been undertaken so that we might state to the Beneficiaries 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 Beneficiaries as a body, for our audit work, for this report, or for the opinions we have formed.

### **Trustees' Responsibility for the Financial Statements**

The Trustees are responsible on behalf of the entity for determining that the special purpose accounting policies adopted are acceptable in Tutukau East Z Trust's circumstances, the preparation of financial statements, 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 entity for assessing the entity'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 entity 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 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 entity's internal control.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 entity 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 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.



Kirsten Dixon  
Public Practitioner and Qualified Auditor  
Taupo

29<sup>th</sup> March 2022

## TUTUKAU EAST Z TRUST

### STATEMENT OF SHEEP TRADING

FOR THE YEAR ENDED 30 JUNE, 2021

|                                  | Qty.         | 2021<br>\$         | Avg \$ | Qty.         | 2020<br>\$        | Avg \$ |
|----------------------------------|--------------|--------------------|--------|--------------|-------------------|--------|
| <b>SALES</b>                     |              |                    |        |              |                   |        |
| MA Ewes                          | 652          | 92,302.90          | 142    | 524          | 82,242.99         | 157    |
| Lambs                            | 3,558        | 430,665.70         | 121    | 2,835        | 322,084.98        | 114    |
| <b>Total Sales</b>               | <b>4,210</b> | <b>522,968.60</b>  |        | <b>3,359</b> | <b>404,327.97</b> |        |
| <b>PURCHASES</b>                 |              |                    |        |              |                   |        |
| Breeding Rams                    | 10           | 9,500.00           | 950    | 15           | 14,250.00         | 950    |
| <b>Cash Surplus for the Year</b> | <b>4,200</b> | <b>513,468.60</b>  |        | <b>3,344</b> | <b>390,077.97</b> |        |
| <b>OPENING STOCK</b>             |              |                    |        |              |                   |        |
| <i>Market Value</i>              |              |                    |        |              |                   |        |
| Ewe Hoggets                      | 774          | 111,375.00         | 144    | 878          | 127,310.00        | 145    |
| 2th Ewes                         | 791          | 154,470.00         | 195    | 771          | 150,490.00        | 195    |
| MA Ewes                          | 2,108        | 403,630.00         | 191    | 2,092        | 406,180.00        | 194    |
| Breeding Rams                    | 44           | 5,280.00           | 120    | 46           | 4,600.00          | 100    |
| <i>NSC Scheme</i>                |              |                    |        |              |                   |        |
| <b>Total Opening Stock</b>       | <b>3,717</b> | <b>674,755.00</b>  |        | <b>3,787</b> | <b>688,580.00</b> |        |
| <b>CLOSING STOCK</b>             |              |                    |        |              |                   |        |
| <i>Market Value</i>              |              |                    |        |              |                   |        |
| Ewe Hoggets                      | 944          | 139,620.00         | 148    | 774          | 111,375.00        | 144    |
| 2th Ewes                         | 623          | 124,600.00         | 200    | 791          | 154,470.00        | 195    |
| MA Ewes                          | 2,215        | 471,430.00         | 213    | 2,108        | 403,630.00        | 191    |
| Breeding Rams                    | 45           | 6,750.00           | 150    | 44           | 5,280.00          | 120    |
| <i>NSC Scheme</i>                |              |                    |        |              |                   |        |
| <b>Total Closing Stock</b>       | <b>3,827</b> | <b>742,400.00</b>  |        | <b>3,717</b> | <b>674,755.00</b> |        |
| <b>Decrease in Stock Value</b>   |              | <b>(67,645.00)</b> |        |              | <b>13,825.00</b>  |        |
| <b>Gross Profit for the Year</b> |              | <b>581,113.60</b>  |        |              | <b>376,252.97</b> |        |

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

# TUTUKAU EAST Z TRUST

## STATEMENT OF SHEEP TRADING

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

### RECONCILIATION OF NUMBERS

|                       | 2021         | 2020         |
|-----------------------|--------------|--------------|
| Opening Stock Numbers | 3,717        | 3,787        |
| Purchases             | 10           | 15           |
| Natural Increase      | 4,502        | 3,609        |
|                       | <u>8,229</u> | <u>7,411</u> |
| Less:                 |              |              |
| Sales                 | 4,210        | 3,359        |
| Deaths and Missing    | 192          | 335          |
|                       | <u>4,402</u> | <u>3,694</u> |
| Closing Stock Numbers | <u>3,827</u> | <u>3,717</u> |

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

## TUTUKAU EAST Z TRUST

### STATEMENT OF BEEF CATTLE TRADING

FOR THE YEAR ENDED 30 JUNE, 2021

|                                  | Qty.       | 2021<br>\$         | Avg \$ | Qty.       | 2020<br>\$        | Avg \$ |
|----------------------------------|------------|--------------------|--------|------------|-------------------|--------|
| <b>SALES</b>                     |            |                    |        |            |                   |        |
| R2 Heifers                       | 2          | 2,420.26           | 1,210  | 26         | 35,044.23         | 1,348  |
| MA Cows                          | 51         | 44,106.99          | 865    | 37         | 34,982.55         | 945    |
| R2 Steers/Bulls                  | 117        | 182,210.50         | 1,557  | 74         | 133,698.13        | 1,807  |
| R3+ Steers/Bulls                 | 17         | 27,643.80          | 1,626  | 40         | 72,822.37         | 1,821  |
| Breeding Bulls                   | -          | -                  | -      | 5          | 34,404.86         | 6,881  |
| <b>Total Sales</b>               | <b>187</b> | <b>256,381.55</b>  |        | <b>182</b> | <b>310,952.14</b> |        |
| <b>PURCHASES</b>                 |            |                    |        |            |                   |        |
| Breeding Bulls                   | 5          | 24,500.00          | 4,900  | 7          | 45,700.00         | 6,529  |
| <b>Cash Surplus for the Year</b> | <b>182</b> | <b>231,881.55</b>  |        | <b>175</b> | <b>265,252.14</b> |        |
| <b>OPENING STOCK</b>             |            |                    |        |            |                   |        |
| <i>Market Value</i>              |            |                    |        |            |                   |        |
| R1 Heifers                       | 136        | 68,000.00          | 500    | 131        | 96,940.00         | 740    |
| R2 Heifers                       | 125        | 126,910.00         | 1,015  | 112        | 150,200.00        | 1,341  |
| MA Cows                          | 274        | 349,450.00         | 1,275  | 232        | 336,400.00        | 1,450  |
| R1 Steers/Bulls                  | 115        | 86,250.00          | 750    | 112        | 95,200.00         | 850    |
| R2 Steers/Bulls                  | 147        | 187,130.00         | 1,273  | 155        | 209,860.00        | 1,354  |
| R3+ Steers/Bulls                 | -          | -                  | -      | 1          | 1,000.00          | 1,000  |
| Breeding Bulls                   | 15         | 71,100.00          | 4,740  | 13         | 67,800.00         | 5,215  |
| <i>NSC Scheme</i>                |            |                    |        |            |                   |        |
| <b>Total Opening Stock</b>       | <b>812</b> | <b>888,840.00</b>  |        | <b>756</b> | <b>957,400.00</b> |        |
| <b>CLOSING STOCK</b>             |            |                    |        |            |                   |        |
| <i>Market Value</i>              |            |                    |        |            |                   |        |
| R1 Heifers                       | 165        | 89,100.00          | 540    | 136        | 68,000.00         | 500    |
| R2 Heifers                       | 135        | 153,350.00         | 1,136  | 125        | 126,910.00        | 1,015  |
| MA Cows                          | 323        | 456,700.00         | 1,414  | 274        | 349,450.00        | 1,275  |
| R1 Steers/Bulls                  | 145        | 98,600.00          | 680    | 115        | 86,250.00         | 750    |
| R2 Steers/Bulls                  | 107        | 124,120.00         | 1,160  | 147        | 187,130.00        | 1,273  |
| R3+ Steers/Bulls                 | 11         | 17,380.00          | 1,580  | -          | -                 | -      |
| Breeding Bulls                   | 19         | 38,000.00          | 2,000  | 15         | 71,100.00         | 4,740  |
| <i>NSC Scheme</i>                |            |                    |        |            |                   |        |
| <b>Total Closing Stock</b>       | <b>905</b> | <b>977,250.00</b>  |        | <b>812</b> | <b>888,840.00</b> |        |
| <b>Decrease in Stock Value</b>   |            | <b>(88,410.00)</b> |        |            | <b>68,560.00</b>  |        |
| <b>Gross Profit for the Year</b> |            | <b>320,291.55</b>  |        |            | <b>196,692.14</b> |        |

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

# TUTUKAU EAST Z TRUST

## STATEMENT OF BEEF CATTLE TRADING

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

### RECONCILIATION OF NUMBERS

|                       | 2021         | 2020         |
|-----------------------|--------------|--------------|
| Opening Stock Numbers | 812          | 756          |
| Purchases             | 5            | 7            |
| Natural Increase      | 311          | 251          |
|                       | <u>1,128</u> | <u>1,014</u> |
| Less:                 |              |              |
| Sales                 | 187          | 182          |
| Deaths and Missing    | 36           | 20           |
|                       | <u>223</u>   | <u>202</u>   |
| Closing Stock Numbers | <u>905</u>   | <u>812</u>   |

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



## TUTUKAU EAST Z TRUST

### STATEMENT OF DRY STOCK UNIT PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2021

|  | 2021       | 2020       |
|--|------------|------------|
|  | \$         | \$         |
| <b>Cash Surplus (Deficit) from Livestock Trading</b> |            |            |
| Sheep  | 513,468.60 | 390,077.97 |
| Beef Cattle  | 231,881.55 | 265,252.14 |
|  | 745,350.15 | 655,330.11 |
| <b>Other Income</b>                                  |            |            |
| Rent - Received                                      | 6,730.88   | 6,730.88   |
| Sundry Income  | 4,533.22   | -          |
| Wool Sales   | 30,602.90  | 33,444.06  |
|  | 41,867.00  | 40,174.94  |
| <b>Total Income before Expenses</b>                  | 787,217.15 | 695,505.05 |
| <b>Less Expenses:</b>                                |            |            |
| <b>Farm Operating Expenses</b>                       |            |            |
| Animal Identification                                | 1,532.14   | 4,459.35   |
| Animal Health  | 41,130.21  | 42,235.04  |
| Cultivation & Ploughing                              | 21,290.91  | 25,877.65  |
| Contracting Expenses - Paeroa                        | -          | 687.96     |
| Dog & Horse Expenses                                 | 6,544.23   | 6,947.62   |
| Electricity & Gas                                    | 15,246.16  | 15,117.46  |
| Farm Stores  | 152.00     | 70.79      |
| Fertiliser   | 211,074.29 | 102,815.05 |
| Freight & Cartage                                    | 7,187.92   | 5,578.63   |
| Grazing  | 7,656.07   | -          |
| Hay & Silage   | 37,353.00  | 26,539.50  |
| Health & Safety                                      | 495.00     | -          |
| Protective Clothing                                  | 571.32     | 917.81     |
| Seed   | 9,180.00   | 18,438.79  |
| Wages - Shearing                                     | 39,488.50  | 35,411.00  |
| Shearing Contractors                                 | -          | 3,588.00   |
| Shearing Expenses                                    | 10,021.11  | 3,753.26   |
| Staff Expenses                                       | 224.00     | 109.03     |
| Stock Food   | 118.48     | 61.38      |
| Wages  | 143,521.40 | 163,452.55 |
| Wages Non-taxable Allowance                          | 5,417.50   | 6,406.60   |
| Kiwisaver Employer Contributions                     | 2,159.21   | 2,158.47   |
| Weed & Pest Control                                  | 31,908.58  | 30,522.76  |
| <b>Total Farm Operating Expenses</b>                 | 592,272.03 | 495,148.70 |

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

# TUTUKAU EAST Z TRUST

## STATEMENT OF DRY STOCK UNIT PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

|   | 2021             | 2020             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>Repairs and Maintenance</b>                              |                  |                  |
| Farm Buildings  | 537.00           | -                |
| Fencing   | 10,811.65        | 13,716.07        |
| Employee Accommodation                                      | 24,906.81        | 5,400.85         |
| Plant & Equipment   | 20,619.78        | 10,518.89        |
| Tracks, Yards & Races                                       | 10,871.17        | 1,615.00         |
| Water Supply  | 6,004.61         | 1,989.85         |
| Total Repairs and Maintenance                               | 73,751.02        | 33,240.66        |
| <b>Vehicle Expenses</b>                                     |                  |                  |
| Fuel & Oil  | 10,893.75        | 9,876.23         |
| Motorcycle Expenses   | 1,583.04         | 2,151.34         |
| Tractor Expenses  | 4,232.71         | 4,406.54         |
| Vehicle Expenses  | 8,491.93         | 8,827.80         |
| Total Vehicle Expenses                                      | 25,201.43        | 25,261.91        |
| <b>Administration Expenses</b>                              |                  |                  |
| ACC Levies  | 4,264.60         | 3,676.97         |
| Computer Expenses   | 233.48           | 72.48            |
| Farm Advisory   | 8,631.45         | 7,116.14         |
| General Expenses  | -                | 26.08            |
| Subscriptions & Licences                                    | 2,410.04         | 2,243.37         |
| Telephone & Tolls   | 1,993.80         | 2,320.43         |
| Travelling Expenses   | 594.78           | 993.51           |
| Valuations Fees   | 500.00           | 500.00           |
| Total Administration Expenses                               | 18,628.15        | 16,948.98        |
| <b>Standing Charges</b>                                     |                  |                  |
| Insurance   | 13,673.35        | 12,470.58        |
| Interest - Od & Trading                                     | 8,153.19         | 15,814.78        |
| Interest - Loan 3017  | 15,836.11        | 20,510.02        |
| Rates   | 22,513.22        | 27,347.45        |
| Total Standing Charges                                      | 60,175.87        | 76,142.83        |
| <b>Total Expenses</b>                                       | 770,028.50       | 646,743.08       |
| <b><u>Net Cash Operating Profit/(Loss) for the Year</u></b> | <b>17,188.65</b> | <b>48,761.97</b> |
| <b>Non-Cash Adjustments for the Year:</b>                   |                  |                  |
| Increase (Decrease) in Livestock Values:                    |                  |                  |
| Sheep   | 67,645.00        | (13,825.00)      |
| Beef Cattle   | 88,410.00        | (68,560.00)      |

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

## TUTUKAU EAST Z TRUST

### STATEMENT OF DRY STOCK UNIT PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

|   | 2021<br>\$        | 2020<br>\$         |
|---|-------------------|--------------------|
| Total Non-Cash Adjustments for the Year       | <u>156,055.00</u> | <u>(82,385.00)</u> |
| <u>Net Farming Profit/(Loss) for the Year</u> | <u>173,243.65</u> | <u>(33,623.03)</u> |

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

## TUTUKAU EAST Z TRUST

### STATEMENT OF DAIRY CATTLE TRADING

FOR THE YEAR ENDED 30 JUNE, 2021

|                                  | Qty.       | 2021<br>\$          | Avg \$ | Qty.       | 2020<br>\$        | Avg \$ |
|----------------------------------|------------|---------------------|--------|------------|-------------------|--------|
| <b>SALES</b>                     |            |                     |        |            |                   |        |
| R2 Heifers                       | -          | -                   | -      | 27         | 31,725.00         | 1,175  |
| MA Cows                          | 86         | 44,180.30           | 514    | 97         | 51,475.04         | 531    |
| R1 Steers/Bulls                  | 1          | 958.15              | 958    | -          | -                 | -      |
| R3+ Steers/Bulls                 | 15         | 15,980.10           | 1,065  | 9          | 15,681.42         | 1,742  |
| Bobby Calves                     | 341        | 8,710.07            | 26     | 337        | 9,474.54          | 28     |
| <b>Total Sales</b>               | <b>443</b> | <b>69,828.62</b>    |        | <b>470</b> | <b>108,356.00</b> |        |
| <b>PURCHASES</b>                 |            |                     |        |            |                   |        |
| R3+ Steers/Bulls                 | 15         | 27,650.00           | 1,843  | 9          | 17,550.00         | 1,950  |
| <b>Cash Surplus for the Year</b> | <b>428</b> | <b>42,178.62</b>    |        | <b>461</b> | <b>90,806.00</b>  |        |
| <b>OPENING STOCK</b>             |            |                     |        |            |                   |        |
| <i>Market Value</i>              |            |                     |        |            |                   |        |
| R1 Heifers                       | 113        | 81,925.00           | 725    | 120        | 99,000.00         | 825    |
| R2 Heifers                       | 122        | 164,700.00          | 1,350  | 111        | 155,400.00        | 1,400  |
| MA Cows                          | 413        | 681,450.00          | 1,650  | 405        | 668,250.00        | 1,650  |
| <b>Total Opening Stock</b>       | <b>648</b> | <b>928,075.00</b>   |        | <b>636</b> | <b>922,650.00</b> |        |
| <b>CLOSING STOCK</b>             |            |                     |        |            |                   |        |
| <i>Market Value</i>              |            |                     |        |            |                   |        |
| R1 Heifers                       | 146        | 116,800.00          | 800    | 113        | 81,925.00         | 725    |
| R2 Heifers                       | 109        | 163,500.00          | 1,500  | 122        | 164,700.00        | 1,350  |
| MA Cows                          | 436        | 763,000.00          | 1,750  | 413        | 681,450.00        | 1,650  |
| <b>Total Closing Stock</b>       | <b>691</b> | <b>1,043,300.00</b> |        | <b>648</b> | <b>928,075.00</b> |        |
| <b>Increase in Stock Value</b>   |            | <b>115,225.00</b>   |        |            | <b>5,425.00</b>   |        |
| <b>Gross Profit for the Year</b> |            | <b>157,403.62</b>   |        |            | <b>96,231.00</b>  |        |

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

# TUTUKAU EAST Z TRUST

## STATEMENT OF DAIRY CATTLE TRADING

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

### RECONCILIATION OF NUMBERS

|                       | 2021         | 2020         |
|-----------------------|--------------|--------------|
| Opening Stock Numbers | 648          | 636          |
| Purchases             | 15           | 9            |
| Natural Increase      | 488          | 450          |
|                       | <u>1,151</u> | <u>1,095</u> |
| Less:                 |              |              |
| Sales                 | 443          | 470          |
| Deaths and Missing    | 17           | (23)         |
|                       | <u>460</u>   | <u>447</u>   |
| Closing Stock Numbers | <u>691</u>   | <u>648</u>   |

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

# TUTUKAU EAST Z TRUST

## STATEMENT OF DAIRY UNIT PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2021

|  | 2021         | 2020         |
|--|--------------|--------------|
|  | \$           | \$           |
| <b>Cash Surplus (Deficit) from Livestock Trading</b> |              |              |
| Dairy Cattle   | 42,178.62    | 90,806.00    |
| <b>Income</b>  |              |              |
| Sale of Milksolids                                   | 1,173,050.34 | 994,624.02   |
| Milksolids Production Dividend                       | 13,387.35    | -            |
| Rent Received  | 15,551.42    | 17,940.00    |
|  | 1,201,989.11 | 1,012,564.02 |
| <b>Total Income before Expenses</b>                  | 1,244,167.73 | 1,103,370.02 |
| <b>Less Expenses:</b>                                |              |              |
| <b>Farm Operating Expenses</b>                       |              |              |
| Animal Identification                                | 1,445.00     | 928.60       |
| Animal Health  | 47,749.96    | 49,063.39    |
| Calf Rearing   | 945.00       | 372.82       |
| Cultivation & Ploughing                              | 12,709.50    | 23,317.25    |
| Contracting Expenses                                 | 2,107.50     | -            |
| Dairy Shed Expenses                                  | 10,027.24    | 3,662.62     |
| Dog & Horse Expenses                                 | 1,470.44     | 2,167.99     |
| Electricity & Gas                                    | 21,812.70    | 21,320.57    |
| Farm Stores  | 184.10       | 103.41       |
| Fertiliser   | 115,569.08   | 177,925.94   |
| Freight & Cartage                                    | 1,361.79     | 613.95       |
| Grazing  | -            | 3,060.00     |
| Hay & Silage Purchases                               | -            | 27,188.00    |
| Hay & Silage   | 28,627.01    | 33,811.00    |
| Herd Testing & Breeding                              | 22,570.19    | 27,459.62    |
| Health & Safety                                      | 775.00       | -            |
| Lease Livestock                                      | -            | 3,450.00     |
| Protective Clothing                                  | 2,330.92     | 753.51       |
| Seed   | 24,369.00    | 29,368.63    |
| Staff Expenses                                       | 462.85       | -            |
| Stock Food   | 43,909.96    | 97,685.72    |
| Wages - Non-taxable Allowance                        | 5,965.00     | 5,875.00     |
| Wages  | 197,111.69   | 200,800.02   |
| Kiwisaver Employer Contributions                     | 5,341.80     | 4,877.39     |
| Weed & Pest Control                                  | 15,893.07    | 25,671.61    |
| Waste Disposal                                       | 3,594.82     | 2,846.05     |
| <b>Total Farm Operating Expenses</b>                 | 566,333.62   | 742,323.09   |

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

## TUTUKAU EAST Z TRUST

### STATEMENT OF DAIRY UNIT PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

|   | 2021              | 2020               |
|---|-------------------|--------------------|
| <b>Repairs and Maintenance</b>                              | \$                | \$                 |
| Fencing   | 9,943.17          | 26,598.41          |
| Employee Accommodation                                      | 14,431.29         | 26,443.47          |
| Plant & Equipment   | 16,807.67         | 18,906.00          |
| Tracks, Yards & Races                                       | 4,985.00          | 32,463.89          |
| Water Supply  | 6,741.41          | 14,634.51          |
|   | 52,908.54         | 119,046.28         |
| <b>Vehicle Expenses</b>                                     |                   |                    |
| Fuel & Oil  | 6,297.41          | 9,886.60           |
| Motorcycle Expenses   | 6,529.45          | 5,518.12           |
| Tractor Expenses  | 5,422.99          | 4,886.84           |
|   | 18,249.85         | 20,291.56          |
| <b>Administration Expenses</b>                              |                   |                    |
| ACC Levies  | 4,273.14          | 4,192.88           |
| Bio Security Costs  | 3,750.70          | 3,835.95           |
| Computer Expenses   | -                 | 470.75             |
| Consultancy   | -                 | 242.00             |
| Farm Advisory   | 20,635.98         | 14,384.62          |
| General Expenses  | 118.48            | -                  |
| Postage & Stationery  | 36.17             | -                  |
| Subscriptions & Licences                                    | 735.00            | 685.00             |
| Telephone & Tolls   | 1,154.55          | 2,216.92           |
| Valuations Fees   | 600.00            | 600.00             |
|   | 31,304.02         | 26,628.12          |
| <b>Standing Charges</b>                                     |                   |                    |
| Development & Research                                      | 5,626.05          | 5,059.68           |
| Insurance   | 9,341.30          | 7,514.72           |
| Interest - Od & Trading                                     | 12,367.37         | 22,408.20          |
| Interest - Loan 3019  | 86,894.08         | 112,067.44         |
| Interest - Loan 3021  | 22,897.37         | 31,144.95          |
| Rates   | 22,513.22         | 27,347.48          |
|   | 159,639.39        | 205,542.47         |
| <b>Total Expenses</b>                                       | 828,435.42        | 1,113,831.52       |
| <b><u>Net Cash Operating Profit/(Loss) for the Year</u></b> | <b>415,732.31</b> | <b>(10,461.50)</b> |
| <b>Non-Cash Adjustments for the Year:</b>                   |                   |                    |
| Increase (Decrease) in Livestock Values:                    |                   |                    |
| Dairy Cattle  | 115,225.00        | 5,425.00           |
| <b>Total Non-Cash Adjustments for the Year</b>              | 115,225.00        | -                  |

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

# TUTUKAU EAST Z TRUST

## STATEMENT OF DAIRY UNIT PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

|   | 2021<br>\$        | 2020<br>\$        |
|---|-------------------|-------------------|
| <u>Net Farming Profit/(Loss) for the Year</u> | <u>530,957.31</u> | <u>(5,036.50)</u> |

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



# TUTUKAU EAST Z TRUST

## STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2021

|   | Notes | 2021<br>\$   | 2020<br>\$  |
|---|-------|--------------|-------------|
| <b>Trading Activities Surplus (Deficit)</b>       |       |              |             |
| Dry Stock Unit                                    |       | 173,243.65   | (33,623.03) |
| Dairy Unit  |       | 530,957.31   | (5,036.50)  |
| <b>Total Trading Activities Profit/(Loss)</b>     |       | 704,200.96   | (38,659.53) |
| <b>Other Income</b>                               |       |              |             |
| Rent - Orakei Korako                              |       | 9,000.00     | 9,000.00    |
| Timber/Tree Sales                                 |       | 695,571.30   | 253,182.68  |
| Rebate - Ballance Agri-Nutrients Ltd              |       | 15,039.22    | 15,507.94   |
| Farm Source Rewards                               |       | -            | 1,150.11    |
| Dividends Received (Net)                          |       | 2,475.40     | 759.93      |
| <b>Total Other Income</b>                         |       | 722,085.92   | 279,600.66  |
| <b>Total Profit/(Loss) before Expenses</b>        |       | 1,426,286.88 | 240,941.13  |
| <b>Less Expenses:</b>                             |       |              |             |
| <b>Administrative and Overhead Expenses</b>       |       |              |             |
| Accountancy & Secretarial                         |       | 45,728.11    | 38,018.77   |
| Audit Fee   |       | 5,164.00     | 6,562.02    |
| Bank Fees & Charges                               |       | 149.50       | 210.00      |
| Postage & Stationery                              |       | 297.25       | 266.61      |
| Share Register Maintenance                        |       | 490.96       | 296.60      |
| Trustees Fees                                     |       | 1,194.00     | 597.00      |
| Trustees & Meeting Expenses                       |       | 1,632.93     | 256.66      |
| Valuations Fees                                   |       | 1,583.60     | -           |
| <b>Total Administrative and Overhead Expenses</b> |       | 56,240.35    | 46,207.66   |

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

# TUTUKAU EAST Z TRUST

## STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

|   | Notes | 2021<br>\$          | 2020<br>\$       |
|---|-------|---------------------|------------------|
| <b>Forestry Expenses</b>                                    |       |                     |                  |
| Fencing   |       | -                   | 17,601.00        |
| Forestry Expenses   |       | 46,856.10           | 5,263.61         |
| Total Forestry Expenses                                     |       | 46,856.10           | 22,864.61        |
| <b>Fixed and Financial Expenses</b>                         |       |                     |                  |
| Interest - IRD Use of Money                                 |       | -                   | 96.65            |
| Interest - Loan 3020  |       | 8,708.37            | 11,655.38        |
| Depreciation Recovered                                      |       | (171.73)            | -                |
| Loss on Sale of Fixed Assets                                |       | 2,522.34            | 590.00           |
| Depreciation  |       | 94,946.00           | 105,267.00       |
| Total Fixed and Financial Expenses                          |       | 106,004.98          | 117,609.03       |
| <b>Total Expenses</b>                                       |       | 209,101.43          | 186,681.30       |
| <b><u>Net Cash Operating Profit/(Loss) for the Year</u></b> |       | <b>1,217,185.45</b> | <b>54,259.83</b> |
| <b>Non Deductible Expenses</b>                              |       |                     |                  |
| IRD - Penalties   |       | -                   | 932.84           |
| Total Non Deductible Expenses                               |       | -                   | 932.84           |
| <b>Net Profit/(Loss) for the Year</b>                       |       | <b>1,217,185.45</b> | <b>53,326.99</b> |

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

# TUTUKAU EAST Z TRUST

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE, 2021

|  | 2021                        | 2020                        |
|--|-----------------------------|-----------------------------|
|  | \$                          | \$                          |
| <b>EQUITY AT BEGINNING OF THE YEAR</b>                       | <u>21,159,199.73</u>        | <u>20,638,456.42</u>        |
| <b>SURPLUS/DEFICIT AND REVALUATIONS</b>                      |                             |                             |
| Surplus/(Deficit) for the period                             | 1,217,185.45                | 53,326.99                   |
| Increase/(Decrease) in Revaluation - Shares                  | 12,660.39                   | (16,834.68)                 |
| Increase/(Decrease) in Revaluation - Land & Buildings        | -                           | 633,151.00                  |
| Increase/(Decrease) in Revaluation - Forestry                | (222,100.00)                | (148,900.00)                |
| <b>Total recognised revenues and expenses for the period</b> | <u>1,007,745.84</u>         | <u>520,743.31</u>           |
| <b>EQUITY AT END OF THE YEAR</b>                             | <u><u>22,166,945.57</u></u> | <u><u>21,159,199.73</u></u> |

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

# TUTUKAU EAST Z TRUST

## **BALANCE SHEET**

AS AT 30 JUNE 2021

|  | Note | 2021<br>\$          | 2020<br>\$          |
|--|------|---------------------|---------------------|
| <b>CURRENT ASSETS</b>                  |      |                     |                     |
| <b>Cash</b>                            |      |                     |                     |
| Bank of New Zealand                    |      | 171,628.35          | -                   |
| <b>Receivables</b>                     |      |                     |                     |
| Accounts Receivable                    |      | 327,210.48          | 258,942.36          |
| Tax Refund Due                         | 6    | 598.99              | 386.54              |
|  |      | 327,809.47          | 259,328.90          |
| <b>Prepayments</b>                     |      |                     |                     |
| Prepayments                            |      | 19,928.48           | 21,065.69           |
| <b>Livestock</b>                       |      |                     |                     |
| Sheep on Hand                          |      | 742,400.00          | 674,755.00          |
| Dairy Cattle on Hand                   |      | 1,043,300.00        | 928,075.00          |
| Beef Cattle on Hand                    |      | 977,250.00          | 888,840.00          |
|  |      | 2,762,950.00        | 2,491,670.00        |
| <b><u>Total Current Assets</u></b>     |      | <b>3,282,316.30</b> | <b>2,772,064.59</b> |
| <b>NON-CURRENT ASSETS</b>              |      |                     |                     |
| <b>Property, Plant &amp; Equipment</b> | 2    |                     |                     |
| Land                                   |      | 20,215,181.00       | 20,215,181.00       |
| Property Improvements                  |      | 424,624.24          | 450,522.24          |
| Buildings                              |      | 563,829.77          | 579,121.69          |
| Plant & Equipment                      |      | 145,706.13          | 168,900.13          |
| Motor Vehicles                         |      | 84,676.03           | 78,864.65           |
| Furniture & Fittings                   |      | 4,902.24            | 5,273.24            |
| Office Equipment                       |      | 494.65              | 1,423.65            |
| Forestry                               |      | 274,743.00          | 498,966.00          |
|  |      | 21,714,157.06       | 21,998,252.60       |
| <b>Receivables</b>                     |      |                     |                     |
| Advances to Orakei Korako Lands Ltd    |      | 266,969.80          | 266,969.80          |

*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.*

# TUTUKAU EAST Z TRUST

## **BALANCE SHEET**

AS AT 30 JUNE 2021 (continued)

|   | Note | 2021<br>\$           | 2020<br>\$           |
|---|------|----------------------|----------------------|
| <b>Investments</b>                              |      |                      |                      |
| Ballance Agri-Nutrients - 10500 Shares @ \$8.10 |      | 85,050.00            | 85,050.00            |
| Farmlands Trading Society - 12,343 Shares       |      | 12,343.00            | 12,343.00            |
| Trustpower Ltd - 2064 Ordinary Shares @ \$8.09  |      | 16,697.76            | 14,344.80            |
| Tilt Renewables Ltd - 1651 Shares @\$8.035      |      | 13,265.79            | 7,224.00             |
| Taupo Saleyards Ltd - 100 Shares                |      | 75.00                | 75.00                |
| Wool Equities Ltd - 16458 Shares @ \$0.02       |      | 362.08               | 362.08               |
| LIC Coop Shares 371@ \$1.16                     |      | 430.36               | 276.93               |
| Fonterra Co-Op Group - 150265 Shares @ \$3.76   |      | 564,996.40           | 561,991.10           |
|   |      | 693,220.39           | 681,666.91           |
| <b><u>Total Non-Current Assets</u></b>          |      | <b>22,674,347.25</b> | <b>22,946,889.31</b> |
| <b><u>Total Assets</u></b>                      |      | <b>25,956,663.55</b> | <b>25,718,953.90</b> |
| <b>CURRENT LIABILITIES</b>                      |      |                      |                      |
| <b>Creditors and Borrowings</b>                 |      |                      |                      |
| Bank of New Zealand                             | 3    | -                    | 255,116.39           |
| Accrued Employee Benefits                       |      | 29,323.47            | 38,423.47            |
| Spark - Loan                                    |      | 562.22               | 1,124.52             |
| Accounts Payable                                |      | 81,924.29            | 161,248.33           |
| Current Portion of Term Liabilities             | 5    | 913,263.66           | 810,107.16           |
| Goods & Services Tax                            |      | 46,066.26            | 36,728.08            |
|   |      | 1,071,139.90         | 1,302,747.95         |
| <b><u>Total Current Liabilities</u></b>         |      | <b>1,071,139.90</b>  | <b>1,302,747.95</b>  |

*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.*

# TUTUKAU EAST Z TRUST

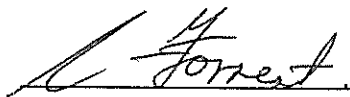
## BALANCE SHEET

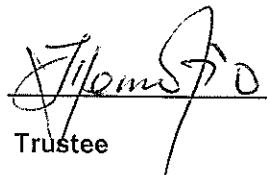
AS AT 30 JUNE 2021 (continued)

|   | Note | 2021<br>\$           | 2020<br>\$           |
|---|------|----------------------|----------------------|
| <b>NON-CURRENT LIABILITIES</b>              |      |                      |                      |
| <b>Term Liabilities</b>                     |      |                      |                      |
| BNZ - Loan 3017                             |      | 464,128.08           | 476,985.04           |
| BNZ - Loan 3019                             |      | 2,553,634.12         | 2,612,979.08         |
| BNZ - Loan 3020                             |      | 249,707.04           | 265,707.04           |
| BNZ - Loan 3021                             |      | 364,372.50           | 710,880.00           |
| Less Transferred to Current Liabilities     |      | (913,263.66)         | (810,107.16)         |
| Spark - Loan                                |      | -                    | 562.22               |
|   | 5    | 2,718,578.08         | 3,257,006.22         |
| <b><u>Total Non-Current Liabilities</u></b> |      | <b>2,718,578.08</b>  | <b>3,257,006.22</b>  |
| <b><u>Total Liabilities</u></b>             |      | <b>3,789,717.98</b>  | <b>4,559,754.17</b>  |
| <b><u>Net Assets</u></b>                    |      | <b>22,166,945.57</b> | <b>21,159,199.73</b> |
| <b>TRUST FUNDS</b>                          |      |                      |                      |
| Beneficiaries Equity                        | 7    | 22,166,945.57        | 21,159,199.73        |
| <b><u>Trust Equity</u></b>                  |      | <b>22,166,945.57</b> | <b>21,159,199.73</b> |

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

29th March 2022  
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.*

# TUTUKAU EAST Z TRUST

## NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2021

### 1. Statement of Accounting Policies

These are the special purpose financial statements for TUTUKAU EAST Z 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 Dry Stock and Dairy 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

##### (a) Revenue

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sale of goods and livestock are recognised when the Trust has transferred the significant risk and rewards associated with ownership of the goods and livestock to the customer.

Lease income is recognised on a straight line basis over the life of the lease.

Interest income is recognised using the effective interest method.

Dividend income is recognised using the Shareholders right to receive the payment established.

##### (b) 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.

# TUTUKAU EAST Z TRUST

## NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

### (c) 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.

### (d) 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.

### (e) Investments

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

### (f) Property, Plant & Equipment

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

Land, Improvements and Buildings have been revalued to the latest Rating Valuations dated 1 July, 2019.

#### Forestry

Forestry is recorded at the latest valuation, after deduction of point of sale costs, as assessed by an independent professional forestry services valuer recognising the particular requirements of NZIAS41. (Refer Note 9).

### (g) Depreciation

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

|                       |                      |
|-----------------------|----------------------|
| Property Improvements | 0 - 45% DV           |
| Buildings             | 0 - 4% DV 0 - 9.6% P |
| Plant & Equipment     | 0 - 67% DV           |
| Motor Vehicles        | 12 - 31.2% DV        |
| Furniture & Fittings  | 0 - 48% DV           |
| Office Equipment      | 26.4 - 48% DV        |
| Forestry              | 0 - 2% DV            |

### Goods and Services Tax (GST)

#### (h)

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

#### (i) Forestry Carbon Credits (NZU's)

NZU's are accounted for at cost price. i.e. Nil (Refer Note 10 & 11).



# TUTUKAU EAST Z TRUST

## NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

### 2. Property, Plant & Equipment

|                       | Cost/<br>Valn     | Current<br>Year Depn | Accum<br>Depn    | Net Book Val<br>2021 |
|-----------------------|-------------------|----------------------|------------------|----------------------|
| Land                  | 20,215,181        | -                    | -                | 20,215,181           |
| Property Improvements | 933,987           | 25,898               | 509,363          | 424,624              |
| Buildings             | 1,123,533         | 28,293               | 559,703          | 563,830              |
| Plant & Equipment     | 591,323           | 23,194               | 445,617          | 145,706              |
| Motor Vehicles        | 225,085           | 14,138               | 140,409          | 84,676               |
| Furniture & Fittings  | 28,262            | 371                  | 23,360           | 4,902                |
| Office Equipment      | 8,815             | 929                  | 8,320            | 495                  |
| Forestry              | 287,200           | 2,123                | 12,457           | 274,743              |
|                       | <u>23,413,386</u> | <u>949,546</u>       | <u>1,699,229</u> | <u>21,714,157</u>    |

|                       | Cost/<br>Valn     | Current<br>Year Depn | Accum<br>Depn    | Net Book Val<br>2020 |
|-----------------------|-------------------|----------------------|------------------|----------------------|
| Land                  | 20,215,181        | -                    | -                | 20,215,181           |
| Property Improvements | 933,987           | 27,631               | 483,465          | 450,522              |
| Buildings             | 1,110,532         | 29,939               | 531,410          | 579,122              |
| Plant & Equipment     | 591,323           | 27,708               | 422,423          | 168,900              |
| Motor Vehicles        | 228,748           | 16,596               | 149,883          | 78,865               |
| Furniture & Fittings  | 28,262            | 409                  | 22,989           | 5,273                |
| Office Equipment      | 8,815             | 761                  | 7,391            | 1,424                |
| Forestry              | 509,300           | 2,223                | 10,334           | 498,966              |
|                       | <u>23,626,148</u> | <u>105,267</u>       | <u>1,627,895</u> | <u>21,998,253</u>    |

#### Maori Freehold Status

The Trust's land is classified as Maori Freehold land as per Te Ture Whenua Act 1993 on the sale or disposal of Corpus land.

### 3. Bank Overdraft

The entity's recorded bank overdraft is secured by registered 1st mortgage over 305 Orakei Korako Rd C/T SA52A/751, stock security over stock and all obligations, unlimited guarantee from Orakei Korako Lands Ltd and all securities in Fonterra Co-Op Group Ltd. The overdraft limit is \$500,000.

### 4. Security

Security for BNZ Loans is by way of: Perfected security interest in all present and after acquired investment securities issued by Fonterra Co-op Group. Registered 1st mortgage over property situated at 305 Orakei Korako Road, Taupo SA52A/751. All obligations, unlimited guarantee from Orakei Korako Lands Ltd. Registered stock security over stock pastured/kept on property situated at Orakei Korako Road, Reporoa.

# TUTUKAU EAST Z TRUST

## NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

### 5. Non-Current Liabilities

|  |             |                     |                     |
|--|-------------|---------------------|---------------------|
| <b>BNZ - Loan 3017</b>                   |             | <b>2021</b>         | <b>2020</b>         |
| Non Current Liability                    | 30 Jun 2021 | 464,128.08          | 476,985.04          |
| Less Current Portion of Term Liabilities |             | 464,128.08          | 14,464.08           |
| Non Current Liability                    | 30 Jun 2022 | <u>-</u>            | <u>462,520.96</u>   |
| <b>BNZ - Loan 3019</b>                   |             | <b>2021</b>         | <b>2020</b>         |
| Non Current Liability                    | 30 Jun 2021 | 2,553,634.12        | 2,612,979.08        |
| Less Current Portion of Term Liabilities |             | 66,763.08           | 66,763.08           |
| Non Current Liability                    | 30 Jun 2022 | <u>2,486,871.04</u> | <u>2,546,216.00</u> |
| <b>BNZ - Loan 3020</b>                   |             | <b>2021</b>         | <b>2020</b>         |
| Non Current Liability                    | 30 Jun 2021 | 249,707.04          | 265,707.04          |
| Less Current Portion of Term Liabilities |             | 18,000.00           | 18,000.00           |
| Non Current Liability                    | 30 Jun 2022 | <u>231,707.04</u>   | <u>247,707.04</u>   |
| <b>BNZ - Loan 3021</b>                   |             | <b>2021</b>         | <b>2020</b>         |
| Non Current Liability                    | 30 Jun 2021 | 364,372.50          | 710,880.00          |
| Less Current Portion of Term Liabilities |             | 364,372.50          | 710,880.00          |
| Non Current Liability                    | 30 Jun 2022 | <u>-</u>            | <u>-</u>            |

Loan 3017 is at @ 3.16% maturing on 01/04/2022, irregular principal payments of \$1,607.12.

Loan 3019 is at @ 3.16% maturing on 20/06/2028, irregular principal payments of \$7,418.12.

Loan 3020 is at @ 3.16% maturing on 21/10/2025, irregular principal payments of \$2,000.00.

Loan 3021 is at @ 3.16% maturing on 30/08/2021, irregular principal payments of \$5,167.50.

## TUTUKAU EAST Z TRUST

### NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

#### 6. Taxation

|  | 2021           | 2020           |
|--|----------------|----------------|
| Surplus (Deficit) for the year             | 1,217,185.45   | 54,259.83      |
| Livestock Adjustments                      | (222,922.30)   | 72,828.30      |
| Plus Imputation Credit                     | 325.21         | 295.52         |
| Less Accruals                              | (9,100.00)     | 5,485.97       |
|  | 985,488.36     | 132,869.62     |
| Less Tax Losses Brought Forward            | (2,078,327.42) | (2,209,508.35) |
| Tax Loss                                   | (1,092,839.06) | (2,076,638.73) |
| Taxation charge @ 17.5%                    | Nil            | Nil            |
| Imputation Tax Credits Converted to a Loss | (1,858.34)     | (1,688.69)     |
| Tax Losses available to be Carried Forward | (1,094,697.40) | (2,078,327.42) |
| Tax Paid/(Tax Refund Due)                  | (598.99)       | (386.54)       |

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)

|  | 2021      | 2020       |
|--|-----------|------------|
|  | \$        | \$         |
| Opening Balance @ 01/07/2020                 | 12,157.06 | 14,800.52  |
| RWT Paid on Interest                         | 412.11    | 30.56      |
| Imputation Tax Credits                       | 176.72    | 171.11     |
| Tax Refunds                                  | (386.54)  | (2,991.76) |
| Closing Balance @ 31/03/2021                 | 12,359.35 | 12,010.43  |
| RWT Paid on Interest                         | 186.88    | 22.22      |
| Imputation Tax Credits attached to Dividends | 148.49    | 124.41     |
| Closing Balance @ 30/06/2021                 | 12,694.72 | 12,157.06  |

# TUTUKAU EAST Z TRUST

## NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

### 7. Beneficiaries Equity

|  | 2021          | 2020          |
|--|---------------|---------------|
| Original Capital   | 442,487.00    | 442,487.00    |
| Retained Earnings (Pre 2004) (1)   | 1,950,695.00  | 1,950,695.00  |
| Retained Earnings (Post 2004) (2)  | 563,066.90    | (654,118.55)  |
| Unrealised Reserves (3)  |               |               |
| BOP Co-op Fertiliser Share - Revaluation   | 4,647.80      | 4,647.80      |
| Trustpower Share - Revaluation   | 16,181.76     | 13,828.80     |
| Land & Building Revaluation  | 19,000,134.00 | 19,000,134.00 |
| Forestry Revaluation   | 175,596.00    | 397,696.00    |
| Tilt Renewable Share - Revaluation   | 14,526.13     | 7,224.00      |
| Fonterra Share Revaluation   | (97,635.60)   | (100,640.90)  |
| Ballance Agri Ltd Share - Revaluation  | 19,545.20     | 19,545.20     |
| NZ Wool Services International Ltd   | 702.00        | 702.00        |
| Wool Equities Share - Revaluation  | (5,620.82)    | (5,620.82)    |
|  | 19,128,076.47 | 19,337,516.08 |
| Realised Capital Reserves (4)  |               |               |
| Affco  | (37.50)       | (37.50)       |
| Department of Maori Affairs  | 10,000.49     | 10,000.49     |
| 50% Non Taxable Proceeds Trees 1993  | 26,483.75     | 26,483.75     |
| 50% Non Taxable Proceeds Trees 1994  | 8,835.83      | 8,835.83      |
| Shares Rotorua Electricity   | 1,200.00      | 1,200.00      |
| Capital Gain on Conversion of RAEA Shares  | 206.28        | 206.28        |
| Capital Gain on Conversion of RAEA Shares  | 3,923.50      | 3,923.50      |
| Capital Gain on Disposal of Fixed Assets   | 4,641.39      | 4,641.39      |
| Capital Gain on Sale of Silver Fern Shares   | 585.30        | 585.30        |
| 50% Non Taxable Proceeds Trees 1998  | 7,146.77      | 7,146.77      |
| 50% Non Taxable Proceeds Trees 2000  | 600.00        | 600.00        |
| Capital Gain on Tilt rights redemption   | 485.04        | 485.04        |
| Capital Gain on Sale - House 2054 Tutukau Rd   | 18,549.35     | 18,549.35     |
|  | 82,620.20     | 82,620.20     |
|  | 22,166,945.57 | 21,159,199.73 |
| <b>(1) Retained Earnings (Pre 2004)</b>  |               |               |
| 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 treated as non-taxable distributions in the hands of members. |               |               |
| Opening Balance  | 1,950,695.00  | 1,950,695.00  |
| Closing Balance  | 1,950,695.00  | 1,950,695.00  |
| <b>(2) Retained Earnings (Post 2004)</b>   |               |               |
| Opening Balance  | (654,118.55)  | (707,445.54)  |
| Net Surplus/(Deficit) for Year   | 1,217,185.45  | 54,259.83     |
| Transfers from Unrealised Reserves   | -             | (932.84)      |
| Closing Balance  | 563,066.90    | (654,118.55)  |
| <b>(3) Unrealised Reserves</b>   |               |               |
| Opening Balance  | 19,337,516.08 | 18,870,099.76 |
| Trustpower Share - Revaluation   | 2,352.96      | (887.52)      |
| Land & Building Revaluation  | -             | 633,151.00    |
| Forestry Revaluation   | (222,100.00)  | (148,900.00)  |
| Tilt Renewable Share - Revaluation   | 7,302.13      | 2,084.64      |
| Fonterra Share Revaluation   | 3,005.30      | (18,031.80)   |
| Closing Balance  | 19,128,076.47 | 19,337,516.08 |

## TUTUKAU EAST Z TRUST

### NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

**(4) Realised Capital Reserves**

|                 |           |           |
|-----------------|-----------|-----------|
| Opening Balance | 82,620.20 | 82,620.20 |
| Closing Balance | 82,620.20 | 82,620.20 |

### 8. Asset Revaluation Reserve - Land and Buildings

The Net Book Value of Land and Buildings have been revalued to the current ratings revaluation dated 1 July,2019, as issued by Opteon.

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

|   |           | 2019<br>Net Book Val |
|---|-----------|----------------------|
| Land                                    |           | 17,672               |
| Land Improvements                       |           | 422,878              |
| Buildings                               | 1,110,532 |                      |
| Less Depreciation                       | (501,471) | 609,061              |
| Land - Orakei Korako                    |           | 774,497              |
| Property Improvements                   | 921,592   |                      |
| Less Depreciation                       | (455,834) | 465,758              |
| Asset Revaluation Reserve               |           | 19,000,134           |
|   |           | 21,290,000           |
| This is Represented By:                 |           |                      |
| <u>Ratings Valuation at 1 July,2019</u> |           |                      |
| Land - Main Block 1798.9ha              |           | 14,000,000           |
| Improvements                            |           | 1,520,000            |
| Land - Orakei Korako 151.9ha            |           | 2,940,000            |
| Improvements                            |           | 920,000              |
| Land - Orakei Korako 2.6ha              |           | 680,000              |
| Improvements                            |           | 1,230,000            |
|   |           | 21,290,000           |

### 9. Forestry Revaluation

The Net Book Value of Forestry has been valued by PF Olsen Ltd, dated 30 June,2021. The adjustment to the value has been made to the Asset Revaluation Reserve as follows:

|   |           | 2021<br>Net Book Val |
|---|-----------|----------------------|
| Asset Revaluation - Forestry            | 562,100   |                      |
| Less Revaluation Forestry               | (371,000) | 191,100              |
|   |           | 191,100              |
| This is Represented By:                 |           |                      |
| <u>Market Valuation at 30 June,2021</u> |           |                      |
| Forestry                                |           | 191,100              |
|   |           | 191,100              |

# TUTUKAU EAST Z TRUST

## NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2021 (Continued)

### 10. 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 holds 2880 NZU's at balance date with a value of \$43.60/NZU. Total \$125,568. (Last Year \$32.00/NZU, total \$92,160). There is an intention to replant.

### 11. Post 1989 Forest Land Registered in ETS

There is post 1989 forest land on the property. No application for post 1989 carbon credits has been made. The Trust has not registered under the climate change regime.

### 12. Related Party Transactions

The Trust is the beneficial owner of Orakei Korako Lands Ltd. The Trust has made advances to the company, which are unsecured and interest free. The Trust receives rent from Orakei Korako Lands Ltd of \$9,000.pa. (Last Year \$9,000.pa).  
No other related party loans have been written off or forgiven during the year.

### 13. Contingent Liabilities & Guarantees

The Trust has entered into an unlimited guarantee in favour of Orakei Korako Lands Ltd, in respect of monies advanced to it by the Bank of New Zealand.  
Other than the above there are no known material contingent liabilities as at balance date.

2020  
(Nil)

### 14. Capital & Lease Expenditure Commitments

The Trust holds 441 LIC Nil paid ordinary shares.  
These shares are issued with a \$1 share liability outstanding any Future dividends on these shares will not be paid out but used to convert the shares to fully-paid shares.  
Once converted shares can be traded on the NZAX.  
There were no other commitments for expenditure at year end.

2020  
(Nil)

### 15. 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.

2020  
(Nil)