

WAIPUPUMAHANA A1B2 TRUST

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

	Page
Auditors Report	
Statement of Dairy Cattle Trading	1
Statement of Profit or Loss	2
Statement of Movements in Equity	5
Balance Sheet	6
Notes to the Financial Statements	9 - 16

KUSABS LASIKE LTD
Chartered Accountants
Rotorua

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

STATEMENT OF DAIRY CATTLE TRADING

FOR THE YEAR ENDED 31 MAY, 2023

	Qty.	2023 \$	Avg \$	Qty.	2022 \$	Avg \$
SALES						
R2 Heifers	6	5,864	977	-	-	-
MA Cows	87	64,153	737	97	71,587	738
Bobby Calves	299	12,583	42	311	12,590	40
Total Sales	392	82,600		408	84,176	
Cash Surplus for the Year	392	82,600		408	84,176	
OPENING 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 Opening Stock	668	1,113,600		654	1,027,550	
CLOSING STOCK						
<i>Market Value</i>						
R1 Heifers	126	100,800	800	128	112,000	875
R2 Heifers	123	209,100	1,700	110	184,600	1,678
MA Cows	410	779,000	1,900	430	817,000	1,900
Total Closing Stock	659	1,088,900		668	1,113,600	
Decrease in Stock Value		24,700			(86,050)	
Gross Profit for the Year		57,900			170,226	

RECONCILIATION OF NUMBERS

	2023	2022
Opening Stock Numbers	668	654
Natural Increase	425	439
	<u>1,093</u>	<u>1,093</u>
Less:		
Sales	392	408
Deaths and Missing	42	17
	<u>434</u>	<u>425</u>
Closing Stock Numbers	<u>659</u>	<u>668</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, 2023

	2023 \$	2022 \$
Cash Surplus (Deficit) from Livestock Trading		
Dairy Cattle	82,601	84,176
Total Cash Surplus from Livestock	82,601	84,176
Other Income		
Sale of Milksolids	1,442,745	1,529,937
Milksolids Production Dividend	37,500	30,000
PIE Income	448	359
	1,480,693	1,560,296
Non Trading Income		
Dividends Received (Net)	4,112	2,614
Interest Received (Gross)	1,102	147
Rebate - Ballance Agri-Nutrients	6,055	7,289
Sundry Farm Income	601	898
	11,870	10,948
Total Income before Expenses	1,575,164	1,655,420
Less Expenses:		
Operating Expenses		
Animal Identification	2,005	1,445
Animal Health	100,620	102,195
Animal Health - Bloat	-	1,576
Calf Rearing	5,800	7,990
Cultivation & Cropping	23,210	19,900
Dairy Shed Expenses	832	394
R&M Effluent Pond	2,823	-
Electricity & Gas	5,138	5,002
Fertiliser	206,030	176,143
Freight & Cartage	3,524	2,878
Grazing	78,335	63,855
Hay & Silage	82,362	76,636
Herd Testing & Breeding	29,581	30,805
Health & Safety	334	-
Lease Livestock	12,551	7,301
Seeds	21,112	19,368
Stock Food	74,056	94,718
Trees & Shelter	-	2,053
Waste Disposal	3,051	2,970
Weed & Pest Control	26,933	11,596
Total Farm Operating Expenses	678,297	626,825

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, 2023 (Continued)

	2023 \$	2022 \$
Repairs and Maintenance		
Fences & Gates	3,976	6,141
Farm Buildings	261	766
Farm Dwelling	5,161	4,284
Rental Accommodation	5,180	1,502
Plant & Equipment	21,031	20,926
Tracks, Yards & Races	38,135	18,290
Water Supply	4,177	2,330
Total Repairs and Maintenance	<u>77,921</u>	<u>54,239</u>
Vehicle Expenses		
Fuel & Oil	10,778	8,936
Trailer Expenses	363	302
Motorcycle Expenses	420	83
Tractor Expenses	5,301	15,687
Total Vehicle Expenses	<u>16,862</u>	<u>25,008</u>
Administration Expenses		
Accountancy & Secretarial Fees	40,828	34,416
ACC Levies	91	-
Audit Fee	3,200	3,200
AGM Expenses	3,550	-
Bank Fees & Charges	87	98
Farm Advisory	13,492	12,052
Postage & Stationery	1,183	836
Seminars & Conferences	3,556	-
Share Register	4,683	3,122
Subscriptions, Licences & Fees	4,466	5,016
Legal Fees	490	-
Trustee Fees	19,800	14,400
Trustee & Meeting Expenses	1,939	1,645
Valuation Fees	-	750
Total Administration Expenses	<u>97,365</u>	<u>75,535</u>
Standing Charges		
Biosecurity Response levy	5,097	4,858
Development & Research	7,613	7,288
Insurance	21,420	18,906
Interest - Overdraft & Trading	-	31
Interest - Loan 3017	150,281	98,950
Rates	16,920	15,964

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, 2023 (Continued)

	2023	2022
	\$	\$
Lease - Haparangi	31,200	31,200
Total Standing Charges	232,531	177,197
Total Expenses	1,102,976	958,804
<u>Net Cash Operating Profit/(Loss) for the Year</u>	472,188	696,616
Non-Cash Adjustments for the Year:		
Increase (Decrease) in Livestock Values:		
Dairy Cattle	(24,700)	86,050
Depreciation	2 (58,494)	(65,785)
Total Non-Cash Adjustments for the Year	(83,194)	20,265
Operating Profit/(Loss) before income tax	388,994	716,881
Provision for Income Tax	5 68,867	113,835
	320,127	603,046
Non Deductible Expenses		
Tangi Koha	500	-
Beneficiaries Koha - Meat	6,724	12,085
Total Non Deductible Expenses	7,224	12,085
Net Profit/(Loss) for the year	312,903	590,961

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, 2023

	2023	2022
	\$	\$
EQUITY AT BEGINNING OF THE YEAR	<u>4,903,827</u>	<u>4,501,942</u>
SURPLUS/DEFICIT AND REVALUATIONS		
Surplus/(Deficit) for the period	312,902	590,961
Increase/(Decrease) in Capital Gain on sale of Shares	1,277	26,532
Increase/(Decrease) in Increase/(Decrease) Share Revaluation	<u>(6,758)</u>	<u>(165,608)</u>
Total recognised revenues and expenses for the period	<u>307,421</u>	<u>451,885</u>
Dividend Paid	(82,500)	(50,000)
EQUITY AT END OF THE YEAR	<u><u>5,128,748</u></u>	<u><u>4,903,827</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 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash			
BNZ - Cheque Account		157,691	43,155
BNZ - Call Account		101,142	215,233
		<u>258,833</u>	<u>258,388</u>
Receivables			
Accounts Receivable		37,376	48,427
Prepayments			
Prepayments		2,200	1,916
Livestock			
Dairy Cattle on Hand		<u>1,088,900</u>	<u>1,113,600</u>
<u>Total Current Assets</u>		<u>1,387,309</u>	<u>1,422,331</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	2		
Freehold Land		3,831,843	3,831,843
Property Improvements		554,580	585,623
Buildings		962,084	963,482
Plant & Equipment		130,856	143,823
Motor Vehicles		40,532	46,814
Fixtures & Fittings		9	13
		<u>5,519,904</u>	<u>5,571,598</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 2023 (continued)

	Note	2023 \$	2022 \$
Investments			
Ballance Agri-Nutrients - 4800 Shares @ \$8.10		38,880	38,880
Farmlands - 1978 Shares @ \$1.00		1,978	1,511
Manawa Energy - 4128 Shares @ \$4.75		19,608	28,607
LIC - Co-op Shares 4185 shares @ \$1.15		4,814	4,572
Fonterra Co-op Shares - 150000 Shares @ \$2.5		377,505	375,000
Fonterra Shareholders Fund 1795 units @ \$3.52		6,318	5,223
		<u>449,103</u>	<u>453,793</u>
<u>Total Non-Current Assets</u>		<u>5,969,007</u>	<u>6,025,391</u>
<u>Total Assets</u>		<u>7,356,316</u>	<u>7,447,722</u>
CURRENT LIABILITIES			
Creditors and Borrowings			
Accounts Payable		80,021	116,026
Unclaimed Dividends		56,881	44,171
Current Portion of Term Liabilities		175,920	166,560
Goods & Services Tax		23,595	21,090
Provision for Taxation	5	<u>18,291</u>	<u>80,248</u>
		<u>354,708</u>	<u>428,095</u>
<u>Total Current Liabilities</u>		<u>354,708</u>	<u>428,095</u>
NON-CURRENT LIABILITIES			
Term Liabilities			
BNZ Loan - 3017		2,048,780	2,282,360
Less Transferred to Current Liabilities		<u>(175,920)</u>	<u>(166,560)</u>
	4	<u>1,872,860</u>	<u>2,115,800</u>
<u>Total Non-Current Liabilities</u>		<u>1,872,860</u>	<u>2,115,800</u>
<u>Total Liabilities</u>		<u>2,227,568</u>	<u>2,543,895</u>
<u>Net Assets</u>		<u>5,128,748</u>	<u>4,903,827</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 2023 (continued)

	Note	2023 \$	2022 \$
TRUST FUNDS			
Beneficiaries Equity	6	5,128,748	4,903,826
<u>Trust Equity</u>		<u>5,128,748</u>	<u>4,903,826</u>

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

6/3/2024

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, 2023

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) Revenue

Milk Production - Income is from the sale of milk produced by dairy cattle. The income is paid on the 15th of every month for the milk supplied in the previous month and is recognised when this payment is received and is measured by the kilos of milk solids produced.

Interest & Dividends - Interest Income is recognised as it accrues, using the effective interest method. Dividend income is recognised in the statement of profit or loss when received.

(b) Accounts Receivable

Trade Receivables are recognised at estimated value. Milk proceeds are accrued to balance date as the milk price at that date. Retro payments are recorded in the next financial year. Bad debts are written off during the year as they are identified, with appropriate adjustments being made as at balance date for any doubtful debts that may exist.

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY, 2023 (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.

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.

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 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.

(f) 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.

(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:

Land	0% DV
Property Improvements	0 - 16% DV
Buildings	0 - 4% DV
Plant & Equipment	8 - 80.4% DV
Motor Vehicles	13 - 16% DV
Fixtures & Fittings	30-39.6% DV
Office Equipment	48% DV

(h) 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, 2023 (Continued)

2. Property, Plant & Equipment

	Cost/ Valn	Current Year Depn	Accum Depn	Net Book Val 2023
Freehold Land	3,831,843	-	-	3,831,843
Property Improvements	1,029,911	31,043	475,331	554,580
Buildings	1,008,195	1,398	46,111	962,084
Plant & Equipment	427,722	19,767	296,866	130,856
Motor Vehicles	164,580	6,282	124,048	40,532
Fixtures & Fittings	4,351	4	4,342	9
Office Equipment	400	-	400	-
	<u>6,467,002</u>	<u>58,494</u>	<u>947,098</u>	<u>5,519,904</u>

	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>

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		2023	2022
Non Current Liability	31 May 2023	2,048,780	2,282,360
Less Current Portion of Term Liabilities		<u>175,920</u>	<u>166,560</u>
Non Current Liability	31 May 2024	<u>1,872,860</u>	<u>2,115,800</u>

Loan 3017 matures 20/08/2029, interest 8.78% with regular repayments of \$14,660.00 monthly.

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY, 2023 (Continued)

5. Taxation

	2023	2022
Surplus (Deficit) for the year	388,994	716,881
Livestock Adjustment	9,422	(61,604)
Imputation Tax Credit	1,037	1,016
Taxable Income	<u>399,453</u>	<u>656,293</u>
Taxation Charge @ 17.5%	69,904	114,851
Less Imputation Tax Credit	<u>(1,037)</u>	<u>(1,016)</u>
	68,867	113,835
Resident Withholding Tax Paid	(981)	(326)
Provisional Tax Paid	<u>(49,595)</u>	<u>(33,260)</u>
Tax to Pay/(Refund Due)	<u><u>18,291</u></u>	<u><u>80,249</u></u>

Maori Authority Credit Account (MACA)

	2023	2022
	\$	\$
Opening Balance @ 01/06/2022	140,939	69,426
RWT Paid on Investments	862	276
Imputation Tax Credits attached to Investments	1,037	1,016
Tax Refunds	-	(2,484)
Income Tax paid	129,844	83,260
MACA paid on Dividend	<u>(17,500)</u>	<u>(10,606)</u>
Closing Balance @ 31/03/2023	255,183	140,889
RWT Paid on Interest	119	50
Closing Balance @ 31/05/2023	<u><u>255,301</u></u>	<u><u>140,939</u></u>

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY, 2023 (Continued)

6. Beneficiaries Equity

		2023	2022
Original Capital		540,000	540,000
Retained Earnings (Pre 2004) (1)		9,104	9,104
Retained Earnings (Post 2004) (2)		1,557,710	1,327,307
Unrealised Reserves (3)			
Land Revaluation	3,374,198		3,374,198
Ballance Agri-Nutrient Share Revaluation	9,100		9,100
Fonterra Share Revaluation	(423,198)		(426,798)
Manawa Share Revaluation	19,589		28,588
LIC Share Revaluation	391		1,750
		2,980,079	2,986,837
Realised Capital Reserves (4)			
Fonterra Contract Fee	1,277		-
DOSLI Sale of Land	145		145
Sale of Trees	13,902		13,902
Sale of Tilt Shares	26,532		26,532
		41,856	40,579
		<u>5,128,748</u>	<u>4,903,827</u>

(1) Retained Earnings (Pre 2004)

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

Opening Balance	9,104	9,104
Closing Balance	<u>9,104</u>	<u>9,104</u>

(2) Retained Earnings (Post 2004)

Opening Balance	1,327,307	786,346
Net Surplus/(Deficit) for Year	312,903	590,961
Dividend Paid	(82,500)	(50,000)
Closing Balance	<u>1,557,710</u>	<u>1,327,307</u>

(3) Unrealised Reserves

Opening Balance	2,986,837	3,152,444
Fonterra Share Revaluation	3,600	(133,957)
LIC Share Revaluation	(1,359)	1,353
Tilt Renewables Share Revaluation	-	(26,482)
Manawa Share Revaluation	(8,999)	(6,522)
Closing Balance	<u>2,980,079</u>	<u>2,986,837</u>

(4) Realised Capital Reserves

Opening Balance	40,579	14,047
Fonterra Contract Fee	1,277	-
Sale of Tilt Shares	-	26,532
Closing Balance	<u>41,856</u>	<u>40,579</u>

WAIPUPUMAHANA A1B2 TRUST
ROTORUA

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY, 2023 (Continued)

7. Asset Revaluation Reserve - Land and Buildings

The Net Book Value of Land, Improvements and Buildings had been revalued to the current rating revaluation dated 1 September 2020, as valued by Opteon Technologies.

The total Valuation of Land and Improvements \$5,447,500.

8. Related Party Transactions

There were no related party transactions during the year.

9. Contingent Liabilities & Guarantees

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 years tax 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.

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

2022
(Nil)

10. Capital Commitments for Expenditure

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 615 LIC shares. These will be purchased from future dividends paid by LIC. (Last year 1,326 Shares).

There were no other commitments for expenditure at year end.

2022
(Nil)

11. Events Occurring Subsequent to Balance Date

On 18 August 2023 a capital return was made by Fonterra Co-Operative Group Limited, resulting in one ordinary share for every six ordinary shares being cancelled and repurchased by Fonterra for a price of \$3.00 per share. At the same time as the share cancellation, a share subdivision occurred so that immediately after the share buyback and cancellation, the same number of shares remain held. The Trust had 25,000 shares cancelled and subdivided at a value of \$75,000. Due to the buyback and minor decrease in share values, the post balance date investment has decreased by \$65,000.

There have been no other events subsequent to balance date that would have materially affected the financial position of the Trust or the figures contained within these financial statements.

2022
(Nil)