

TE WHETU AHU WHENUA TRUST

PAEROA EAST 4B 2F BLOCK

REPORTS & FINANCIAL STATEMENTS

For the Year Ended 31 March 2022

For the Meeting of Owners held 26 November 2022



Kusabs Lasike Limited

Chartered Accountants



Te Whetu Ahu Whenua Trust
Annual General Meeting 2022

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For the Year Ending 31 March 2022

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Kusabs Lasike Limited

Chartered Accountants



Agenda

- 1) Karakia Timatanga
- 2) To accept the apologies
- 3) To receive minutes from previous General Meeting Held Saturday 5th October 2019
 - Matters Arising from the minutes
- 4) Chairperson's Report
- 5) Financial Summary for the years ended 31 March 2020, 31 March 2021, and 31 March 2022.
- 6) Financial Statements for the year ended 31 March 2022
- 7) Acquisition and Development Presentation
- 8) General Business
- 9) Karakia Whakamutunga



TE WHETU TRUST
Paeroa East 4B 2F Block

Notice is hereby given that a General Meeting of beneficial owners of Te Whetu Trust will be held at Te Toke Marae, 460 Te Toke Road, Tahorakuri, on Saturday 26th November 2022 commencing at 10.30 am (registration from 10.00am)

Agenda.

1. Minutes from previous AGM
2. Chair Report
3. Financial Report for the year ended 31 March 2022
4. General Business

Lunch to follow at 12pm

Stephen Boyd
(Chair)

TE WHETU AHU WHENUA TRUST

Minutes of Annual General Meeting for the Beneficial Owners:

Venue: Te Toke Marae

Date: 5th October 2019

Time: 10:30am

Present:

Stephen Boyd, Marty Charteris, Graham Hayde, David Skudder, Dempsey Reweti (Trustees)

Dawn Lawton, Rae Atkinson, Jeanette Healand, Malcolm George Charteris, Blanche Reweti, Sheryl Hayde, Merania Rae Atkinson, Tunisia Reweti, Janeen Pethybridge, Pauline Trebilcock-Charteris, Denis Trebilcock, Merenia Davies-Reweti, Mike Davies, Margaret June Warena, Robyn Andrews, Roseanne Andrews, Shona Charteris, Jim Hayde, Lecia Boyd, Melanie Boyd (acting secretary)

Apologies:

Betty Pomeroy, Leonie Hughes, Whetu Reweti, Gail Reweti, Gordon Charteris

Resolved:

That the apologies be sustained

Stephen Boyd / David Skudder. Carried

Meeting:

Trustee Dempsey Reweti opened meeting with a karakia

Chairman Stephen Boyd started meeting with reading the Chairman's report plus read the minutes from the previous AGM.

Resolved:

That previous AGM minutes be accepted as correct.

Stephen Boyd/Lecia Boyd Carried.

Correspondence / Communications:

In: (email) Copy of farm condition report from Agfirst

In: (email) Copy of financial statements for 2019 from Marty (Treasurer)

Out: (email) Communications with trustees.

Out: (telephone) Chairman to Colin to enquire give notice of trust meeting & farm walkover in July.

Treasurers Report:

Marty read out treasurers report for year to date (March 2019). Full copy of statements is included in Chairman's report.

In general, the business account is at \$27, 649.98, the savings account at \$762.41 and term deposit accounts are at \$351,364.94.

Marty noted that \$60,000 is the threshold to start filing GST and that the trust is currently earning approximately \$68,000 due to the interest earned from the bank.

The annual shareholder pay-out is currently \$17,325 and the tax paid is approximately \$12,000.

Marty also stated there are still unclaimed dividends that belong to Greg Jolly, Gail and Whetu Reweti & Merania Davies (previously paid to Riki Reweti) and Loretta McCready. This is due to no account information being provided from the noted owners.

General Business:

Items discussed in general business:

- Shareholder pay-out
- Investment options
- AGM process
- Lease agreement
- Trust formation

a) Shareholder pay-out

There are outstanding dividends to be paid out, but the current owners registered need to provide account details registered to the name on the owners list held with the Maori Land Court. Deposits cannot be made to names or trusts not on the list. Robyn Andrews? asked if deposits can be made to an overseas account. The answer was no, an NZ account only.

Bank account details can be provided to the chairman or treasurer. If there are changes to any current accounts, then let anyone in the trust know. The pay-outs are currently made by the accountant. Marty stated that the accountant currently charges approximately \$1200 to do the books, deposits, reports per year.

Q. What happens when people don't succeed their shares?

A. If shares are not succeeded then the original shareholder name remains in place with the Maori Land Court. Transfer of shares to a trust structure still must go through the Maori Land Court to go on the owners list register otherwise payment cannot be made.

Marty stated that so long as there is a bank account and you are happy for where it is going – we are ok with that. Subsequent follow-up with the MLC has confirmed that accounts should be registered to the name on the owners list only.

Margaret June Warena advised that her shares are available for sale if anyone is interested.

Robyn Andrews provided a list of owner's names for Nga mokai – 3A4B section 2 to pass around for those present at the meeting to see if they are on it.

b) Investment options:

Chairman Stephen Boyd stated that the trust had been considering the purchase of Land with the available funds and had been looking at Joe Skudders block in Te Toke Rd. He also stated that Joe's block had been sold to Guyton Farms Limited recently and that the block was going to be changed to European title. The sale and title change is still to be confirmed.

Those present were unhappy about the process that the sale had happened. Joe was supposed to give the trust the first opportunity to buy but did not follow through. Jeanette Healand expressed her disapproval of the process.

It was noted that attempts to change Joes block from ML to European title at Rotorua Maori Land Court were unsuccessful. Attempts were also taken to Taupo MLC but not known if successful. The MLC is the first point of call to confirm any sale etc.

Stephen motioned that the trust pursues the purchase of Joe's block whether it is general title or still Maori land but will also determine whether it is cost affective during that process.

Stephen Boyd / Roseanne Andrews - Carried

c) AGM Process

The current AGM meetings have been spaced at three years, but everyone agreed to hold annually from now, next to be scheduled for February 2020. The date TBC but looking to coincide with the Tauhara North No 2 AGM.

d) Lease Agreement

Colin Guyton advised the trust that he currently has a farm worker undertaking the milking on their farm. The farm worker was also managing the use of Paeroa East 4B2F block in regard to grazing stock. The trust also understood that the maintenance of the block is also part of the farm workers duties.

A walkover of the Paeroa East 4B2F Block by the trust in July had identified maintenance issues that had not been attended to. A condition report conducted by Agfirst had also identified the same issues which relate to fencing, races & barn condition.

Under the lease agreement, any breach of the lease agreement can be addressed either directly or by third parties. It was discussed that the trust will firstly address the issues directly with Guyton Farms Ltd. Marty suggested that the lessee be given 90 days to address the issues to the satisfaction of the trust. If he does not meet that timeframe he is then removed from the land and no longer allowed access. The trust will address the identified issues with Guyton Farms before the next AGM to be held in February where an update will be provided.

Mike Davies asked how the rent was determined. Marty stated that the rent is determined by a set rate per hectare and is paid directly to the trust. Currently set at \$1000/Ha. It was also asked if the rent amount should take into account inflation. This can be considered at the end of the current lease term, but it would mean the trust would have to register for GST as the income will go above the 60k threshold. The trust is currently earning approx. \$68k so will have to register anyway.

The trust advised that Colin is also paying all the associated land rates for the block plus any insurances for the structures on the property except little Charlie's place. Water rates should be paid by little Charlie but not confirmed.

Q. Does Little Charlie have absolute rights to be in that house.

A. Yes as the house belongs to his Koro Charlie which was sited quite a while ago.

The trust has accepted that the situation is ok at present and left any internal issues with the occupation to be dealt with within little Charlies whanau. The trust advised the situation could be revisited at any time, particularly if all the owners wanted to get together to sell the land.

Blanche advised that their whanau believed it has been partitioned off. The trust advised it was never partitioned off and remains part of the entire farm block. There's also no record of an occupation order for the land either. Blanche will have that discussion with her whanau.

Water supply for the dwelling comes from a metered Council supply line in Halcrow Road.

Colin advised the trust that little Charlie has complained to Colin about the water quality, but Colin has stated that the supply for Paeroa East 4B2F comes from a separate supply from the town supply so will not affect the water quality. Colin also suggested to little Charlie to install a water tank to top up his supply.

Stephen motioned that Blanche is to discuss the water tank option with Little Charlie at a meeting to be organised by Blanche – Lecia Boyd / Jeanette Healand Carried

Stephen motioned that the current lease agreement remains in place unless Guyton Farms Ltd does not meet the 90-day clause - Stephen Boyd / Dempsey Reweti Carried

Trust formation

Marty would like to step down as a trustee due to other whenua commitments.

Stephen also expressed to step down as chairman, but Mike Davies advised that the Chairman is elected internally between the trustees. Stephen said he had asked the others if they would like to take over the position, but no-one wanted to. Stephen also said he was trying to do the secretary role also as there is no secretary and admits it has been difficult especially with his other commitments. Stephen can be convinced to stay on as a trustee but would like to hand over the chair to someone else. Mike Davies expressed an interest in becoming a trustee as well as treasurer.

It was noted that the Maori Land courts do provide free courses to learn how to be a trustee for those younger generation who are too whakama.

Nominations for trustees will be requested for consideration/election at the next AGM in February 2020.

Marty suggested the accounting, treasurer and secretarial duties can be performed by the Paeroa South accountant (Kusab Lasake) based in Rotorua. Marty said he could obtain a quote from the accountant for all the services to be considered at the next trustees meeting. The costs will more than likely be double what the current accountant is charging for the accounting services.

Stephen motioned that Marty will seek a cost estimate for the transfer of the accounts to Kusab Lasake accountants – Stephen Boyd / Roseanne Andrews Carried

Meeting Closed: 12.30pm

Chairman's Report

The 3 years since the last owners AGM have been challenging for a number of us, particularly with the event of Covid 19 and associated lockdowns, vaccinations, travel restrictions etc. Te Whetu Ahu Whenua Trust was in the process of negotiations with the new landowner of the Te Toke Road land blocks, namely Colin Guyton, to purchase the blocks previously held under Māori title, now European, back under Te Whetu Ahu Whenua Trust ownership when Covid 19 delayed this process.

When negotiations were able to recommence, the purchase was eventually achieved for a settlement price of 1.1 million dollars. Te Whetu Ahu Whenua Trust contributed \$400,000 dollars from savings accrued since 2009 when the trust was formed, plus bank lending of \$700,000 dollars from Westpac. Settlement was completed in February 2022. As part of the repurchase process, a negotiation for the lease term of the Golden Springs Block (Paeroa East 4B2F) was also undertaken and settled for a further 6 years at an increased rental rate of \$70,000 + GST per annum.

Prior to the eventual settlement of the 1131 & 1160 Te Toke Road, tenders were advertised for potential leases of the land. In all, there were 6 interested parties but only 4 submitted tenders. The tenders were from:

- Lance and Dianna Ellsworth, local agricultural contractors and farmers.
- Nick and Hope, sharemilkers for the Ellsworth.
- Central Lakes Contracting Limited (CLC), Agricultural Services.
- Paeroa South B2B1 Trust.

Due to a tender from Paeroa South B2B1 Trust, there was a conflict of interest where two of the trustees of Te Whetu Ahu Whenua Trust are also Trustees of Paeroa South B2B1 Trust, therefore could not be included in the selection process for the preferred leasee. There have been lengthy Trust discussions, but eventually the successful tender was awarded to CLC limited which commenced in March 2022 at an annual rental of \$56,000 + GST.

A 'Financial Plan has been devised to enable forecasting the Trusts whenua development obligations, overheads and principal repayments for the next 10 to 20 years. Refer to Appendix 1 – Draft Financial Plan. It must be noted that this plan is to be used as a guide to sole ownership of 1131 & 1160 Te Toke Road, but the

timing of full ownership will be influenced by variations in interest rates that will impact on future principal payments. Also note that the financial plan will also indicate possible impact to current dividend payments to shareholders.

The combined rental income from both sources is currently set at \$126,000 + GST and before tax.

Since the last AGM, the number of owners/shareholders has increased. The Owners list is available for inspection at the meeting today. It has been noted that there could be some inaccuracies to the list which requires further verification as this could impact on the annual dividend payouts. It is encouraged that the inaccuracies be verified by the relevant parties and amended if necessary to enable the correct distribution of annual dividend payments. A copy of unclaimed dividends is also provided in Appendix 2. If your name is on this list, or your details have changed (address, bank account etc.) please contact the Trust's new accountant / secretary; Kusabs Lasike Ltd to get registered. Registration forms are available to take home today if you need them. It should also be noted that due to the purchase of 1131 & 1160 Te Toke Road, the individual share value has increased which to those individual owners or trusts that may be thinking of selling their shares to Whanau members or Trusts is an added financial benefit. Details on share value is contained within the financial report.

Finally, after a long period of uncertainty, mainly influenced by Covid 19, Te Whetu Ahu Whenua Trust can finally work toward a certain future for the shareholders/beneficial owners with regard to asset holdings. Unless otherwise directed by the shareholders, the primary focus of Te Whetu Ahu Whenua Trust is to obtain sole ownership of 1131 & 1160 Te Toke Road in a timely manner & work together with the lessee's of Paeroa East 4B2F and 1131 & 1160 Te Toke Road to improve whenua quality in order to sustain financial returns.

Nga Mihi
Stephen Boyd
Chairman.

BUDGET CASH FLOW STATEMENT

For the Years Ended 31 March 2023 to 2038

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2038	2037	2038	TOTAL
Income																	
Lease Revenue - Trusteeship	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	1,120,000
Lease Received - Te Toke Road	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	896,000
Total Income	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	2,016,000
Less Expenses																	
Accountancy Fees	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	80,000
Bank Fees & Charges	203	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	3,767
Consulancy Fees	-	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	22,500
Drainage	2,000	4,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	8,000
Fencing	9,581	7,500	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	27,081
Insurance	96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96
Printing, Stationery & Postage	37	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	637
Rates	(325)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(325)
Rubbish & Waste Disposal	1,900	1,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	16,400
Trustee Expenses	3,342	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	48,342
Weed & Pest	5,168	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	35,168
Interest - Term Loan	43,977	53,883	51,764	49,583	46,984	44,294	41,386	38,238	34,837	31,152	27,166	22,853	18,188	13,141	7,678	1,909	527,023
Total Expenses	70,980	78,631	76,544	61,348	59,764	57,074	54,166	51,018	47,617	43,932	39,946	35,633	30,968	25,921	20,458	14,689	768,689
Operating Surplus/(Loss)	55,020	47,369	49,456	64,652	66,236	68,926	71,834	74,982	78,383	82,068	86,054	90,367	95,032	100,079	105,542	111,311	1,247,311
LESS Capital Expenditure																	
Principal - Term Loan	6,165	25,912	28,036	30,332	32,816	35,506	38,414	41,562	44,963	48,648	52,637	56,949	61,612	66,659	72,122	77,667	700,000
Owners Dividend	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	272,000
Cattle Yard	-	-	-	-	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000
Taxation	9,824	8,340	8,656	11,316	11,592	12,064	12,572	13,120	13,716	14,360	15,060	15,816	16,632	17,512	18,468	19,480	218,528
Total Capital Expenditure	32,990	51,252	53,692	58,648	111,408	64,570	67,986	71,682	75,679	80,008	84,697	89,765	95,244	101,171	107,590	94,147	1,240,529
GST																	
Goods & Service Tax	3,933	7,136	7,454	9,734	9,971	10,375	10,811	11,283	11,793	12,346	12,944	13,591	14,291	15,048	15,867	16,733	183,312
Net Cash Flows	25,964	3,252	3,218	15,738	(35,201)	14,731	14,659	14,583	14,497	14,406	14,301	14,193	14,079	13,956	13,819	13,897	190,094
Summary of Cash Movement																	
Opening Cash Balance	43,991	69,955	73,208	76,426	92,164	56,963	71,694	86,353	100,936	115,434	129,840	144,141	158,334	172,413	186,369	200,188	43,991
Net Cash Flows	25,964	3,252	3,218	15,738	(35,201)	14,731	14,659	14,583	14,497	14,406	14,301	14,193	14,079	13,956	13,819	13,897	190,094
Closing Balance	69,955	73,208	76,426	92,164	56,963	71,694	86,353	100,936	115,434	129,840	144,141	158,334	172,413	186,369	200,188	234,085	234,085

Appendix 2 – Paeroa East 4B2F Unclaimed Dividends List
As at 23/11/2022

S/No	Shareholder	Sex	
000006	Danny Walter CHARTERIS	M	74.2669750000
000010	Shona Heather Maree CHARTERIS	F	148.5339390000
000014	Parelini COOPER	F	178.2407500000
000018	Gracen Sydney Molly-May LINES KAITIAKI TRUST	F	24.7556570000
000021	Kim Leonie HUGHES	F	534.7222300000
000022	Paige Wendy HUGHES	F	24.7556560000
000023	Samuel James HUGHES	M	24.7556560000
000024	Te Matekohi Lucy HUGHES	F	178.2407500000
000025	Gregory Noel JOLLEY	M	37.1334800000
000026	Jovi Rewiti Te Mauri Ranginui MITCHELL KAITIAKI TRUS	M	24.7556560000
000028	Loretta Ann MCCREADY	F	37.1334900000
000029	Milo Charlie Thomas UNKOVICH KAITIAKI TRUST	M	24.7556570000
000031	Noah Nicholas UNKOVICH KAITIAKI TRUST	M	24.7556570000
000034	Blanche REWETI	F	137.1082700000
000035	Charles REWETI	M	137.1082700000
000036	Christine REWETI	F	137.1082700000
000039	Gary REWETI	M	137.1082600000
000040	Henry REWETI	M	137.1082600000
000041	Kevin REWETI	M	137.1082500000
000042	Kura REWETI	F	137.1082600000
000043	Mathew Eric REWETI	M	137.1082600000
000044	Michael REWETI	M	137.1082600000
000045	Rongokino REWETI	M	137.1082600000
000046	Tawhiterangi Mita REWETI	M	178.2407500000
000047	Te Aomapihi REWETI	F	137.1082600000
000048	Vera REWETI	F	137.1082600000
000049	Wairangi REWETI	F	137.1082700000

Contact Kusabs Lasike Ltd if you need to update your details or are on the unclaimed dividends list.

*Registration forms can be found at www.kll.co.nz or at
Kusabs Lasike Ltd
1141 Pukaki Street
Rotorua
07 347 7533*

TE WHETU AHU WHENUA TRUST (PAEROA EAST 4B 2F)
Summarised Statement of Profit or Loss
For the Years Ended 31 March 2020 to 2022

	2022	2021	2020
	\$	\$	\$
Income			
Lease Income - Homestead	60,000	60,000	60,000
Lease Income - Te Toke Road	4,667	-	-
Interest Received	199	6,712	11,090
TOTAL INCOME	64,866	66,712	71,090
Less Expenses			
Accountancy & Secretarial Fees	3,758	1,158	1,146
Bank Fees	201	72	111
Consultancy Fees	300	1,710	-
Depreciation	591	-	-
Insurance	831	-	-
Interest IRD UOMI	15	-	-
Interest - Westpac Loan 91	4,712	-	-
Legal Fees	1,550	-	-
Meeting Expenses	-	-	100
Trustee Expenses	-	-	400
Printing, Stationery & Postage	186	-	-
Rates	914	-	-
Share Register	1,500	-	-
Total Expenses	14,558	2,940	1,757
OPERATING PROFIT/(LOSS)	50,308	63,772	69,333
Provision for Taxation	8,974	11,160	12,133
NET SURPLUS/(DEFICIT) AFTER INCOME TAX	41,334	52,612	57,200

TE WHETU AHU WHENUA TRUST (PAEROA EAST 4B 2F)
Summarised Balance Sheet
For the Years ended 31 March 2020 to 2022

	2022	2021	2020
	\$	\$	\$
ASSETS			
Cash	44,919	449,374	36,006
Accrued Interest	-	-	1,280
Investments	-	-	356,243
Fixed Assets	3,006,621	1,892,500	750,000
TOTAL ASSETS	<u>3,051,540</u>	<u>2,341,874</u>	<u>1,143,529</u>
Less:			
LIABILITIES			
Current Liabilities	14,757	29,100	8,542
Non Current Liabilities	700,000	-	-
TOTAL LIABILITIES	<u>714,757</u>	<u>29,100</u>	<u>8,542</u>
NET ASSETS	<u><u>2,336,783</u></u>	<u><u>2,312,774</u></u>	<u><u>1,134,987</u></u>
Represented by:			
CHANGES IN EQUITY			
Equity at the beginning of the year	2,312,774	1,134,987	1,095,112
Surplus for the year	41,334	52,612	57,200
Increase/(Decrease) in Asset Revaluation	-	1,142,500	-
Distribution to Owners	(17,325)	(17,325)	(17,325)
TOTAL EQUITY AT END OF YEAR	<u><u>2,336,783</u></u>	<u><u>2,312,774</u></u>	<u><u>1,134,987</u></u>

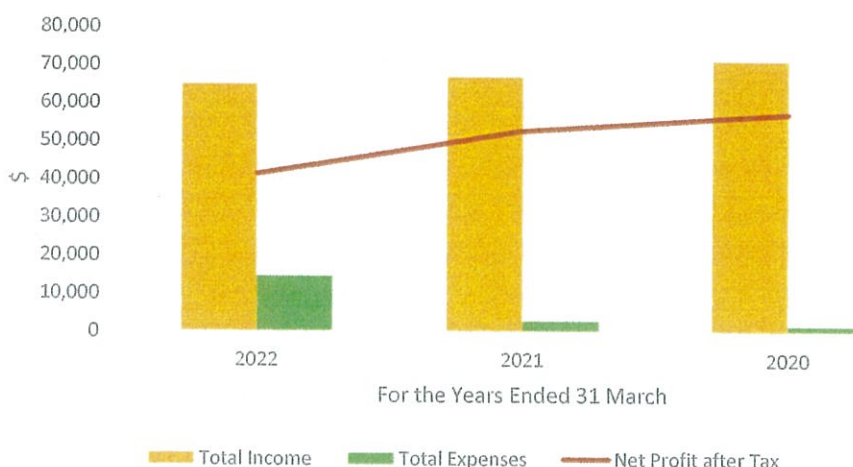
The Summarised Statement of Financial Performance and the Summarised Statement of Financial Position have been correctly extracted from the financial statements.

NOTE: Coates Associates Ltd prepared the annual accounts for the year ended 31 March 2020.

Kusabs Lasike Ltd have prepared the annual accounts for the years ended 31 March 2021 and 31 March 2022.

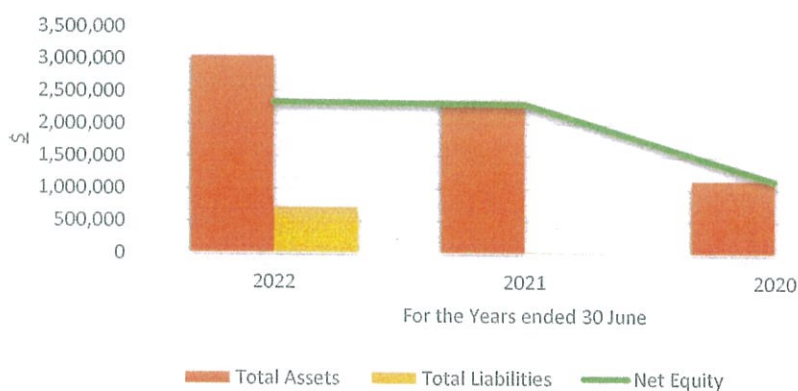
TE WHETU AHU WHENUA TRUST (PAEROA EAST 4B 2F)
FINANCIAL SUMMARY
 For the Years ended 31 March 2020 to 2022

Te Whetu Ahu Whenua Trust - Total Income, Expenses & Net Profit for the years 2020 to 2022



The graph above shows the total income, expenses and net profit for the years ended 31 March 2020 to 2022. The Main source of income is Leaseland. Other income includes Interest Received. Income decreased from 2020 to 2022 due to lower interest rates, and withdrawing the Term deposit to purchase the new block. Total Expenses increased as there were more costs in the 2022 year related to the purchase of the Te Toke Road Block. Net Profit decreased from \$57,200 in 2020 to \$41,334 in 2022.

Te Whetu Ahu Whenua Trust - Total Assets, Liabilities and equity for the years 2020 to 2022

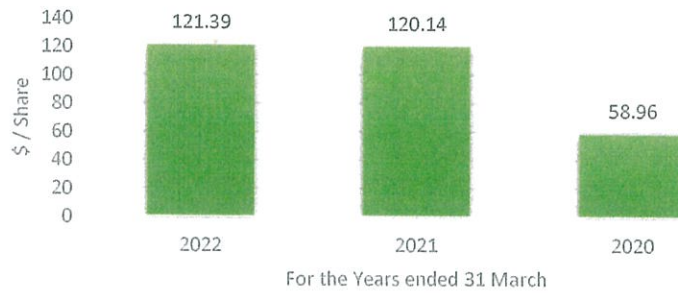


The graph above shows the total assets, liabilities and Net Equity for the years ended 31 March 2020 to 2022. Net Equity Increased from \$1,134,987 in 2020 to \$2,336,783 in 2022. Equity increased due to revaluation of the Trust's corpus land to the latest GV in 2021 and the purchase of the Te Toke Road Block in 2022.



TE WHETU AHU WHENUA TRUST (PAEROA EAST 4B 2F)
FINANCIAL SUMMARY
For the Years ended 31 March 2020 to 2022

**Te Whetu Ahu Whenua Trust Net
Equity Value per Share for the years 31
March 2020 to 2022**



The Trust's Net Equity per Share increased from \$58.96 / Share in 2020 to \$121.39 per Share in 2022.



Kusabs Lasike Limited
Chartered Accountants



Te Whetu Ahu Whenua Trust

Financial Statements
For the Year Ended 31 March 2022

Te Whetu Ahu Whenua Trust
Contents of Financial Statements
For the Year Ended 31 March 2022

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Te Whetu Ahu Whenua Trust

Report on the Engagement to Compile Financial Statements

For the Year Ended 31 March 2022

COMPILATION REPORT TO THE TRUSTEES

Reporting Scope

On the basis of information that you provided we have compiled, in accordance with "Service Engagement Standard Number 2: Compilation of Financial Information", the Financial Statements of Te Whetu Ahu Whenua Trust for the year ended 31 March 2022 as set out on the following pages.

These statements have been prepared in accordance with the principles contained in current income tax legislation as described in Note 1 to the Financial Statements.

These are special purpose financial statements and as such are intended for taxation purposes and should not be relied upon for any other purpose.

Responsibilities

You are solely responsible for the information contained in the financial statements and have determined that the financial reporting basis stated above is appropriate to meet your needs and for the purpose that the financial statements were prepared. The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information that you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.



Kusabs Lasike Ltd

Chartered Accountants

Rotorua

23 November 2022

Te Whetu Ahu Whenua Trust

Directory

As at 31 March 2022

Nature of Business	Land Lease
Trustees	Stephen Boyd (Chairperson) Martin J Charteris Graham J Hayde Dempsey Reweti David J Skudder
Accountants	Kusabs Lasike Ltd Chartered Accountants Rotorua
Bankers	Westpac Bank PO Box 942 Gisborne
IRD Number	088-655-753

Te Whetu Ahu Whenua Trust

Statement of Profit or Loss

For the Year Ended 31 March 2022

	Note	2022 \$	2021 \$
Operating Revenue			
Interest Received		199	6,712
Lease Rentals - Homestead		60,000	60,000
Lease Rentals - Te Toke Road		4,667	-
Total Operating Revenue		<u>64,866</u>	<u>66,712</u>
Less Expenses			
Accountancy Fees		3,758	1,158
Bank Fees & Charges		201	72
Consultancy Fees		300	1,710
Depreciation		591	-
Insurance		831	-
Interest - IRD Use of Money		15	-
Interest Paid - Westpac Loan 91		4,712	-
Legal Fees - Deductible		1,550	-
Printing, Stationery & Postage		186	-
Rates		914	-
Share Register		1,500	-
Total Expenses		<u>14,558</u>	<u>2,940</u>
Profit before Income Tax		<u>50,308</u>	<u>63,772</u>
Income Tax Expense	2	8,974	11,160
Net Profit		<u><u>41,334</u></u>	<u><u>52,612</u></u>

Te Whetu Ahu Whenua Trust
Statement of Changes in Trust Equity
For the Year Ended 31 March 2022

	2022	2021
	\$	\$
Revenues and Expenses		
Net Profit	41,334	52,612
Movement in Asset Revaluation	-	1,142,500
Total Recognised Revenues and Expenses	<u>41,334</u>	<u>1,195,112</u>
Distributions		
Provision for Dividend	(17,325)	(17,325)
Trust Equity at the Beginning of the Year	2,312,774	1,134,987
Trust Equity at the End of the Year	<u><u>2,336,783</u></u>	<u><u>2,312,774</u></u>

These financial statements are to be read in conjunction with the accompanying Notes and the compilation report. These statements have been compiled without undertaking an audit or review engagement.

Te Whetu Ahu Whenua Trust

Balance Sheet

As at 31 March 2022

	Note	2022 \$	2021 \$
Current Assets			
Westpac Bank		43,992	48,611
Westpac Online Saver		927	400,763
Total Current Assets		44,919	449,374
Non-Current Assets			
Property, Plant & Equipment	4	3,006,621	1,892,500
Total Assets		3,051,540	2,341,874
Current Liabilities			
Accounts Payable		956	-
Income Tax Payable		2,240	3,332
GST Payable		1,012	1,244
Provisions		-	17,325
Unclaimed Dividend		10,549	7,199
Total Current Liabilities		14,757	29,100
Non-Current Liabilities			
Westpac Loan 91	5	700,000	-
Total Liabilities		714,757	29,100
Net Assets		2,336,783	2,312,774
Trust Equity			
Trust Equity	6	2,336,783	2,312,774
Total Trust Equity		2,336,783	2,312,774

For and on behalf of the Trust:

Trustee

G. M. Jones
Date 23/11/22

Trustee

A. The V.

These financial statements are to be read in conjunction with the accompanying Notes and the compilation report. These statements have been compiled without undertaking an audit or review engagement.

Te Whetu Ahu Whenua Trust
Notes to and forming part of the Financial Statements
For the Year Ended 31 March 2022

1 Statement of Accounting Policies

Reporting Entity

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

These financial statements have not been prepared for external use. They are prepared for tax purposes only and should not be relied on for any other purpose. They are therefore defined as special purpose reports.

The trust is involved in Land Lease.

Statement of Compliance and Basis of Preparation

These financial statements are of Special Purpose and have been prepared for taxation purposes on the principals contained in the Income Tax Act 2007 and internal management purposes.

The 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 financial statements have been prepared on an accrual basis.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Profit or Loss and Balance Sheet on a historical cost basis are followed by the trust, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Profit or Loss and Balance Sheet have been applied:

(a) Revenue Recognition

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 trust and revenue can be reliably measured.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

(b) Property, Plant & Equipment

Land & Buildings have been revalued to the latest rating valuation dated 1 September 2020 by Opteon Technologies Ltd. The ratings valuations are issued every three years.

The following estimated depreciation rates/useful lives have been used:

Freehold Land 0% valuation

Property Improvements 0-8.5% DV

Depreciation has been claimed at the maximum rates allowed by the Inland Revenue Department.

(c) Goods and Services Taxation (GST)

Revenue and expenses have been recognised in the financial statements exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense to which it relates. All items in the Balance Sheet are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

Te Whetu Ahu Whenua Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 March 2022

(d) Changes in Accounting Policies

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

2 Tax Reconciliation

	2022	2021
	\$	\$
Profit before Income Tax	50,308	63,772
Taxable Income	50,308	63,772
Tax Expense at 17.5%	8,804	11,160
Income Tax Expense Adjustment		
IRD - Penalties	170	-
Tax Expense	8,974	11,160

3 Maori Authority Tax Credits

	2022	2021
	\$	\$
Opening Balance	96,553	87,383
Plus:		
Taxation Paid	10,047	7,771
RWT Paid	35	1,399
	10,082	9,170
Less:		
MACA Credits attached to Distributions	7,350	-
Total Maori Authority Tax Credits	99,285	96,553

4 Property, Plant & Equipment

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
	\$	\$	\$	\$
Property, Plant & Equipment 2022				
Freehold Land	2,814,212	-	-	2,814,212
Property Improvements	193,000	591	591	192,409
Total Property, Plant & Equipment	3,007,212	591	591	3,006,621
	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
	\$	\$	\$	\$
Property, Plant & Equipment 2021				
Freehold Land	1,742,500	-	-	1,742,500
Property Improvements	150,000	-	-	150,000
Total Property, Plant & Equipment	1,892,500	-	-	1,892,500

These financial statements are to be read in conjunction with the accompanying Notes and the compilation report. These statements have been compiled without undertaking an audit or review engagement.

Te Whetu Ahu Whenua Trust

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 March 2022

5 Term Loans - Secured	2022	2021
	\$	\$
Westpac Loan 91		
Total Outstanding	700,000	-
Total Term Loans - Secured	700,000	-
6 Trust Equity	2022	2021
	\$	\$
Retained Earnings (Post 2004/005) (1)	444,283	420,274
Unrealised Reserves (2)	1,892,500	1,892,500
Total Trust Equity	2,336,783	2,312,774
(1) Retained Earnings (Post 2004/2005)		
Opening Balance	420,274	384,987
Profit for the Year	41,334	52,612
Less:		
Distributions from Retained Profit	(17,325)	(17,325)
Closing Balance	444,283	420,274
(2) Unrealised Reserves		
Opening Balance	1,892,500	750,000
Movements for the period	-	1,142,500
Closing Balance	1,892,500	1,892,500

7 Securities

The Trust has a Term Loan with Westpac. The loan is for \$700,000 and is interest only. The loan is due for maturity 20 October 2023.

8 Related Parties

There were no significant transactions or transactions that were on terms and conditions that are likely to be different from the terms and conditions of transactions in similar circumstances, involving related parties during the financial year (2021: Nil).

9 Capital Commitments

The trust has no capital commitments as at 31 March 2022 (2021: Nil).

10 Contingent Liabilities

The trust has no contingent liabilities and no guarantees as at 31 March 2022 (2021: Contingent Liabilities Nil, Guarantees Nil).

11 Events Occurring After 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.

These financial statements are to be read in conjunction with the accompanying Notes and the compilation report. These statements have been compiled without undertaking an audit or review engagement.