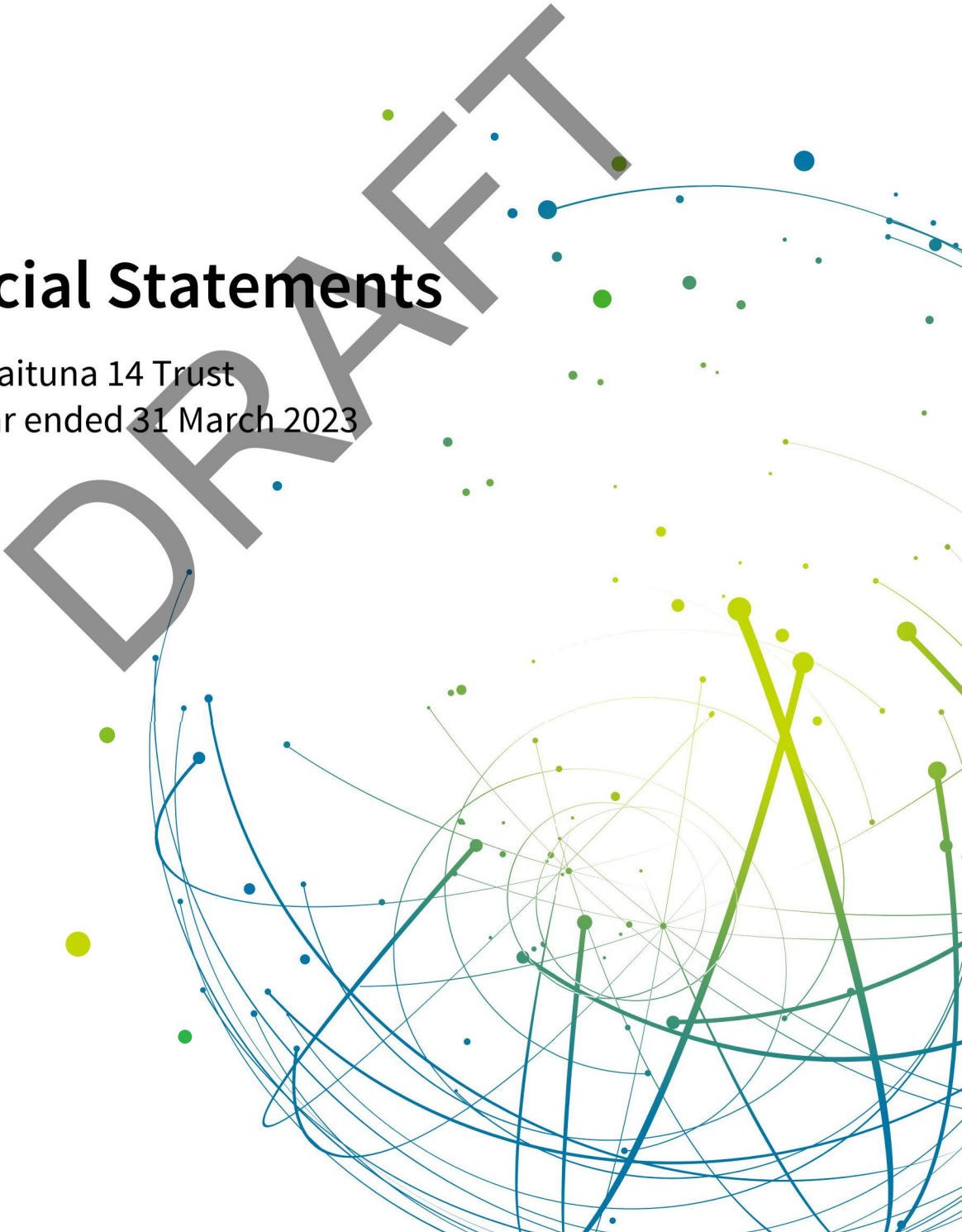


Financial Statements

Te Tumu Kaituna 14 Trust
For the year ended 31 March 2023



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Approval of Financial Report

Te Tumu Kaituna 14 Trust
For the year ended 31 March 2023

The Trustees are pleased to present the approved special purpose financial report of Te Tumu Kaituna 14 Trust for year ended 31 March 2023.

APPROVED

For and on behalf of the Trustees.

Chairman

Dated:

Trustee

Dated:

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Statement of Profit or Loss

Te Tumu Kaituna 14 Trust
For the year ended 31 March 2023

	NOTES	2023	2022
Income			
Trading Income	3	601,922	522,366
Other Income	4	6,413	2,898
Total Income		608,335	525,264
Expenses			
General Operating Expenses	5	25,228	19,034
Administration	6	158,122	92,919
Bell Road Rehab Expenses		82,346	6,814
Finance Charges	6	91	65
Depreciation	6	77	88
Total Expenses		265,864	118,920
Operating Profit Before Taxation		342,471	406,344
Other Gains/(Losses)			
Fair Value Movement in Investments			
Capital Gain on Sale		-	744
Revaluation of Shares		(4,160)	(2,360)
Total Fair Value Movement in Investments		(4,160)	(1,616)
Non-Deductible Expenses			
Development Costs	9	-	313,777
Total Non-Deductible Expenses		-	313,777
Net Profit Before Taxation		338,311	90,951
Taxation Expense			
Taxation Expense	7	59,782	75,928
Net Profit After Taxation		278,529	15,023

This statement is to be read in conjunction with the audit report.

Statement of Changes in Equity

Te Tumu Kaituna 14 Trust
For the year ended 31 March 2023

	2023	2022
Trust Capital		
Opening Balance	13,759,480	20,188,458
Increases		
Trustees Income for the Period	278,529	15,023
Decreases		
Asset Revaluation Reserves	-	6,444,000
Total Decreases	-	6,444,000
Closing Balance	14,038,009	13,759,480

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This statement is to be read in conjunction with the audit report.

Balance Sheet

Te Tumu Kaituna 14 Trust As at 31 March 2023

	NOTES	2023	2022
Assets			
Current Assets			
Cash and Bank	10	552,042	439,945
Trade and Other Receivables		125,884	151,505
Total Current Assets		677,926	591,451
Non-Current Assets			
Investment in Equities	12	11,368	15,528
Project Development Costs	20	2,347,075	2,232,227
Property, Plant and Equipment	13	11,539,950	11,540,027
Total Non-Current Assets		13,898,393	13,787,782
Total Assets		14,576,319	14,379,233
Liabilities			
Current Liabilities			
Income Tax Payable	7	8,128	31,974
Trade Payables		44,205	41,915
GST Payable		9,985	13,109
Total Current Liabilities		62,318	86,998
Non-Current Liabilities			
Ford Land Projects Pty Ltd		475,992	532,755
Total Liabilities		538,310	619,753
Net Assets		14,038,009	13,759,480
Equity			
Accumulated Funds	14	14,038,009	13,759,480
Total Equity		14,038,009	13,759,480

This statement is to be read in conjunction with the audit report.

Notes to the Financial Statements

Te Tumu Kaituna 14 Trust For the year ended 31 March 2023

1. Reporting Entity

Te Tumu Kaituna 14 Trust is a trust originally vested under s438 of the Maori Affairs Act 1953, and continues under Section 215 of Te Ture Whenua Maori Act 1993 as an Ahu Whenua Trust.

Te Tumu Kaituna 14 Trust is in the business of receiving sand royalties.

The special purpose financial report was authorised for issue in accordance with a resolution of trustees.

2. Statement of Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Financial Reporting Framework for use by For-Profit Entities issued by Chartered Accountants Australia and New Zealand.

The financial statements have been prepared for the Trust's owners and Inland Revenue.

Historical Cost

These financial statements have been prepared on a historical cost basis, except for certain assets which have been revalued as identified in specific accounting policies below. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Maori Land Freehold Status

The Trust's land is classified as Maori Freehold land as per the Te Ture Whenua Maori Act 1993 and as such there is a restriction on the sale or disposal of this corpus land.

Revenue Recognition

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

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

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

Royalty income is recognised on receipt.

Accounts Receivable

Accounts Receivable are recognised at fair value. Individual debts that are known to be uncollectable are written off in the period that they are identified.

These notes are to be read in conjunction with the audit report.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Upon derecognition, the asset revaluation reserve relating to the asset disposed shall be transferred to retained earnings.

Land & Improvements

Freehold land and buildings are revalued on a cyclical basis every three years to current ratings valuation, as determined by Land Mass Technology as at 1 July 2021. Revaluation gains are transferred to the asset revaluation reserve for that class of assets. If any revaluation reserve has a deficit, that deficit is recognised in profit or loss in the period it arises. Any revaluation surplus that reverses previous revaluation deficits in subsequent periods is recognised as revenue in profit or loss.

The Trust has been issued with revised rating valuation during the year resulting from an objection raised previously against the valuation as at 1 July 2021.

Impairment of Non-Financial Assets

At each balance date, non-financial assets are classified into four categories: assets measured at fair value; assets currently available that the trust intends to use to the end of its useful life; assets intended to be sold prior to the end of their useful life; and assets damaged or idle at balance date.

Assets measured at fair value, or assets the trust intends to use to the end of their useful life are not reviewed for impairment at balance date.

Assets intended to be sold prior to the end of their useful life, or assets damaged or idle at balance date, are reviewed to determine if any indicators of impairment exist. If indicators exist the asset is tested for impairment to ensure that the carrying amount of the asset is recoverable.

If the recoverable amount of an asset is determined to exceed its carrying amount then the resulting difference is recognised as an impairment loss in profit or loss for that period.

Depreciation

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset using depreciation rates published by Inland Revenue. Assets estimated useful life is reassessed annually. The following estimated depreciation rates have been used:

Asset	Depreciation Method	Depreciation Rate
Land	-	-
Plant & Equipment	Diminishing Value	8% - 40%
Website	-	-

Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

These notes are to be read in conjunction with the audit report.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Financial Instruments - Financial Assets

At initial recognition the trust determines the classification of financial assets as either held at fair value, cost or amortised cost. Financial assets are measured initially at fair value, estimated at the transaction price less any associated transaction costs.

Amortised cost

Includes assets where the trust intends to earn contractual cash flows in the nature of principal and interest payments. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, as well as through the amortisation process.

Cost

Equity instruments are classified as held at cost. Assets are stated at cost less any accumulated impairment loss. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired.

Fair value

Financial assets not held at amortised cost or cost are held at fair value. Assets are subsequently measured at fair value only when the fair value of the instrument can be reliably measured based on a quoted price for an identical asset in an active market. Where no active market price is available the instrument shall be measured at the fair value for a prior year less any accumulated impairment loss.

Gains and losses are recognised in profit or loss for movements in the fair value of the assets and when the assets are derecognised.

Financial Instruments - Financial Liabilities

Financial liabilities, including borrowings and bank overdrafts, are initially measured at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in profit or loss on an effective yield basis.

Project Development Costs

Development costs are expenses incurred in project investigation. Upon commencement of the project, these expenses will be capitalised to the cost of the project. Alternatively if the project does not proceed or is impaired, these expenses will be written off.

	NOTES	2023	2022
3. Trading Income			
Royalties - Sand		601,922	522,366
Total Trading Income		601,922	522,366
	NOTES	2023	2022
4. Other Income			
Dividends Received		1,170	814
Interest Received		5,243	-
Other Income		-	2,084
Total Other Income		6,413	2,898

These notes are to be read in conjunction with the audit report.

	NOTES	2023	2022
5. General Operating Expenses			
Insurance		6,625	6,075
Rates		18,603	12,959
Total General Operating Expenses		25,228	19,034

	NOTES	2023	2022
6. Other Expenses			
Administration			
Advertising		6,099	4,963
Accounting		31,529	23,759
Audit fees		9,535	5,000
General Expenses		696	-
Printing, Stationery & Postage		13,021	6,596
Secretarial		28,423	25,028
Owner Services		32,191	16,587
Meeting & Caterings		7,252	327
Returning Officer		19,785	-
Subscriptions		1,761	1,697
Travel		66	64
Trustees Fees & Expenses		6,718	8,898
Website Costs		1,045	-
Total Administration		158,122	92,919
Finance Charges			
Bank Charges		91	65
Total Finance Charges		91	65
Depreciation			
Depreciation on Assets		77	88
Total Depreciation		77	88
Total Other Expenses		158,290	93,072

These notes are to be read in conjunction with the audit report.

	NOTES	2023	2022
7. Income Tax Expense			
Net Profit Before Tax		338,311	90,951
Prima facie tax expense at 17.5% on net profit before tax		59,204	15,916
Income tax effects of:			
Dividends Received, net of Imputation Credits		32	55
Plus Non Deductible Expenses		-	55,324
Less Non Assessable Income		728	(130)
Prior Year Adjustment		-	5,079
Total Income tax effects of:		760	60,328
Current Tax Expense		59,964	76,244
Imputation Credits Received on Dividends Received		(183)	(317)
Total Income Tax Expense		59,782	75,928
Tax Payable			
Opening Balance		31,974	23,103
Income Tax Paid		(82,000)	(67,000)
Resident Withholding Tax Paid		(1,627)	(57)
Tax Expense		59,781	75,928
Total Tax Payable		8,128	31,974

8. Non-Deductible Expenses - Development Costs

In 2017 the Trustees applied to the Maori Land Court under Te Ture Whenua Maori Act 1993 for orders changing the status of 55.48ha of land from Maori land to general land, for securitisation purposes and Trust Order Variations as supported by the Trusts beneficial owners. In 2018 the Maori Land Court dismissed the applications on the basis that it did not have jurisdiction to change the status of part of a block of Maori land and there were questions over the owners consultation process. The Trust sought to overturn this ruling in the Maori Appellate Court, and then the NZ Court of Appeal when the Maori Appellate Court dismissed the Trust's appeal. On 17 December 2021 the NZ Court of Appeal dismissed the further appeal. The effect of this is that \$313,777 has been written off in 2022 year.

9. Maori Authority Credit Account (MACA)

At balance date Maori Authority Credits available to shareholders were \$431,654 (2022: \$408,630). The closing balance is available to be attached to distributions made by the trusts.

	NOTES	2023	2022
10. Cash and Bank			
BNZ Current Account		80,195	439,945
ANZ Call Account		119,947	-
TD 1001 @ 5.10% due 18/09/2023 for 182D CLOSED		126,425	-
TD 1002 @ 5.65% due 15/03/2024 for 270 D		225,475	-
Total Cash and Bank		552,042	439,945

These notes are to be read in conjunction with the audit report.

	NOTES	2023	2022
14. Equity			
Original Capital	15	605,000	605,000
Capital Reserve	16	563,178	563,178
Retained Earnings	17	2,024,799	1,746,269
Revaluation Reserve	18	10,845,032	10,845,032
Total Equity		14,038,009	13,759,479

	NOTES	2023	2022
15. Original Capital			
Opening Balance		605,000	605,000

The Capital of the Trust is represented by the Government Valuation of the Land and Improvements at the date of the Trust Order i.e. 7 March 1990.

	NOTES	2023	2022
16. Capital Reserve			
Opening Balance		563,178	563,178

	NOTES	2023	2022
17. Retained Earnings			
Opening Balance		1,746,269	1,731,247
Net Surplus After Taxation		278,530	15,022
Closing Balance		2,024,799	1,746,269

	NOTES	2023	2022
18. Revaluation Reserve			
Property Revaluation Reserve			
Opening Balance		10,833,082	17,277,082
Revaluation during year		-	(6,444,000)
Total Property Revaluation Reserve		10,833,082	10,833,082
Investment Revaluation Reserve			
Opening Balance		11,950	11,950
Total Investment Revaluation Reserve		11,950	11,950
Total Revaluation Reserve		10,845,032	10,845,032

These notes are to be read in conjunction with the audit report.

19. Contingent Assets & Liabilities

There is a contingent liability amounting to \$73,402 (2022: \$73,402) inclusive of GST in respect of Tauranga City Council postponed rates and fees. The rates and fees become payable if the Trust's land use changes, or the land is subdivided or changes ownership.

Other than the above, there are no other known material contingent assets or liabilities at year end.

20. Project Development Costs

Some costs have been incurred on the Trust's behalf by Ford Land Projects Limited and are sitting as an outstanding payable. The repayment of these costs will be negotiated when the land development proceeds.

21. Capital Commitments

There are no known material capital commitments to disclose at 31 March 2023 (2022: None).

22. Events Subsequent to Balance Date

There has been no subsequent event as at Balance Date.

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