TĀKUIRA PUKEHINA LANDS TRUST

Pukehina L No. 2B & Pukehina M Section 1B No.4

REPORTS & FINANCIAL STATEMENTS

For the Year Ended 31 May 2023

For the meeting of owners held 21 September 2024

Kusabs Lasike Limited

Chartered Accountants

TĀKUIRA PUKEHINA LANDS TRUST

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For the year ended 31 May 2023

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Tākuira Pukehina Lands Trust

Pukehina L2B & Pukehina M1B4

Notice is hereby given that a General Meeting of owners
will be held at
Maketu Community Centre, Wilson Rd North, Maketu
On Saturday 21 September 2024 at 10am (Registration from 9.30am)

AGENDA

1. Apologies
2. Minutes
3. Chairperson's Report
4. Farm Report
5. Financial Report
6. Special Resolution (Amendment to Trust Order Clause 7c(i)): "That the Trustees shall cause to be prepared Annual Reports and accounts of the assets and liabilities and of the income and expenditure for each year ending on the 31st day of March or such annual Balance date as the Trustees may from time to time fix upon and shall file a copy of such report and accounts with the Registrar of the Court within 6 months of the said Balance date PROVIDED the accounts are prepared by a Chartered Accountant."

Note: There is limited parking at the community centre including one disability card holder parking space.

Should you have any queries, please do not hesitate to contact the Secretary's Office:
Kusabs Lasike Ltd
admin@kll.co.nz
07 347 7533

H Tākuira
Chairperson

	Minutes of the meeting of the General Meeting of Owners of the Tākuira Pukehina Lands Trust (Pukehina L No. 2B & Pukehina M Section 1B No 4), Held at The Maketu Gentleman's Club, Maketu, on Saturday 27th August 2022 commencing at 10.00am (Registration from 9.30am)	
PRESENT:	Gloria Tākuira (Meeting Chair), Hira Tākuira -Mita, Daryll Simpson, Rameka Poihipi, Mita Patu, Te Awhe Mikaire as trustees of the Trust along with the owners and whānau of the Trust as per the attendance list.	
IN ATTENDENCE:	Lau Lasike (**LL**) (Accountant, Kusabs Lasike Ltd) and Makuini Warbrick (**MW**) (Minute Secretary, Kusabs Lasike Ltd).	
KARAKIA:	Offered by Mr Hira Tākuira -Mita.	
WELCOME:	Ms Gloria Tākuira welcomed everyone to the meeting and spoke to the housekeeping of the days Meeting. Ms Ngataahi Anderson asked if she could record the meeting to send to her whānau who are not present at the meeting. Ms Gloria asked if there were any attendees present that objected to this request. There were no objections to the request.	
APOLOGIES:	The register of apologies was made available during the meeting. **MOVED** *Gloria (Girl) Wiringa / Ngataahi Anderson* **RESOLVED** *"That the apologies as per the register of apologies be accepted."* **CARRIED (by Voice) no opposition**	
SECRETARIAL:	**Minutes of the Previous Meeting of Beneficial Owners – 15 November 2020** The minutes of the previous meeting were circulated in the AGM Booklet. Gloria Tākuira read out main points from the minutes of the previous minutes and elaborated on particular points. **MOVED** *Gloria Tākuira / Hira Tākuira -Mita* **RESOLVED** *"That the minutes of the Meeting of Beneficial Owners of the Tākuira Pukehina Lands Trust (Pukehina L No. 2B & Pukehina M Section 1B No. 4) held on Sunday 15th November 2020, as circulated be confirmed as a true and correct record of proceedings."* **CARRIED (by voice) no opposition** **Matters Arising:** There were no matters arising.	
CHAIR REPORT:	The Chair report was circulated in the AGM Booklets. Ms Gloria Tākuira read out and elaborated on the report. Ms Gloria introduced the Trustees and which whānau they represent. ➢ Hira Tākuira -Mita (Trust Chair) (Nepia) ➢ Gloria Tākuira (Deputy Chair) (Tatanea) ➢ Te Awhe Mikaire (Ngapoti)	

	➢ Mita Patu (Paikare) ➢ Daryll Simpson (Tikitere) ➢ Rameka Poihipi (Hira) The report covered: ➢ Mahere Rautaki The next step is to develop an annual plan that links to the mahere rautaki. ➢ Kaupapa Matua 2021 to 2022 Covid has impacted Trust operations and communications with whānau. The Trust appointed a new Farm Manager September 2021 for L2B, Shalom Leathers. The Trust has requested additional services from Kusabs Lasike Ltd for financial management administration support. Application processes continue to be refined to ensure we are meeting whānau needs. ➢ Challenges The main challenges have been associated with the return on M1B4. This includes an occupation of M1A, public access from the State Highway and theft of resources. The Trust has requested legal counsel to attend to this matter. **MOVED** *Gloria Tākuira / Ngataahi Anderson* **RESOLVED** *"That the Chair report be received."* **CARRIED (by Voice) no opposition**	
M1B4 FARM UPDATE:	The M1B4 Farm report was circulated to attendees in the AGM Booklet. Ms Gloria Tākuira read out and elaborated on the M1B4 Farm Update. The farm was returned to the Trust of Nga Uri o Parekitauranga (Ngapera) Ngawhika 1 June 2021. The land was leased for 20 years. The Trust has been planning for its return and priorities of restoring the quality of the whenua, building kaitiakitanga were established. Covid has impacted the progression of these priorities, but the Trust has still been able to progress short term goals. Surplus farm equipment was sold and investment in upgrading other farm equipment was made. Grazing the land helps to support the operational costs. Ms Gloria (Girl) Wiringi asked if the Trust had a copy of the original lease between Rob Hall and Errol Watts and if the Trust had looked into the lease details. Ms Wiringi asked if a copy could be circulated. Ms Gloria Tākuira said that the Trust will note the request and possible way to share it. Ms Wiringi spoke to her main concern about ensuring that Rob Hall / Errol Watts upheld their lease requirements / conditions before it was handed back from the first agreement. Mr Mita Patu said that when the Trust analysed the agreement, it was a very generic agreement with areas open to interpretation. Over a 20 year lease, he did everything he did and then sold to Errol Watts. Mr Patu elaborated on the investigation undertaken by the Trust and from that, there would not be	

	much the Trust can do about it, and The Trust was comfortable with the balance given the agreement in its state and the state of the whenua and length of time that had passed. Ms Gloria Tākuira added that Trust during those 20 years of the lease arrangement, did not review the lease at all. The first time that the lease was picked up was from the current Trust Board. Mr Dennis Reese asked if there were any cows left on the Block. Mr Patu said that he had to leave what was there which was 180 cows. The cows were sold in calf as they were damaging the headland of the Waikokopu Swamp. There was also significant requirements the Trust would have had to meet with effluent etc. if it had carried on in the same way. The sale of stock returned approximately $500,000. Mr Lau Lasike said that the sale of stock won't be shown in the financial reports presented today, but will instead be presented in the 2022 financial year (the year the transaction took place). Ms Gloria Tākuira said that the land is generating enough income to cover its expenses through grazing. **MOVED** *Mac Poihipi / Rato Delamere* **RESOLVED** *"That the M1B4 Farm Update be received."* **CARRIED (By Voice)** **ABSTAINED Mike Thompson / Heather Patu**	
FINANCIAL:	Ms Gloria Tākuira introduced Mr Lau Lasike of Kusabs Lasike Ltd. Previously the accounting services were provided by Gary Williams. Mr Lasike introduced himself and spoke to the history of the firm of Kusabs Lasike Ltd. Mr Lau Lasike spoke to the annual accounts for the year ended 31 May 2021 which were circulated in the AGM Booklet. **Discussion:** Mr Lasike spoke to the new auditor (Silks Accountant) engaged to audit the 2021 annual accounts. Mr Lasike said that the main purpose of the audit is to ensure the accuracy of the financial accounts. The auditor was happy with most of the supporting documents, however there were 5 items that were the Auditor could not verify and therefore the audit report was reported on a qualified basis. Mr Lasike spoke to the items identified by the Auditor. The valuation/count of the stock of hand as at 31 May was not verified, so the Trust had to base the report on what information was available. The Property, Plant and Equipment was not revalued to the latest Rating Valuation. Mr Lasike spoke to the land being intergenerational and that getting a full valuation is an excessive expense every year. It is generally accepted that the land be revalued to the last GV rating. This did not happen in a prior year, however will be updated In the current year. The last item raised was the inability to sight evidence of the Fonterra shares and valuation. LL said that the issues raised was more to do with the processes and ensuring documentation is available.	

	LL said that one of the issues that Kusabs Lasike Ltd picked up from the previous accountant was that there was no livestock trading account. The Trust has to try and work backwards to establish this position. The opening stock could not be verified in 2021. The closing stock shows a decrease from 337 to 260. The Trust received more income in 2021 compared to 2020. The milk production was better and the milk price was also higher. LL elaborated on the expenses and spoke to the how the trust has been trying to achieve a better farming system. The net result was a lost of $88,000 for the 2021 year. The Trust was still able to pay the kaumatua grant. LL elaborated on the movements in valuations. The Fonterra shares valuations have decreased. Despite this, the Trust's equity increased to $5.484 million in 2021. LL spoke to the retained earnings of the Trust. The retained earnings is important to split or differentiate from pre 2004 and post 2004. This is important because any distributions are tax free from pre 2004 retained earnings. Ms Wiringi asked if there was any tangi grants paid out during the year. Mr Lasike said that the Trust Order allows for it, but from what he could see there were no tangi grants paid during the 2021 year. **MOVED** *Rato Delamere / Ngataahi Anderson* **RESOLVED** *"That the financial report for the year ended 31 May 2021 be received."* **CARRIED (By Voice) no opposition**	
APPOINTMENT OF AUDITOR:	LL spoke to the appointment of the auditor Silk's Accountant for the year ended 2022. **MOVED** *Ngataahi Anderson / Rato Delamere* **RESOLVED** *"That Silks Audit Chartered Accountants be appointed the Tākuira Pukehina Lands Trust Auditor for the 2022 Annual Accounts."* **CARRIED (By Voice) no opposition**	
STRATEGIC PLAN:	Ms Gloria Tākuira spoke to the Mahere Rautaki. The Mahere Rautaki was circulated to attendees in the AGM Booklet. Ms Gloria Tākuira said that there is opportunity for owners to provide feedback and make suggestions. If an owner has feedback they can go to their whānau representative to pass on the information. Ms Wiringi asked about tangi grants. Ms Gloria Tākuira said that the Trust has been refining the grants policy and need to re-visit the tangi grant as it has	

	been sitting in abeyance and the responsibility the Trust (trustee) has to make contact with those whānau members who have lost people over the last year. Ms Daryll Simpson added that at the last meeting it was agreed to give a grant of $500.00 for tangihanga. Mr Tākuira -Mita acknowledged that whānau that have passed in the last year or so and during the pandemic.	
MEETING CLOSED:	There was no further business. The meeting closed with karakia by Mr Tākuira -Mita at 11.33am.	

Mihi

Kiingi Tūheitia Potatatu Te Wherowhero VII, haere atu rā ki ōu rārangi tupuna okioki ai. Moe mai, moe mai, moe mai rā i te aroha nui o te Atua.

E nga taonga o te whānau e ngaro ana ki te tirohanga o te kanohi nei rā mihi maioha kia noho piripono ki te ringaringa aroha o te Atua okioki ai.

Haere, haere, haere atu rā

Huri mai ki a tatou te hunga ora me mihi ki te kaupapa e whakanui ana i a tatou, tatou e tae ā kanohi nei, tatou e tautoko tonutia e mātou te tarahiti kaitiaki mō a tatou whenua.

Te Whenua L2B, M1B4, Tākuira Lands Trust

Pūrongo ā Tau 2022 – 2023

L2B

The Farm Manager, Shalom Leathers, has held the position since 2022. The Trust has engaged the services of an AgFirst Farm Advisor, Mark Macintosh. They have been working together to identify the needs related to the farm such as the condition of the herd, keeping equipment maintained, upgrades to meet council requirement, including health and safety matters for staff and operations.

- Upgrades
  - (i) Effluent system – is now compliant with BOPRC resource consent laws. It was a major investment for the Trust committing approximately $180,000 towards the new effluent system, most of which took place in 2023 -2024.
  - (ii) Milking shed feed system – this was installed in the 2022 year and has helped immensely in terms of production.
- Health and Safety Practices
  - (i) Healthy homes – the Trust invested in the providing a healthy home for the Farm Manager and his young whānau to meet these requirements, 2023.
  - (ii) A toilet has been hired and placed closer to the milking shed, particularly for female farm assistants, 2023.
  - (iii) Reports relating to the condition of the herd such as facial eczema are monitored throughout the season, the general physical condition to produce milk or calving are dealt with as needed. In addition, any needs required to fulfil these matters are raised and attended to as quickly as possible
- Farm Equipment/Assets

  The Trust is kept informed of any needs to help with the operations of the farm.
  - (i) Purchased a vehicle for the Farm Manager, 2023
  - (ii) Quad bike replaced the older model, 2023

(iii) Laptop for the Farm manager to complete farming matters online such as audits or information for farm suppliers.

(iv) Fencing is an integral part of the maintenance programme on the farm.

- Kaimahi/Staff

  The Trust has been fortunate to have employed farm assistants 2022 – 2024 to help with daily operations, calving, and releasing the Farm Manager as needed. However, it has become an ongoing challenge particularly over the calving season.

- Next Step/s

  It has come to the Trusts attention that we should consider engaging strategies to attract quality farm staff. The Trust is currently looking to invest in accommodation for potential employees beyond Pukehina and Te Puke.

- Extreme weather conditions in the region has led to explore additional ways to improve shade for the cows.

M1B4

- Projects

  (i) Environmental Programme

  In 2022 the Trust agreed to sign up to an environmental programme with BOPRC and Wai Kōkopu Incorporated. The programme aligned itself to the strategic focus of the Trust to improve the quality of the land.

  Considerable riparian planting and an inanga pond will provide the native wetland habitat that was removed from the lower Waihi estuary throughout the 20th century. The Environmental Programme forms the first step in a 4 – 5-year process of restoration on the property, which will include further restoring a back- dune coastal wetland, sand-dunes and other drains as part of the future developments.

  (ii) Diversification

  The Trust agreed to set aside approximately 8 hectares for planting of macadamia trees in 2022 as a part of the diversification programme.

- Management and Operations

  (i) The Trust decided to use the block as a runoff to support the dairy unit, L2B.

  (ii) A fencing programme was implemented as many of the boundary fences were in disrepair. In order to use the block effectively as a runoff a substantial amount of fencing has had to be carried out.

- M1A

  Despite attempts since 2021 to reach an agreement about entry to and from the section this has remained an ongoing challenge for the Trust. The behaviour and actions to access water without Trust approval has led to further tension in the relationship between the parties. Whilst it appears to be calm the Trust remains vigilant in this matter.

Security L2B and M1B4

The Trust took steps to install cameras on both blocks for security reasons due to unlawful entry and theft of property. In addition, signage is in place on L2B.

Whānau Commitments

The Trust continues to be committed to providing Grants for Whānau Wellbeing including Kaumātua and Tangi. In the 2022/2023 year the Trust paid a total of $26,088.

Local Community Events

- Autorama 2024

The Trust helped facilitate Autorama Charity Fundraiser by allowing parking on our whenua. In total the charity event raised $30,000 to be shared between the Pukehina Surf Club and Pukehina Fire Brigade.

Going forward

- Trust Order

  The Trust will review the Trust Order to align with Te Ture Whenua Act 1993 including the Māori Land Court Guidelines. The review will ensure that the Trust remains robust, relevant and aligned with current legislation particularly with respect to growing knowledge for owners and beneficiaries.

- Accounting

  The Trust has agreed to engage Kusabs Lasike Limited for accounting and secretarial services.

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Agriculture
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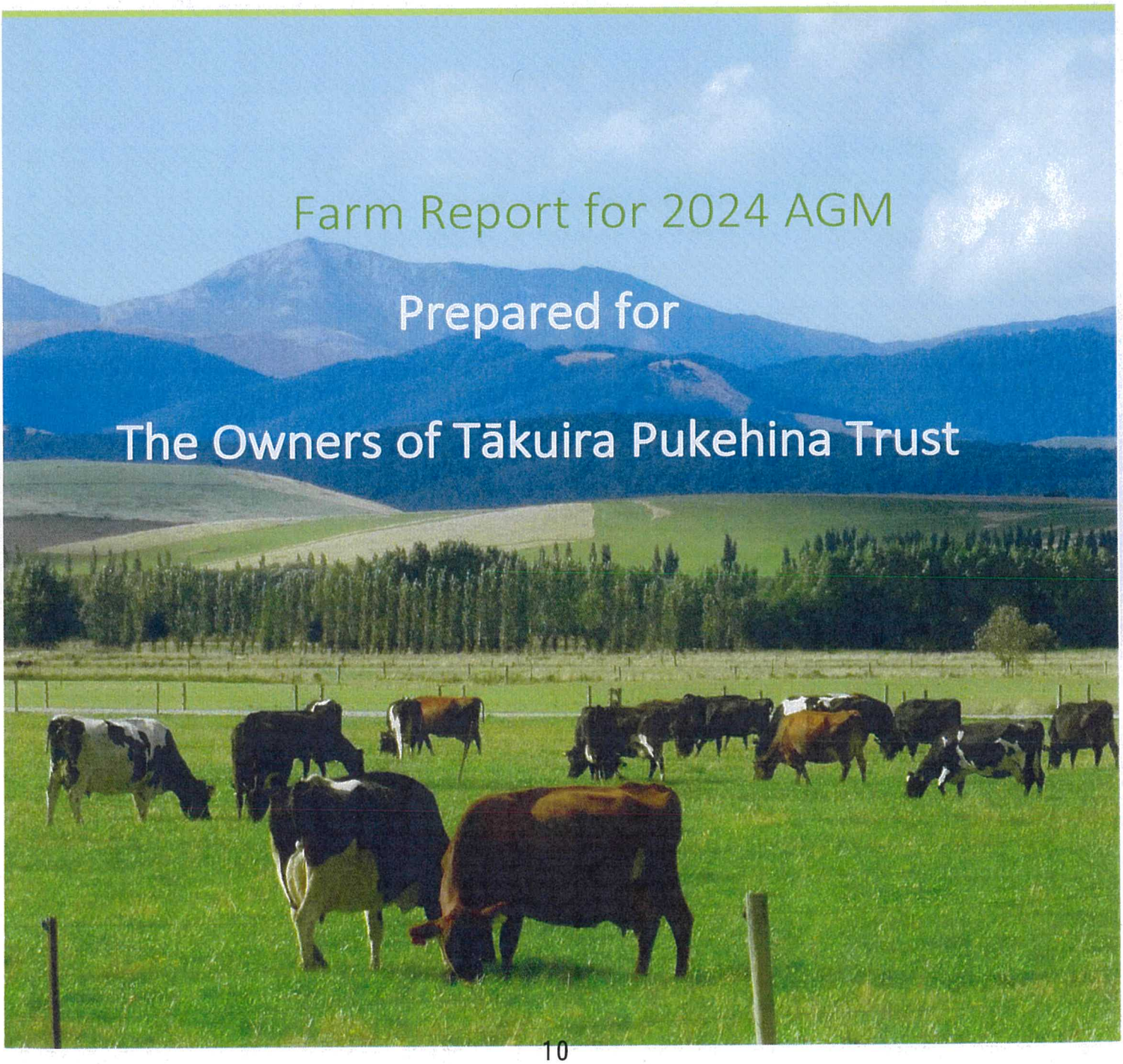


This report is designed to give Owners a brief record of farm operations for the 2022/23 and 2023/24 seasons on the Dairy farm (L2B) and runoff M1B4

1.0 FARM SITUATION

1.1 Staff

- Shalom has continued as Farm Manager for the past two seasons.
- He has been assisted by Jada up until March 2023, and then Timoti to September 2023, and then Jada again to March 2024, and now Sian.
- He has done well considering the high turnover of staff.
- One of the big challenges for the farm is the lack of accommodation for the Farm Assistant.

1.2 Climate

- The climate for the past two seasons has been reasonably good for the farm with wetter than normal summers.
- This farm is well drained and enjoys the rainfall as opposed to the neighbours on the flats who like it dry.
- The M1B4 block however is mostly low lying and doesn't like it too wet.

1.3 Stock

- Cows milking on L2B has been between 232 and 240 for the last two seasons.
- This is a reasonable stocking rate given the cows are milked once per day all season.
- Replacement numbers are around 40 which is a relatively low replacement rate of 16%. This is sustainable however due to the low empty and death rates on farm.
- The M1B4 runoff is used to graze the replacement heifers, winter the dairy cows, and produce supplement (baleage) for the dairy farm.

1.4 Supplements

- There has been a move away from maize silage (grown on L2B) to silage bales as the main form of hard supplement.
- The shed has in-shed feeding of meal with around 100 tonne fed annually.
- There has been some experimentation with Regen pastures to improve the quality of the soil and pasture for cows.

1.5 Fertiliser

- There has been a change away from conventional fertilisers to more soil friendly biological fertilisers. This is to improve the soil biology, improve animal health, and reduce the impact of nutrients on the environment.

1.6 Milk production/quality

- Over the past two seasons milksolids production has improved from 64,265kg in 2021/22 to 79,031kg in 2023/24. The target for this season is 80,000kg. this has been assisted with inshed meal feeding unlimited supplement from M1B4.
- Milk quality has been excellent for the past two seasons with the average somatic cell count of 159,000 and 182,000 respectively.

1.7 Infrastructure Improvements

- The major improvement within the last year has been the upgrade of the effluent system. This was required to obtain the resource consent to store and spread effluent on pasture.
- The farm house on L2B has also been improved to better comply with healthy homes standards.
- The fencing on the M1B4 block has been improved with more to do. Most of the boundary fence is now secure with electric fences operating on most of the block. This work is essential to ensure good stock control.

End of Report

Mark Macintosh

Agribusiness Consultant
Phone 0274 491077
Email mark.macintosh@agfirst.co.nz

SUMMARISED STATEMENT OF TRADING ACCOUNTS
FOR THE YEARS ENDED 30 JUNE 2022 AND 2023

	2022 $	2023 $
FARMING		
Income		
Gross Profit from Livestock Trading	289,560	20,315
Sales of Milksolids	590,342	558,145
Grazing Income	71,418	1,680
Investment Income (interest, rebates, dividends)	20,466	23,214
Other Income	51,008	27,700
	1,022,794	631,054
Less Expenses:		
Farming	400,609	504,897
Farm Vehicles	6,020	7,799
Repair & Maintenance	58,659	55,880
Administration	42,793	54,632
Fixed & Financial Expenses	-	55
Non Deductible Expenses	28	841
Total Expenses	508,109	624,104
Net Cash Operating Surplus/(Deficit)	**514,685**	**6,950**
Non-Cash Income & Expenses:		
Increase/(Decrease) in Livestock Values & Herd Adjustment	41,439	48,823
Depreciation (net)	(34,633)	(52,785)
Net Surplus before Tax	**521,491**	**2,988**
Less Income Tax Expense	(42,096)	-
Net Surplus after Tax	**479,395**	**2,988**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 30 JUNE 2022 AND 2023

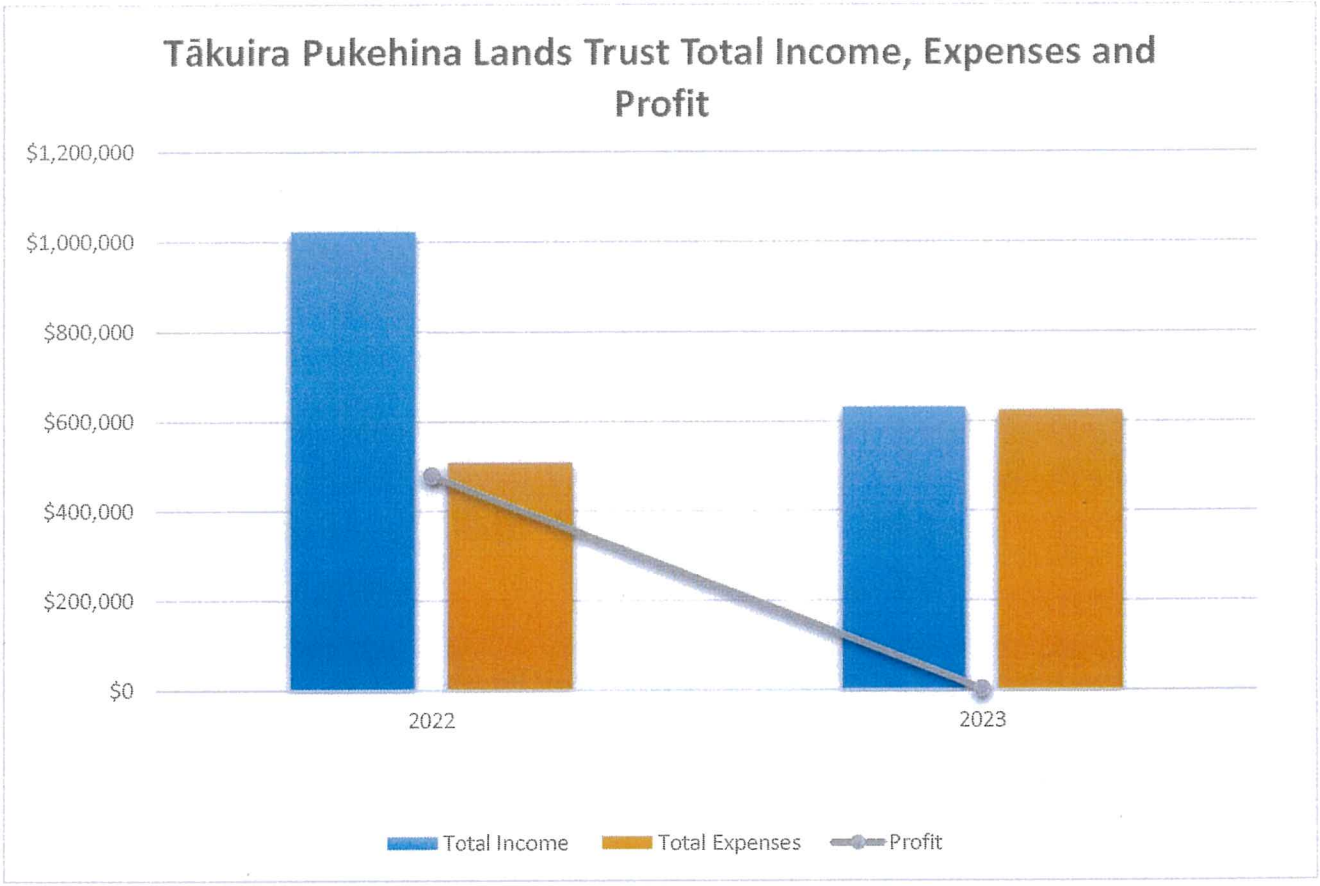
	2022 $	2023 $
EQUITY AT THE BEGINNING OF THE YEAR	5,484,804	5,889,468
SURPLUS/(DEFICIT) & REVALUATIONS		
Surplus for the year	479,395	2,988
Increase in Land & Buildings Revaluation Reserve	-	1,624,159
Increase/(Decrease) in Share Revaluation Reserves	(62,831)	1,162
Kaumatua Grant	(11,400)	(18,900)
Health Grants	(500)	(5,000)
Tangi Grants	-	(2,188)
Total recognised revenues & expenses for the period	404,664	1,602,221
EQUITY AT THE OF THE YEAR	5,889,468	7,491,688

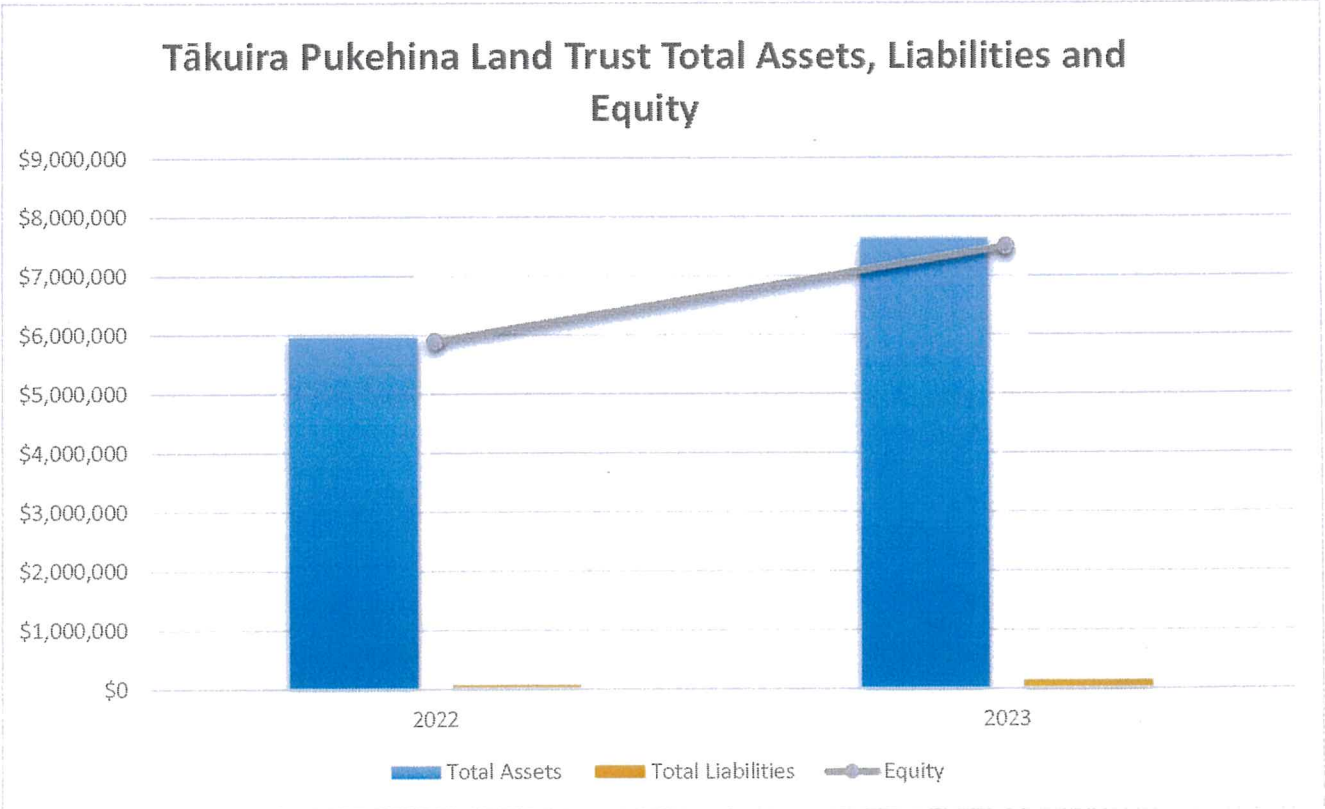
SUMMARISED STATEMENT OF FINANCIAL POSITION

AS AT YEAR ENDED 30 JUNE 2022 AND 2023

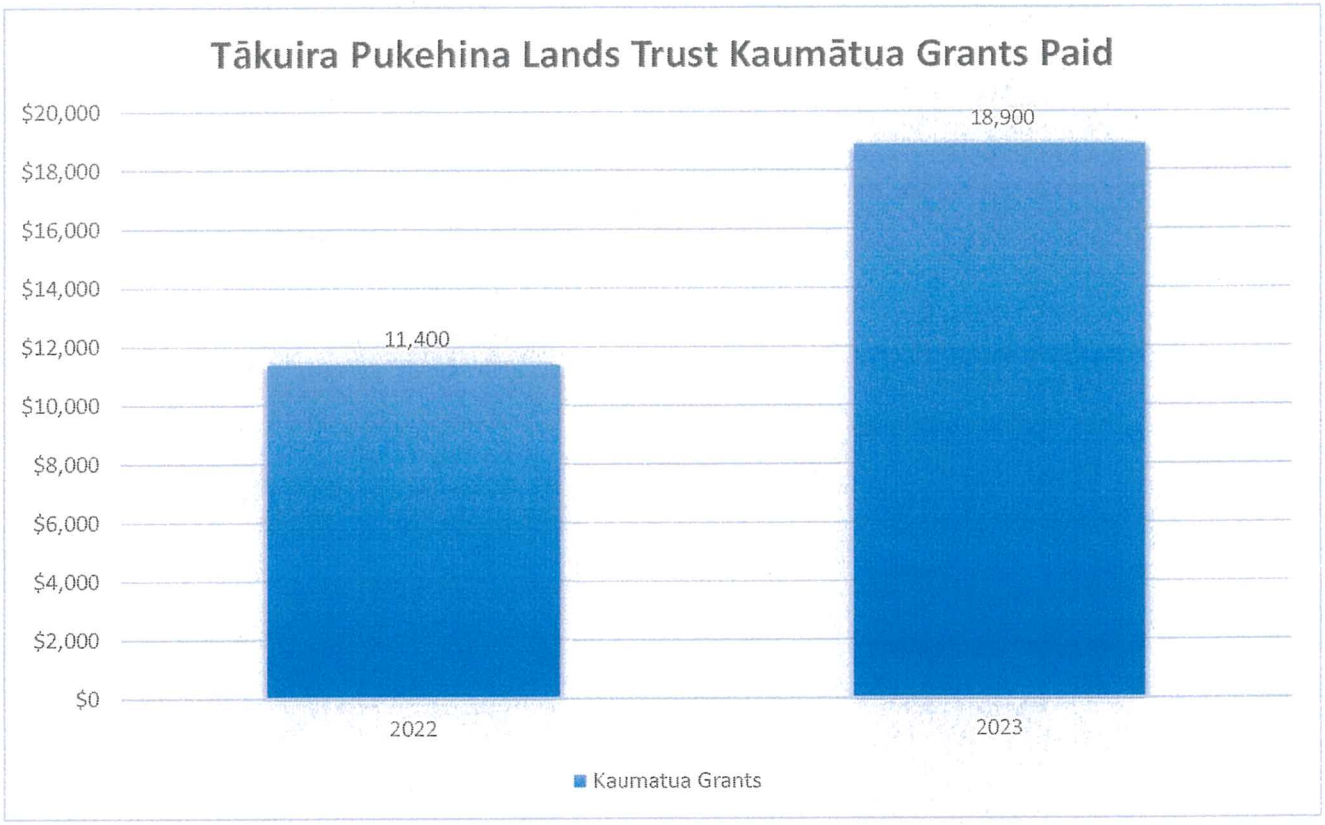
	2022 $	2023 $
CURRENT ASSETS		
Cash at Bank	429,884	442,221
Receivables	22,272	17,631
Accrued Income	13,770	-
Livestock	420,727	469,550
Total Current Assets	886,653	929,402
NON-CURRENT ASSETS		
Fixed Assets	4,832,615	6,461,930
Long Term Investments	238,807	240,106
Total Non Current Assets	5,071,422	6,702,036
TOTAL ASSETS	**5,958,075**	**7,631,438**
CURRENT LIABILITIES		
Creditors & Provisions	68,607	139,750
Total Liabilities	68,607	139,750
NET ASSETS	**5,889,468**	**7,491,688**
TRUST FUNDS		
Retained Earnings (Pre 2004)	1,038,544	1,012,456
Retained Earnings (Post 2004)	1,404,884	1,407,872
Unrealised Reserves	3,394,035	5,019,355
Realised Capital Reserves	52,005	52,005
TOTAL TRUST EQUITY	**5,889,468**	**7,491,688**

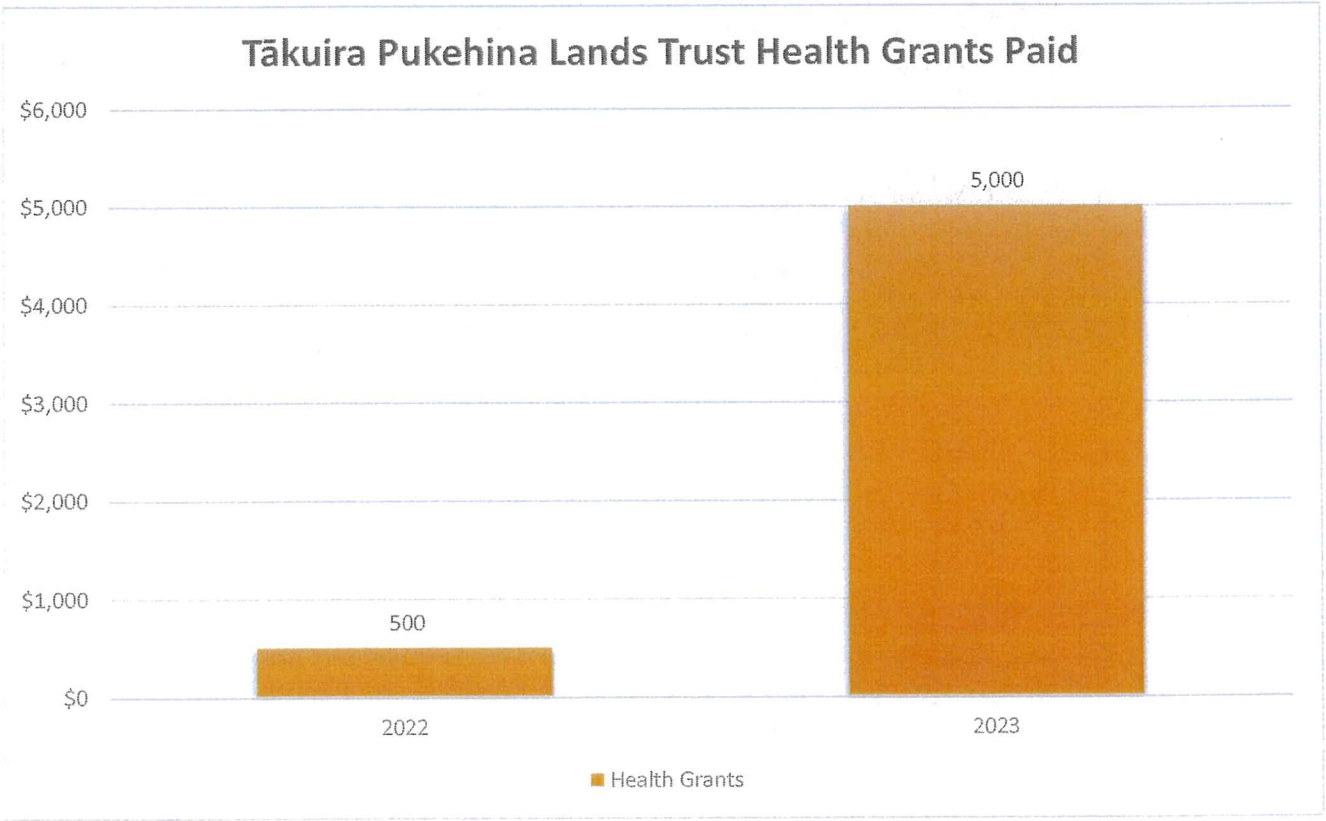
Summarised Graphs for Tākuira Pukehina Lands Trust



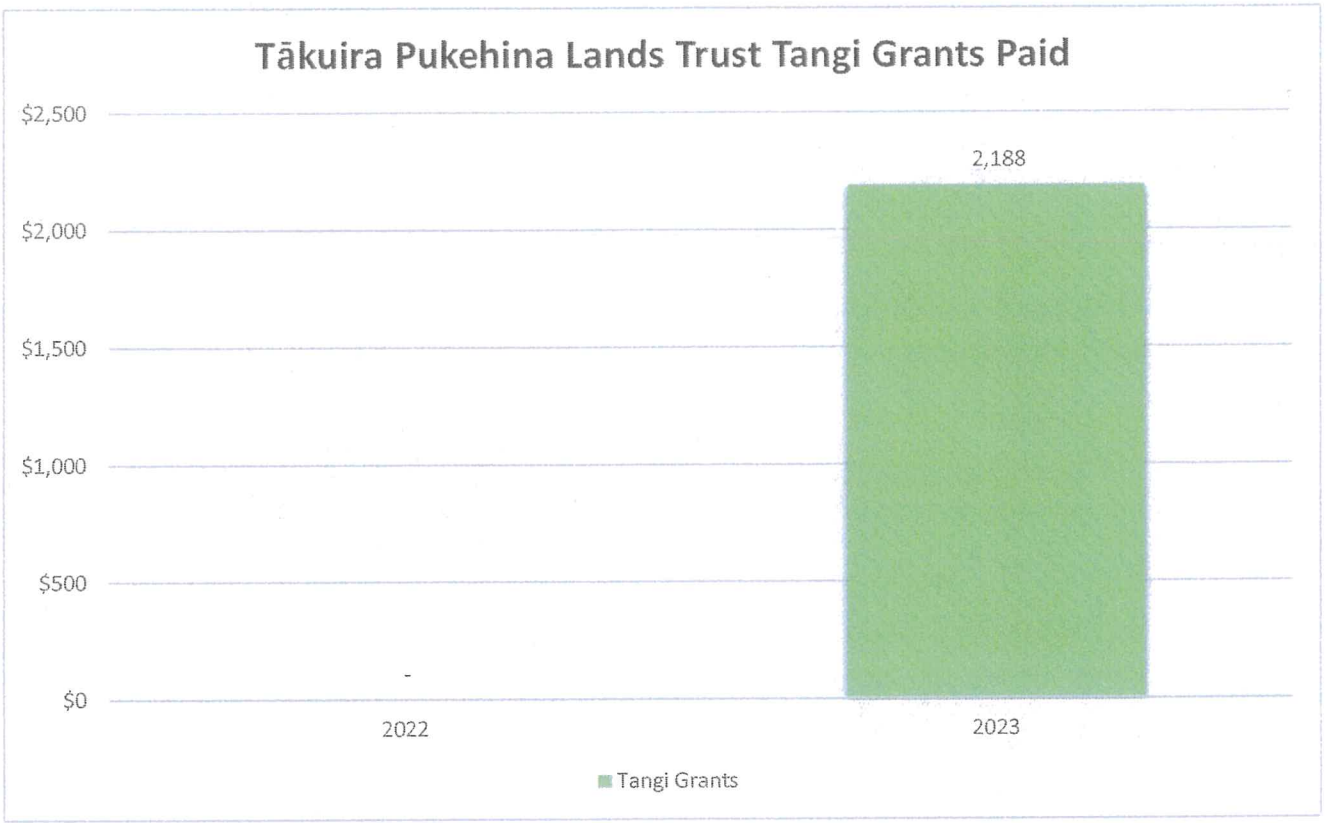


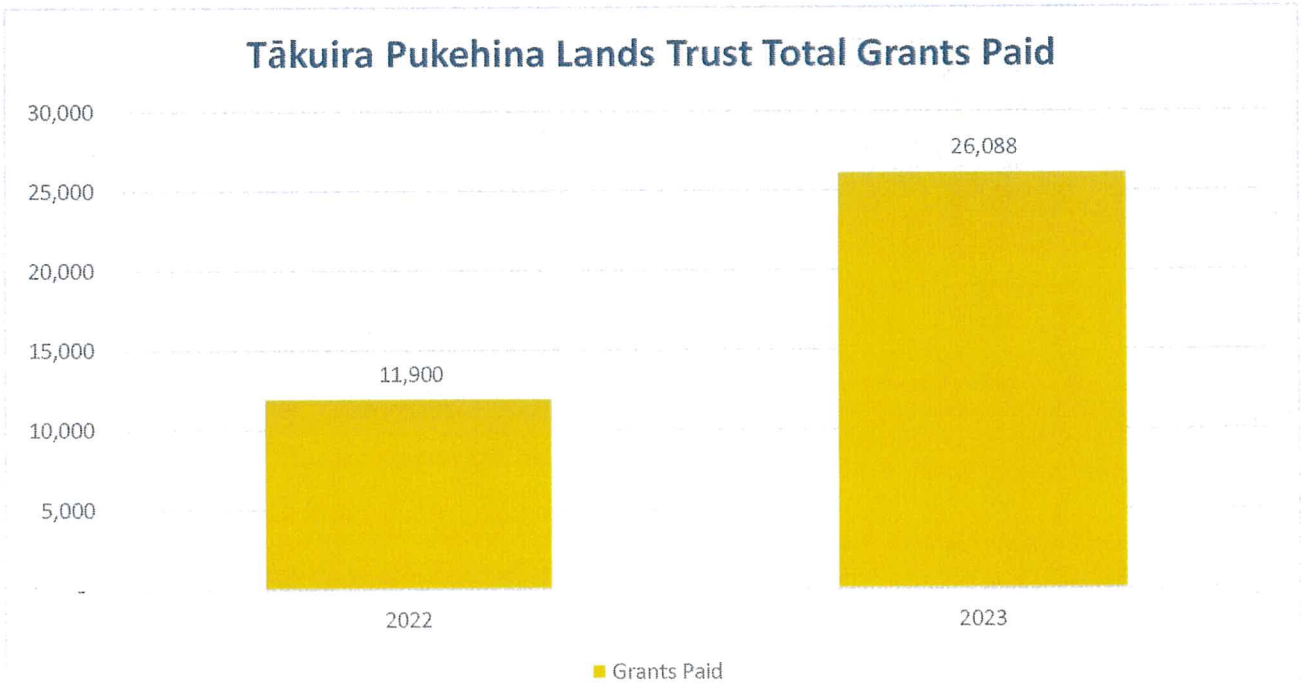
Summarised Graphs for Tākuira Pukehina Lands Trust





Summarised Graphs for Tākuira Pukehina Lands Trust





Takuira Pukehina Lands Trust

Financial Statements
For the Year Ended 31 May 2023

Takuira Pukehina Lands Trust

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For the Year Ended 31 May 2023

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Takuira Pukehina Lands Trust

Directory

As at 31 May 2023

Nature of Business	Dairy Cattle Farming
Trustees	Te Awhe Mikaere Mita Patu Rameka Poihipi Gloria Takuira Hira Takuira-Mita Daryll Simpson
Accountants	Kusabs Lasike Ltd Chartered Accountants
Auditor	Silks Audit Chartered Accountants
Bankers	Westpac
Solicitors	Holland Beckett Law Rotorua
IRD Number	049-109-857

SILKS AUDIT
Chartered Accountants

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

INDEPENDENT AUDITORS REPORT

To the Trustees of Takuira Pukehina Lands Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Takuira Pukehina Lands Trust (the Trust) on pages 4 to 16, which comprise the balance sheet as at 31 May 2023, and the statement of profit or loss and statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information.

Qualified Opinion on Financial Performance

In our opinion, except for the possible effects of the matter described in the basis for Qualified Opinion section of our report, the financial statements of Takuira Pukehina Lands Trust for the year ended 31 May 2023 are prepared, in all material respects, in accordance with the Special Purpose accounting policies as determined by governance (Special Purpose).

Basis for Qualified Opinion on Financial Performance

For the opening livestock on hand as at 31 May 2022, reported as $420,727 on the balance sheet, we did not sight any evidence of an independent count or valuation having been performed, so we were unable to verify the existence or valuation of the opening livestock on hand. We were unable to determine if any adjustments were required to Dairy Cattle sales revenue, the gross profit from Dairy Cattle Trading, and net profit.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Takuira Pukehina Lands Trust.

Whanganui | Ngāmotu | Taupō | Te Papaioea | Rotorua
(06) 345 8539 | tanderson@silks.co.nz | ctown@silks.co.nz | www.silksaudit.co.nz

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the beneficial owners and the Inland Revenue Department. As a result, the financial statements may not be suitable for another purpose.

Trustees' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Trust for determining that the Special Purpose Framework adopted is acceptable in the Trust's circumstances, for the preparation and fair presentation of the financial statements in accordance with the Special Purpose Framework, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditors Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

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- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Distribution or Use

This report is made solely to Trustees as required under the Trust Deed. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Silks Audit

Mark Fraser
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 4th July 2024

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Takuira Pukehina Lands Trust

Statement of Livestock Trading

For the Year Ended 31 May 2023

	2023			2022		
	Qty	Avg. Price	$	Qty	Avg. Price	$
Dairy Cattle Trading Account						
Sales						
Calves	138	46	6,391	147	49	7,186
R2 Heifers	-	-	-	26	1,369	35,594
MA Cows	24	718	17,222	202	1,254	253,407
Breeding Bulls	6	1,899	11,392	7	1,046	7,323
	168		**35,005**	**382**		**303,510**
Purchases						
R2 Steers/Bulls	-	-	-	9	1,550	13,950
Breeding Bulls	6	2,448	14,690	-	-	-
	6		**14,690**	**9**		**13,950**
Cash Surplus for the Year	**162**		**20,315**	**373**		**289,560**
Opening Stock						
R1 Heifers	41	513	21,025	-	-	-
R2 Heifers	48	1,472	70,656	63	1,291	81,333
MA Cows	193	1,697	327,521	193	1,528	294,904
R2 Heifers - NSC	-	-	-	3	763	2,288
MA Cows - NSC	2	763	1,525	1	763	763
Total Opening Stock	**284**		**420,727**	**260**		**379,288**
Closing Stock						
R1 Heifers	-	-	-	41	513	21,025
R2 Heifers	-	-	-	48	1,472	70,656
MA Cows	-	-	-	193	1,697	327,521
R1 Heifers - Mkt Val	39	800	31,200	-	-	-
R2 Heifers - Mkt Val	41	1,600	65,600	-	-	-
MA Cows - Mkt Val	213	1,750	372,750	-	-	-
MA Cows - NSC	-	-	-	2	763	1,525
Total Closing Stock	**293**		**469,550**	**284**		**420,727**
Movement in Livestock Values			**48,823**			**41,439**
Gross Profit from Dairy Cattle Trading			**69,138**			**330,999**

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

Takuira Pukehina Lands Trust

Statement of Livestock Trading (continued)

For the Year Ended 31 May 2023

	2023			2022		
	Qty	Avg. Price	$	Qty	Avg. Price	$
Dairy Cattle Reconciliation of Numbers						
Opening Stock	284			260		
Plus						
Purchases	6			9		
Natural Increase	177			188		
	183			**197**		
Less						
Sales	168			382		
Returned Livestock as per Lease	-			(180)	Refer note below	
Deaths & Missing	6			(29)		
	174			**173**		
Closing Stock Numbers	**293**			**284**		

As per the Deed of Lease of Pukehina M Section 1B No.4 dated 1 August 2001, 180 in calf mixed age cows were returned to the Trust. These livestock were received on 1 June 2021 and sold on 15 June 2021.

Takuira Pukehina Lands Trust

Statement of Profit or Loss

For the Year Ended 31 May 2023

	Note	2023	2022
		$	$
Livestock Trading Revenue			
Gross Profit from Dairy Cattle Trading		69,138	330,999
Operating Revenue			
Environmental Programme		16,400	-
Grazing		1,680	71,418
Hay & Silage		-	24,348
Sale of Milksolids - Current Season L2B		558,145	590,342
Fonterra Dividend		16,728	13,947
Rebates - Ballance Agri-Nutrients		1,294	2,839
Rent Received		6,500	8,500
Sundry Farm Income		4,800	10,400
Gross Profit from Trading		**605,547**	**721,794**
Total Gross Profit		**674,685**	**1,052,793**
Other Income			
Dividends Received		5,154	3,647
Insurance Claims Received		-	7,760
Interest Received		38	33
Depreciation Recovered		163	-
Total Other Income		**5,355**	**11,440**
Gross Profit after Other Income		**680,040**	**1,064,233**

	Note	2023 $	2022 $
Less Expenses			
Farm Expenses			
Animal Health		34,109	41,963
Breeding Expenses		13,163	11,995
Calf Rearing		11,229	24
Cropping & Cultivation		-	24,061
Dairy Shed Expenses		3,650	4,777
Development & Research		4,028	3,859
Environmental Expenses		7,295	-
Farm Advisory		14,700	5,849
Fertiliser Urea		67,152	40,357
Fertiliser & Lime		1,231	1,838
Freight & Cartage		8,789	3,577
Fuel & Oil		6,809	6,006
General Expenses		1,178	2,537
Grazing		-	6,202
Hay & Silage - Making		60,506	-
Hay & Silage - Purchases		-	42,247
Health & Safety		367	-
Lease Livestock		1,770	-
Light, Heat & Power		15,375	14,357
Protective Clothing		2,599	1,240
Rubbish & Waste Disposal		1,874	563
Regrassing		6,349	17,183
Undersowing		20,920	14,608
Soil Testing		1,211	-
Stock Food		66,730	23,406
Wages & Salaries (PAYE)		149,503	127,006
Wages - Relief Contractors		-	1,093
Weed & Pest Control		4,360	5,861
		504,897	**400,609**
Vehicle Expenses			
Farm Vehicles		7,799	6,020
		7,799	**6,020**
Repairs and Maintenance			
Effluent Disposal		8,123	10,571
Fencing, Gates & Yards		25,171	2,152
General		1,075	600
Buildings		77	11,167
Farm Dwelling		1,082	198
Plant & Equipment		3,262	16,464
Milking Plant		9,415	2,890
Tracks & Races		-	12,945
Water Supply		7,675	1,672
		55,880	**58,659**

Takuira Pukehina Lands Trust

Statement of Profit or Loss (continued)

For the Year Ended 31 May 2023

	Note	2023 $	2022 $
Administration Expenses			
Accountancy Fees		14,126	5,000
ACC Levies		3,642	3,612
Advertising		1,042	-
Audit Fee		3,900	2,500
Bank Fees & Charges		438	423
Administration - Client Support		300	250
Doubtful Debts Provision		4,715	-
Insurance		14,631	17,606
Rates		9,504	10,332
Subscriptions		1,748	2,588
Telephone & Internet		-	482
Trustees Expenses		586	-
		54,632	**42,793**
Fixed & Financial Expenses			
Interest - IRD Use of Money		55	-
Non Cash Expenses			
Depreciation		52,948	34,633
Non Deductible Expenses			
Other Non Deductible Expenses		841	28
Total Expenses		**677,052**	**542,742**
Profit before Income Tax		**2,988**	**521,491**
Income Tax Expense	2	-	42,096
Net Profit		**2,988**	**479,395**

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

Takuira Pukehina Lands Trust

Statement of Changes in Equity

For the Year Ended 31 May 2023

	Note	2023 $	2022 $
Revenues and Expenses			
Net Profit		2,988	479,395
Movement in Retained Earning Pre (2004/2005)	8	(26,088)	(11,900)
Movement in Asset Revaluation Reserve		1,624,158	-
Movement in Share Revaluation Reserve		1,162	(62,831)
Total Recognised Revenues and Expenses		**1,602,220**	**404,664**
Trust Funds at the Beginning of the Year		5,889,468	5,484,804
Trust Funds at the End of the Year		**7,491,688**	**5,889,468**

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

Takuira Pukehina Lands Trust

Balance Sheet

As at 31 May 2023

	Note	2023 $	2022 $
Current Assets			
Westpac 00 Encore A/c		439,499	427,189
Westpac Savings A/c		2,722	2,695
Accounts Receivable		19,512	18,872
Less Provision for Doubtful Debts		(4,715)	-
Accrued Income		-	13,770
GST Receivable		2,834	3,400
Dairy Cattle on Hand		469,550	420,727
Total Current Assets		**929,402**	**886,653**
Non-Current Assets			
Property, Plant & Equipment	5	6,461,930	4,814,915
Prepayments - Macadamia Trees		-	17,700
Shares in Listed Companies	6	219,549	218,250
Shares in Unlisted Companies	6	20,557	20,557
Total Non-Current Assets		**6,702,036**	**5,071,422**
Total Assets		**7,631,438**	**5,958,075**
Current Liabilities			
Accounts Payable		84,017	16,912
Accruals		3,901	7,500
Income Tax Payable	3	38,974	38,888
Provision for Holiday Pay		12,858	5,307
Total Liabilities		**139,750**	**68,607**
Net Assets		**7,491,688**	**5,889,468**
Trust Funds			
Retained Earnings (Post 2004/2005)	7	1,407,872	1,404,884
Reserves	8	6,083,816	4,484,584
Total Trust Funds		**7,491,688**	**5,889,468**

Signed _____ Trustee Date 04/07/2024

Signed _____ Trustee Date 04/07/2024

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

Kusabs Lasike Ltd
Chartered Accountants

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 and these financial statements have been prepared in accordance with the requriements of the Act.

The Trust is involved in Dairy Cattle Farming.

Statement of Compliance and Basis of Preparation

These financial statements are of Special Purpose with accounting policies as determined by governance and have been prepared for taxation purposes on the principals contained in the Income Tax Act 2007 and Internal Management Purposes.

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

The financial statements have been prepared on an accrual basis.

The information is presented in New Zealand dollors. 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.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

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

Dividends received are recognised on receipt, gross of non-refundable tax credits.

(b) Biological Assets

Livestock has been recorded for accounting purposes at estimated market values (2022: combination of Herd and NSC). 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 (2022: combination of Herd and NSC). Any difference between market value and tax values is shown in the taxation note.

(c) Trade Receivables

Trade Receivables are recognised at estimated realisable value. Bad debts are written off in the year in which they are identified. Milk proceeds are accrued to balance date as at the milk price at that date, retro payments are recorded in the next financial year.

(d) Property, Plant & Equipment

Property, plant and equipment (except for land & buildings) is recognised at cost less aggregate depreciation. Historical cost includes expenditure directly attributable to the acquisition of asstes, and includes the cost of replacements that are eliginle for capitilisation when these are incurred.
All other repairs and maintenance are recognised as expenses in the Statement of Profit or Loss in the financial period in which they are incurred.
Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007.
Land and buildings have been revalued to the lates ratings valuation dated 01 September 2022. The rating valuation is issued every 3 years.
The revalued portion of buildings has not been depreciated. Revaluations are recorded in asset revaluation reserves in equity.

The folowing estimated depreciation rates/useful lives have beed used:

Farm Development	5%-10% DV
Furniture & Fittings	24%-60% DV
Land & Buildings	0%-16% DV
Macadamia Trees	7.5% DV
Motor Vehicles	13%-30% DV
Office Equipment	50% DV
Plant & Equipment	10%-67% DV

(e) Investments

Investments in listed companies are stated at market value, except for shares held in co-operatively owned companies which are stated at cost. Other non-current investments are stated at cost. Revaluations are recorded in asset revaluation reserves in equity.

(f) 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.

(g) Changes in Accounting Policies

There has been a change in accounting policies due to a change in the valuation method of livestock in the Statement of Livestock Trading from tax values to market values, which has increased the value of livestock on hand. All other policies have been applied on a basis consistent with those from previous financial statements.

2 Tax Reconciliation

	2023	2022
	$	$
Profit before Income Tax	2,988	521,491
Permanent Differences		
Other Non Deductible Expenses	841	28
Imputation Credits	82	101
Tax Losses approved by the IRD	-	(194,059)
Losses from conversion of ICA Credits	(472)	-
Total Permanent Differences	**451**	**(193,930)**
Timing Differences		
Timing Differences	20,641	(37,486)
Permanent Differences	(32,498)	(48,946)
Total Timing Differences	**(11,857)**	**(86,432)**
Taxable (Loss) Income	**(8,418)**	**241,129**
Tax Expense at 17.5%	-	42,198
Imputation Credits Utilised	-	(101)
Tax Expense	**-**	**42,097**

These Losses to be carried forward are subject to Inland Revenue approval. The taxation benefits of losses will be available provided:
The entity complies with conditions for offset imposed by the Income Tax Act 2007 and amendments thereto
No change in taxation legislation adversely affects the entity in realising the taxation benefits of those losses, and
The entity generates assessable income in the future, against which the losses can be offset.

3 Income Tax

	2023	2022
	$	$
Opening Balance	38,888	(1,743)
Plus:		
Provision for Taxation	-	42,097
Refunds	1,743	-
	1,743	**42,097**
Less:		
Dividend Withholding Tax	1,646	-
RWT Paid	11	1,466
	1,657	**1,466**
Income Tax Payable	**38,974**	**38,888**

4 Maori Authority Tax Credit Account Credits

	2023	2022
	$	$
17.5%		
Opening Balance	264,399	262,833
Plus:		
Imputation Credits	83	101
RWT on Investments	909	1,168
	992	**1,168**
Less:		
Tax Refunds	1,743	-
Closing Balance - 31 March 2023	**236,648**	**264,001**
Plus:		
RWT on Investments	748	297
Total Maori Authority Tax Credit Account Credits	**264,396**	**264,399**

5 Property, Plant & Equipment

	Cost	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2023	$	$	$
Land & Buildings	6,272,575	138,526	6,134,049
Farm Development	76,581	26,236	50,345
Plant & Equipment	441,132	232,158	208,974
Motor Vehicles	64,191	12,994	51,197
Furniture & Fittings	9,373	9,130	243
Office Equipment	1,058	529	529
Macadamia Trees	17,700	1,107	16,593
Total Property, Plant & Equipment	**6,882,610**	**420,680**	**6,461,930**

	Cost	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2022	$	$	$
Land & Buildings	4,648,415	134,091	4,514,324
Farm Development	52,682	24,165	28,517
Plant & Equipment	414,843	197,679	217,164
Motor Vehicles	57,756	3,177	54,579
Furniture & Fittings	9,373	9,042	331
Total Property, Plant & Equipment	**5,183,069**	**368,154**	**4,814,915**

Revaluations are recorded in asset revaluation reserves in equity.

6 Term Investments

	Qty	2023 $	2022 $
Shares in Listed Companies			
Farmlands	500	500	500
Fonterra Co-op Group	86,678	218,143	216,695
LIC	788	906	1,055
Total Shares in Listed Companies		**219,549**	**218,250**
Shares in Unlisted Companies			
Ballance Agri Nutrients	2,537	20,550	20,550
Old Coach Road Irrigation Ltd	7	7	7
Total Shares in Unlisted Companies		**20,557**	**20,557**
Total Term Investments		**240,106**	**238,807**

7 Retained Earnings (Post 2004/2005)

	2023 $	2022 $
Opening Balance	1,404,884	925,489
Plus:		
Profit for the Year	2,988	479,395
Total Retained Earnings (Post 2004/2005)	**1,407,872**	**1,404,884**

8 Reserves

	2023 $	2022 $
Realised Capital Reserves		
Opening Balance	52,005	52,005
Closing Balance	**52,005**	**52,005**
Retained Earning Pre (2004/2005)		
Opening Balance	1,038,544	1,050,444
Less:		
- Kaumatua Grants	18,900	11,400
- Tangi Grants	5,000	-
- Health Grants	2,188	500
	26,088	**11,900**
Closing Balance	**1,012,456**	**1,038,544**
Livestock Revaluation Reserve (Herd)		
Opening Balance	(33,559)	(33,559)
Closing Balance	**(33,559)**	**(33,559)**
Asset Revaluation Reserve		
Opening Balance	3,589,237	3,589,238
Movements for the period	1,624,159	-
Closing Balance	**5,213,396**	**3,589,238**

Share Revaluation Reserve		
Opening Balance	(161,644)	(98,813)
Movements for the period	1,162	(62,831)
Closing Balance	**(160,482)**	**(161,644)**
Total Reserves	**6,083,816**	**4,484,584**

9 Westpac Security

The Trust has an overdraft limit with Westpac of $10,000. Security held is a registered first mortage over the residential property situated Pukehina Station Road, Waihi, as legally described in CT SA51D/226.

10 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 (2022 Nil).

11 Capital Commitments

	2023 $	2022 $
Effluent Pond		
There is a capital commitment during the 2024 year for the estabishment of a new effluent pond.	125,000	-

12 Contingent Liabilities

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. See Note 1 Biological Assets.

13 Events Occurring After 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 ocurred so that immediately after the share buyback and cancellation, the same number of shares remain held. The Trust had 14,446 shares cancelled and subdivided at a value of $43,338.
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.