

WAIPUPUMAHANA A1B2 TRUST

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

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FOR THE YEAR ENDED 31 MAY 2022

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KUSABS LASIKE LTD
Chartered Accountants
Rotorua

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

STATEMENT OF DAIRY CATTLE TRADING

FOR THE YEAR ENDED 31 MAY, 2022

	Qty.	2022 \$	Avg \$	Qty.	2021 \$	Avg \$
SALES						
R2 Heifers	-	-	-	5	3,431	686
MA Cows	97	71,587	738	109	67,525	620
Bobby Calves	311	12,590	40	353	17,017	48
Total Sales	408	84,176		467	87,973	
Cash Surplus for the Year	408	84,176		467	87,973	
OPENING STOCK						
<i>Market Value</i>						
R1 Heifers	124	105,300	849	128	95,400	745
R2 Heifers	111	172,050	1,550	132	178,200	1,350
MA Cows	414	745,200	1,800	408	683,400	1,675
R1 Steers/Bulls	-	-	-	3	1,800	600
R2 Steers/Bulls	5	5,000	1,000	2	1,950	975
Total Opening Stock	654	1,027,550		673	960,750	
CLOSING STOCK						
<i>Market Value</i>						
R1 Heifers	128	112,000	875	124	105,300	849
R2 Heifers	110	184,600	1,678	111	172,050	1,550
MA Cows	430	817,000	1,900	414	745,200	1,800
R2 Steers/Bulls	-	-	-	5	5,000	1,000
Total Closing Stock	668	1,113,600		654	1,027,550	
Increase in Stock Value		86,050			66,800	
Gross Profit for the Year		170,226			154,773	

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

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

STATEMENT OF DAIRY CATTLE TRADING

FOR THE YEAR ENDED 31 MAY, 2022 (Continued)

RECONCILIATION OF NUMBERS

	2022	2021
Opening Stock Numbers	654	673
Natural Increase	439	477
	<u>1,093</u>	<u>1,150</u>
Less:		
Sales	408	467
Deaths and Missing	17	29
	<u>425</u>	<u>496</u>
Closing Stock Numbers	<u>668</u>	<u>654</u>

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

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MAY, 2022

	2022 \$	2021 \$
Cash Surplus (Deficit) from Livestock Trading		
Dairy Cattle	84,176	87,973
Total Cash Surplus from Livestock	<u>84,176</u>	<u>87,973</u>
Other Income		
Sale of Milksolids	1,529,937	1,272,800
Milksolids Production Dividend	30,000	15,000
PIE Income	359	156
	<u>1,560,296</u>	<u>1,287,956</u>
Non Trading Income		
Dividends Received (Net)	2,614	1,870
Interest Received (Gross)	148	43
Rebate - Ballance Agri-Nutrients	7,289	6,213
Sundry Farm Income	898	976
	<u>10,948</u>	<u>9,102</u>
Total Income before Expenses	1,655,420	1,385,031
Less Expenses:		
Operating Expenses		
Animal Identification	1,445	2,454
Animal Health	102,195	90,002
Animal Health - Bloat	1,576	235
Calf Rearing	7,990	6,863
Cultivation & Cropping	19,900	17,320
Dairy Shed Expenses	394	1,102
Electricity & Gas	5,002	4,340
Fertiliser	176,144	125,648
Freight & Cartage	2,878	2,223
Grazing	63,855	57,748
Hay & Silage	76,637	66,435
Herd Testing & Breeding	30,805	31,779
Health & Safety	-	440
Lease Livestock	7,301	6,275
Seeds	19,368	14,271
Stock Food	94,718	56,695
Trees & Shelter	2,053	3,182
Waste Disposal	2,970	3,645
Weed & Pest Control	11,596	15,332
Total Farm Operating Expenses	<u>626,825</u>	<u>505,990</u>
Repairs and Maintenance		
Fences & Gates	6,141	21,805
Farm Buildings	766	-
Farm Dwelling	4,284	3,358

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

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MAY, 2022 (Continued)

	2022	2021
	\$	\$
Rental Accommodation	1,502	-
Plant & Equipment	20,926	16,240
Tracks, Yards & Races	18,290	1,568
Water Supply	2,330	5,433
Total Repairs and Maintenance	54,239	48,404
Vehicle Expenses		
Fuel & Oil	8,937	5,527
Trailer Expenses	302	-
Motorcycle Expenses	83	25
Tractor Expenses	15,687	13,836
Total Vehicle Expenses	25,008	19,388
Administration Expenses		
Accountancy & Secretarial Fees	34,416	28,985
Audit Fee	3,200	3,364
Bank Fees & Charges	98	119
Farm Advisory	12,053	8,734
Postage & Stationery	836	648
Share Register	3,122	4,120
Subscriptions, Licences & Fees	5,016	4,287
Legal Fees	-	375
Trustee Fees	14,400	11,700
Trustee & Meeting Expenses	1,645	7,910
Valuation Fees	750	1,250
Total Administration Expenses	75,535	71,492
Standing Charges		
Biosecurity Response levy	4,858	5,101
Development & Research	7,288	7,652
Insurance	18,906	13,076
Interest - Overdraft & Trading	31	33
Interest - Loan 3017	98,950	108,676
Rates	15,964	20,370
Lease - Haparangi	31,200	31,200
Total Standing Charges	177,197	186,108
Total Expenses	958,805	831,381
<u>Net Cash Operating Profit/(Loss) for the Year</u>	696,616	553,650

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

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MAY, 2022 (Continued)

	Note	2022 \$	2021 \$
Non-Cash Adjustments for the Year:			
Increase (Decrease) in Livestock Values:			
Dairy Cattle		86,050	66,800
Loss on Sale of Fixed Assets		-	(1,854)
Depreciation	2	<u>(65,785)</u>	<u>(74,627)</u>
Total Non-Cash Adjustments for the Year		20,265	(9,681)
Operating Profit/(Loss) before income tax		<u>716,881</u>	<u>543,969</u>
Provision for Income Tax	5	<u>113,835</u>	<u>47,703</u>
		<u>603,046</u>	<u>496,266</u>
Non Deductible Expenses			
Donation/Koha		-	4,500
Beneficiaries Koha		<u>12,085</u>	<u>-</u>
Total Non Deductible Expenses		<u>12,085</u>	<u>4,500</u>
Net Profit/(Loss) for the year		<u><u>590,961</u></u>	<u><u>491,766</u></u>

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

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY, 2022

	2022	2021
	\$	\$
EQUITY AT BEGINNING OF THE YEAR	<u>4,501,942</u>	<u>5,041,839</u>
SURPLUS/DEFICIT AND REVALUATIONS		
Surplus/(Deficit) for the period	590,961	491,766
Increase/(Decrease) in Asset Revaluation Reserve	-	(1,017,377)
Increase/(Decrease) in Capital Gain on sale of Tilt Shares	26,532	-
Increase/(Decrease) Share Revaluation	(165,608)	(16,691)
Tilt Share Rights purchased	-	2,404
Total recognised revenues and expenses for the period	<u>451,885</u>	<u>(539,898)</u>
CONTRIBUTIONS AND DISTRIBUTIONS		
Dividend Paid	<u>(50,000)</u>	-
EQUITY AT END OF THE YEAR	<u><u>4,903,827</u></u>	<u><u>4,501,942</u></u>

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

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

BALANCE SHEET

AS AT 31 MAY 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash			
BNZ - Cheque Account		43,155	129,784
BNZ - Call Account		215,233	210,129
		<u>258,388</u>	<u>339,913</u>
Receivables			
Accounts Receivable		48,427	51,315
Prepayments			
Prepayments		1,916	2,360
Livestock			
Dairy Cattle on Hand		1,113,600	1,027,550
		<u>1,422,331</u>	<u>1,421,138</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment			
	2		
Freehold Land		3,831,843	3,831,843
Property Improvements		585,623	616,769
Buildings		963,482	957,164
Plant & Equipment		143,823	166,462
Motor Vehicles		46,814	54,078
Fixtures & Fittings		13	18
		<u>5,571,598</u>	<u>5,626,334</u>

This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit Report which form part of these financial statements.

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

BALANCE SHEET

AS AT 31 MAY 2022 (continued)

	Note	2022 \$	2021 \$
Investments			
Ballance Agri-Nutrients - 4800 Shares @ \$8.10		38,880	38,880
Farmlands - 1511 Shares @ \$1.00		1,511	1,511
Tilt Renewable - 3302 Shares @ \$8.02		-	26,482
TrustPower - 4128 Shares @ \$6.93		28,607	35,129
LIC - Co-op Shares 2822 shares @ \$1.62		4,572	2,380
Fonterra Co-op Shares - 150000 Shares @ \$2.50		375,000	507,000
Fonterra Shareholders Fund 1795 units @ \$2.91		5,223	7,180
		453,793	618,563
<u>Total Non-Current Assets</u>		6,025,392	6,244,897
<u>Total Assets</u>		7,447,722	7,666,034
CURRENT LIABILITIES			
Creditors and Borrowings			
Accounts Payable		116,026	58,961
Unclaimed Dividends		44,171	38,364
Current Portion of Term Liabilities		166,560	157,560
Goods & Services Tax		21,090	17,582
Provision for Taxation	5	80,249	47,516
		428,095	319,983
<u>Total Current Liabilities</u>		428,095	319,983
NON-CURRENT LIABILITIES			
Term Liabilities			
BNZ Loan - 3017		2,282,360	3,001,670
Less Transferred to Current Liabilities		(166,560)	(157,560)
		2,115,800	2,844,110
<u>Total Non-Current Liabilities</u>		2,115,800	2,844,110
<u>Total Liabilities</u>		2,543,895	3,164,093
<u>Net Assets</u>		4,903,827	4,501,942

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.

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

BALANCE SHEET

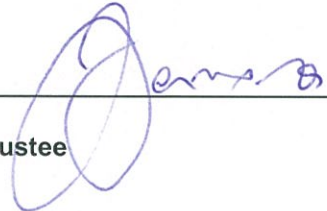
AS AT 31 MAY 2022 (continued)

	Note	2022 \$	2021 \$
TRUST FUNDS			
Beneficiaries Equity	6	<u>4,903,827</u>	<u>4,501,942</u>
<u>Trust Equity</u>		<u><u>4,903,827</u></u>	<u><u>4,501,942</u></u>

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

10 March 2023 _____
Date

 _____
Trustee

 _____
Trustee

This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit Report which form part of these financial statements.

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY, 2022

1. Statement of Accounting Policies

These are the special purpose financial statements for WAIPUPUMAHANA A1B2 TRUST.

Entity Reporting

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

The principal activity of the Trust is that of Dairy Cattle Farming.

Measurement Base

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

The accounting policies adopted and detailed under the specific accounting policies are not in conformity with generally accepted accounting practice. Accordingly, the financial statements should only be relied on for the expressly stated purpose.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified. The special purpose financial statements have been prepared on an accrual basis.

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

Changes in Accounting Policies

There have been no changes in Accounting Policies. All policies have been applied on bases consistent with those used in previous years.

Specific Accounting Policies

In preparation of these financial statements, the specific accounting policies are as follows:

(a) Accounts Receivable

Accounts Receivable are stated at their anticipated realisable value. Bad debts are written off during the year as they are identified, with appropriate adjustment being made as at balance date for any doubtful debts that may exist.

(b) Livestock

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

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

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

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY, 2022 (Continued)

(c) Income Tax

Provision has been made for taxation (where appropriate) after taking into consideration all deductions that are available. No provision has been made for deferred taxation.

(d) Investments

Investments are generally recorded at cost, except for shares held in cooperatively owned companies and shares traded on the NZAX market, which have been revalued based on redemption values advised by those companies, and Fonterra, Trust Power and Tilt Shares which have been revalued to Market Value.

(e) Property, Plant & Equipment

These Assets are stated at cost (unless otherwise noted below) less aggregate depreciation. Land, Improvements and Buildings had been revalued to the latest Rating Valuations dated 1 September, 2020.

(f) Depreciation

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

Property Improvements	0 - 20% DV
Buildings	0 - 4% DV
Plant & Equipment	0 - 80.4% DV
Motor Vehicles	13 - 16% DV
Fixtures & Fittings	30-39.6% DV
Office Equipment	48% DV

(g) Goods and Services Tax (GST)

These financial statements have been prepared on a GST exclusive basis where all items in the Revenue Accounts, together with Fixed Assets have been recorded exclusive of GST. Accounts Receivable and Accounts Payable are recorded in the Statement of Financial Position inclusive of GST.

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY, 2022 (Continued)

2. Property, Plant & Equipment

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2022
Freehold Land	3,831,843	-	-	3,831,843
Property Improvements	1,029,911	34,443	444,288	585,623
Buildings	1,008,195	1,434	44,713	963,482
Plant & Equipment	420,922	22,639	277,099	143,823
Motor Vehicles	164,580	7,264	117,766	46,814
Fixtures & Fittings	4,351	5	4,338	13
Office Equipment	400	-	400	-
	<u>6,460,202</u>	<u>65,785</u>	<u>888,604</u>	<u>5,571,598</u>

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2021
Freehold Land	3,831,843	-	-	3,831,843
Property Improvements	1,026,614	38,529	409,845	616,769
Buildings	1,000,443	1,341	43,279	957,164
Plant & Equipment	420,922	26,348	254,460	166,462
Motor Vehicles	164,580	8,401	110,502	54,078
Fixtures & Fittings	4,351	8	4,333	18
Office Equipment	400	-	400	-
	<u>6,449,153</u>	<u>74,627</u>	<u>822,819</u>	<u>5,626,334</u>

3. Security

Security held: Registered first mortgage over property situated at 907 State Highway 30, Rotorua C/T:277966. Perfected Security interest in all present and after acquired property of Waipupumahana A1B2 Trust. Perfected security interest in all present and after acquired investment securities held from time to time by the Mortgagor, that are issued by Fonterra Co-operative Group Ltd ("Fonterra"), and its successors and assigns, and any other investment securities issued to the Mortgagor by Fonterra or any other company that are proceeds of any such investment securities.

4. Non-Current Liabilities

BNZ Loan - 3017		2022	2021
Non Current Liability	31 May 2022	2,282,360	3,001,670
Less Current Portion of Term Liabilities		<u>166,560</u>	<u>157,560</u>
Non Current Liability	31 May 2023	<u>2,115,800</u>	<u>2,844,110</u>

Loan 3017 matures 20/08/2029, interest 4.88% with irregular repayments \$13,880.00 monthly.

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY, 2022 (Continued)

5. Taxation	2022	2021
Surplus (Deficit) for the year	716,881	543,969
Less Livestock Adjustment	(61,604)	(86,524)
Plus Imputation Tax Credit	1,016	727
	<u>656,293</u>	<u>458,172</u>
Less Tax Losses Brought Forward	-	(181,429)
Taxable Profit	<u>656,293</u>	<u>276,743</u>
Taxation charge @ 17.5%	114,851	48,430
Less Imputation Tax Credit	(1,016)	(727)
	<u>113,835</u>	<u>47,703</u>
RWT Paid	(326)	(186)
Provisional Tax Paid	(33,260)	-
Tax Payable/(Tax Refund Due)	<u>80,249</u>	<u>47,516</u>

These losses to be carried forward are subject to Inland Revenue approval. The taxation benefits of losses will be available provided:

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)	2022	2021
	\$	\$
Opening Balance @ 01/06/2021	69,426	68,858
RWT Paid on Investments	276	156
Imputation Tax Credits attached to Investments	1,016	727
Tax Refunds	(2,484)	(346)
Income Tax Paid	83,260	-
MACA paid on Dividend	(10,606)	-
Closing Balance @ 31/03/2022	<u>140,889</u>	<u>69,396</u>
RWT Paid on Interest	50	30
Closing Balance @ 31/05/2022	<u>140,939</u>	<u>69,426</u>

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY, 2022 (Continued)

6. Beneficiaries Equity

	2022	2021
Original Capital	540,000	540,000
<i>Retained Earnings (Pre 2004) (1)</i>	9,104	9,104
<i>Retained Earnings (Post 2004) (2)</i>	1,327,307	786,346
<i>Unrealised Reserves (3)</i>		
Land Revaluation	3,374,198	3,374,198
Ballance Agri-Nutrient Share Revaluation	9,100	9,100
LIC Share Revaluation	1,750	397
Fonterra Share Revaluation	(426,798)	(292,842)
Tilt Renewables Share Revaluation	-	26,482
Trustpower Share Revaluation	28,588	35,110
	2,986,837	3,152,444
<i>Realised Capital Reserves (4)</i>		
DOSLI Sale of Land	145	145
Sale of Trees	13,902	13,902
Sale of Tilt Shares	26,532	-
	40,579	14,047
	4,903,827	4,501,942

(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	9,104	9,104
Closing Balance	9,104	9,104

(2) Retained Earnings (Post 2004)

Opening Balance	786,346	292,176
Net Surplus/(Deficit) for Year	590,961	491,766
Dividend Paid	(50,000)	-
Tilt Share Rights Purchased	-	2,404
Closing Balance	1,327,307	786,346

(3) Unrealised Reserves

Opening Balance	3,152,444	4,186,512
Land Revaluation	-	(1,017,377)
LIC Share Revaluation	1,353	397
Fonterra Share Revaluation	(133,957)	(36,676)
Tilt Renewables Share Revaluation	(26,482)	13,355
Trustpower Share Revaluation	(6,522)	6,233
Closing Balance	2,986,837	3,152,444

(4) Realised Capital Reserves

Opening Balance	14,047	14,047
Sale of Tilt Shares	26,532	-
Closing Balance	40,579	14,047

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY, 2022 (Continued)

7. Asset Revaluation Reserve - Land and Buildings

The Net Book Value of Land, Improvements and Buildings had been revalued to the Quotable Valuation NZ rating revaluation dated 1 September 2020.

Opteon Technologies valuation of Land and Improvements at 1 September 2020 was \$5,447,500.

8. Related Party Transactions

There were no related party transactions during the year.

9. Capital & Lease Expenditure Commitments

A lease with Haparangi A2 Farm Trust exists, for the use of 54.605ha DP SA 30D/615. The lease is year by year. The annual rent is \$31,200 incl GST.

Waipupumahana A1B2 Trust has a commitment to purchase 1326 LIC shares. These will be purchased from future dividends paid by LIC. (Last year 2165 Shares).

There were no other commitments for expenditure at year end.

2021
(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.

2021
(Nil)