



WHAREONGAONGA 5 BLOCKS TRUST

Annual Report

YEAR ENDED 31 MARCH 2022

Audit · Tax · Advisory



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Approval of Financial Report

Whareongaonga 5 Blocks Trust For the year ended 31 March 2022

The Trustees are pleased to present the approved financial report including the historical financial statements of Whareongaonga 5 Blocks Trust for the year ended 31 March 2022.

Approved

For and on behalf of the Trustees:



Chairperson

27 July 2022

Date

Notice of Annual General Meeting

Whareongaonga 5 Blocks Trust For the year ended 31 March 2022

Notice is hereby given that the Annual General Meeting of beneficial owners will be held at Rangiwaho Marae on Saturday 6th August 2022 at 10am.

AGENDA

1. Mihi/Karakia.
2. Apologies.
3. Minutes of previous Annual General Meeting.
4. Chairperson and Trustee Reports.
5. Annual Accounts for the year ended 31 March 2022.
6. Election - to fill one position, caused by the retirement by rotation of Rachel Porou-Wetere who being eligible offers herself for re-election, and is automatically nominated.

Note: (1) Nominations duly completed by nominator and candidate must be lodged at the Trust's office, 1 Peel Street Gisborne not later than 10am Monday 1st August 2022.

(2) Proxy forms and Powers of Attorney must be lodged at the Trust's office by 10am Thursday 4th August 2022.

7. Distribution recommendations.
8. Appointment of Auditor.
9. Trust Deed Review
10. General Business.

M Blandford
CHAIRPERSON

whareongaonga5@gmail.com
Facebook Whareongaonga 5 Blocks Trust
BDO Office 06 869 1400 or mbu@bdo.co.nz

2021 AGM Minutes

Whareongaonga 5 Blocks Trust

Held as a Virtual AGM on Thursday 23 September 2021

PRESENT:

R Porou-Wetere, A Whakataka, H Porou, J Pleydell and T Ferris.

In attendance: K Potae and M Blandford.

PRESENT FROM ATTENDANCE LIST: O Rarere, J Matenga, W Pohatu, M Keefe, J Solomon, D Akuhata Brown, C Tangiora, T H D Pomana, R Williams, F Pomana, V Matenga, W F Pleydell, L L Pohatu-Johnston, C Matenga-Waitere, J Peterson, H Feast, V Stuart, M Higgins, T T McClutchie, B C McKay, M P Waaka, M R W N Pohatu, H Henare, R P Kohere, V O Pickett, C Hawkins, T Wyllie, K Morgan, J Ripia, P Solomon, Y Waitere, P K Robinson, N V Russell.
In person we had V Makara and M Hare.

APOLOGIES:

L Ratana, M Pohatu, D Robinson, P Dennis, H Pohatu, F Pomana, V Emenual, T Emenual, L Pohatu, K Keefe, and C Matere. The apologies were approved. *Moved K Morgan/seconded F Pleydell.*

MINUTES:

R Porou-Wetere read through the minutes of the AGM held 22nd August 2020. The minutes were approved. *Moved K Morgan/seconded A Whakataka.*

MATTERS ARISING:

- The query was raised in regards to shareholders not being able to access a computer to join a virtual AGM and asked if any consideration would be given in regards to receiving grants and/or voting. J Pleydell advised that there are proxy's available for any shareholder who is unable to attend and in regards to any grant payments for the shareholders to contact the office.
- The query was raised if shareholders are able to apply for the kaumatua grant. It was noted that if the shareholder was over 70 the meeting advised that those over 70 are eligible for the kaumatua grant irrelevant of whether or not they attend the AGM. A shareholder online asked if they were eligible for the grant that would be declared today and it was confirmed that, yes, their attendance would be noted, and should they meet the criteria they would be eligible.
- A query was raised in regards to tangihanga koha. This was for Brenda Taite as her husband had passed. The shareholder asked that as she was attending that tangihanga she connected to the zoom albeit for a brief moment at last year's AGM and however did not receive the attendance fee. This was for T K McClutchie. She advised she was not concerned about not getting it but was just enquiring about the process.
- The meeting asked for an update on the history book today and was advised that an update would be given under the operational report.
- T K McClutchie asked for the Trustees to consider weekend AGM's going forward. This was noted.

CHAIR REPORT:

R Porou-Wetere read her report to the meeting. This outlined the background to the new logo for the trust. The meeting was overwhelmingly positive in regards to the new logo that is being put in place. The chair report was approved. *Moved L Pohatu/seconded K Morgan.*

OPERATIONAL REPORT:

M Blandford gave an update to the meeting in regards to his report for the AGM.

The key points of the operational report were in regards to the PGF project where fencing is being erected to control goats, so they don't hinder native reversion. Photos of the project were shared. An update was given in regards to the wahi tapu of which 205 sites have been recorded and mapped my Noel Pohatu. The meeting was updated that there is one rogue wild bull left on the property yet to be removed.

An update in regards to the land that was been gifted to Rangiwaho Marae so they can implement papakainga was discussed. There was a query on where this land was situated, a map was shared with the meeting, and all were comfortable about the land being made available to Rangiwaho Marae.

A query was raised as to how someone goes about gaining access to the property. The meeting was advised that in the first instance they can contact the BDO office who can engage the operations manager in regards to access. The meeting discussed holding an owners visit at some time in the future covid lockdown levels permitting.

The meeting asked if the history book will be reviewed by the Trustees prior to publication and it was confirmed that they will review it before it went to publication.

A query was raised in regards to a natural spring that sits above Rangiwaho which was confirmed this is not on the papakainga site as it is further up. The query was raised more as all are aware of the value of water and if that spring was included in the land being gifted to Rangiwaho. It was confirmed it is not part of that land. T Ferris outlined that the papakainga project is not that of the Trust, but that of the Rangiwaho Marae Committee. It was confirmed that the Trust will incur the cost to survey out the section of which it is budgeted for \$5,000. The area being gifted is less than an acre.

Michael Keefe shared his attachment to Whareongaonga 5 Blocks Trust. His korero was noted with R Porou-Wetere suggesting that he is contacted to contribute his stories to the history book.

The operational report was approved. *Moved L Pohatu/seconded K Morgan.*

ANNUAL ACCOUNTS:

K Potae took the meeting through the financial results for the period ended 31 March 2021. This year the Trust traded at a net deficit of \$87,492 which is primarily due to the timing of the PGF project with expenditure coming in ahead of contract funding.

The meeting discussed the increase in land value and the impact that this will have on the rates going forward. It was advised that there has been large regional price increases for property, which is reflected in the rateable valuation, however as we all part of the same rateable base and have moved up the impact should be minimal. The query was raised in regards to the wage cost for the year and this was confirmed that the operational manager part way through the year being K Wharehinga had resigned with M Blandford taking on the role.

It was agreed that the AGM booklet pack will be emailed out to all owners again following the AGM.

The annual report was approved. *Moved F Pleydell/seconded V O Pickett*

ELECTIONS:

R Porou-Wetere announced that the Trust has received two valid nominations for the vacant position available today due to the retirement of A Whakataka. The two nominees both addressed the meeting, one being M Blandford and the other L Pohatu. L Pohatu advised during the process that she would withdraw her nomination as she is satisfied with the work that M Blandford is undertaking for the Trust today. She did however ask that he did not withdraw as a Trustee like he did last time around. The meeting ratified the appointment of M Blandford subject to the Maori Land Court process as Trustee for the Trust.

DISTRIBUTIONS:

The Trustees recommended the following distributions:

- Attendance fee for all in attendance today of \$100 per shareholder. If a whanau trust is a shareholder there is only one attendance fee paid.
- Education grant fund of \$7,000.
- Scholarship fund of \$7,000.
- Donation fund of \$15,000 of which the Trust is committed to paying one third of the marae insurance cost for Rangiwaho and Muriwai Marae.
- Tangi grant of \$200 per valid request with a maximum pool of \$5,000 in any one year.
- Kaumatua grant of \$100 per shareholder and if there is a whanau trust there is only one kaumatua grant per trust. The requirements are that the shareholder is aged 60-69 and must be in attendance at the AGM, for those 70+ the payment is automatic.
- The appointment of auditors being Coates Associates Limited.

The recommendations were approved. *Moved F Pleydell/seconded K Morgan.*

T K McClutchie asked if it could be checked on her last year's attendance fee.

GENERAL BUSINESS:

A Whakataka stood and asked the Trustees to consider in the future a dividend payment.

Subject to covid and lockdown rules the Trustees would be looking to hold the AGM at the marae next year which could be either Rangiwaho or Muriwai.

A query was raised if whanau could partition out land to build on. J Pleydell responded that anyone can apply, however the final decision sits with the Maori Land Court. It was noted that a barrier can be getting majority support for that application to go through as many of the shareholders have not been succeeded to. A discussion was held on finding shareholders which could be a potential wananga in the future.

R Porou-Wetere shared information with the owners on the purchase after balance date of 95 Paritu Road. Location and pictures were shown of the property. The meeting were pleased that the purchase had been undertaken.

Robin Pohatu wanted it known that she was attending on behalf of a whanau trust, being the Matu Pohatu Whakanui and Mere Rose Wharehinga Pohatu Whanau Trust.

J Pleydell wanted it noted in the minutes that last year at the time of receiving her education grant she was not a trustee. She felt it appropriate to speak to that for transparency.

Acknowledgement was given of the education grants that, and thanks given to the Trustees.

A query had been raised if there was any cropping being undertaken on Whareongaonga lands as there is no flat cropping land there is no cropping undertaken.

Mrs Matenga put forward a request if anyone has a photo of Nanny Tere Te Rito. The meeting ensued in a conversation around whakapapa and how everyone connects.

It was commented that the shareholders would like to access clothing with the Whareongaonga logo on it and if those were to be produced, they would be interested in purchasing.

12:25PM the meeting was closed with a karakia by H Porou.

.....Chairperson

.....Date

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Whareongaonga 5 Blocks Trust

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of the Whareongaonga 5 Blocks Trust on pages 2 to 22 which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit or Loss, Statement of Movements in Equity for the period then ended and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion the financial statements on pages 2 to 22 present fairly, in all material respects, the financial position of Whareongaonga 5 Blocks Trust as at 31 March 2022, and its financial performance for the period then ended, in accordance with the accounting policies set out in the Notes to the Financial Statements.

Basis for Opinion

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 as issued by the New Zealand Auditing and Assurance Standards Board, 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, Whareongaonga 5 Blocks Trust.

Basis of Accounting

Without modifying our opinion, we draw attention to the Notes to the Financial Statements, which describes the basis of accounting. The financial statements are prepared for internal management purposes in accordance with the CAANZ Special Purpose Framework for For-Profit-Entities (SPFR for FPE's). As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the shareholders of the Whareongaonga 5 Blocks Trust and should not be relied upon by other parties.

Other Information

The other information comprises the Notice of AGM and 2021 AGM minutes. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Trustees for the Financial Statements

The trustees are responsible on behalf of the trust for the preparation and fair presentation of the financial statements 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.

Auditor's Responsibility 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the trustees 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 overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees 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.

Coates Associates Ltd

27 July 2022
Coates Associates Ltd
300 Childers Road
Gisborne

Trust Directory

Whareongaonga 5 Blocks Trust For the year ended 31 March 2022

Trustees

M Blandford (Appointed 27/01/2022) (Chairperson)
R Porou-Wetere
H Porou
A Whakataka (Retired 23/09/2021)
T Ferris
J Pleydell (Deputy Chairperson)

Operations Manager

M Blandford (Resigned 23/09/2021)

Nature of Business

Forestry
Land Management & Development

IRD Number

068-848-091

Secretary

Kylee Potae
BDO Gisborne

Chartered Accountant

BDO Gisborne Ltd
1 Peel Street
Gisborne

Bankers

ANZ Bank
Gisborne

Auditors

Coates Associates Limited
Gisborne

Compilation Report and Disclaimer of Liability

Whareongaonga 5 Blocks Trust For the year ended 31 March 2022

Scope

On the basis of information you provided we have compiled, in accordance with Service Engagement Standard No 2: Compilation of Financial Information, the special purpose financial statements of Whareongaonga 5 Blocks Trust for the year ended 31 March 2022. These have been prepared on the basis disclosed in note 1 to the financial statements.

Responsibilities

The Trustees are solely responsible for the information contained in the financial statements and have determined that the financial reporting framework used is appropriate to meet their needs and the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for the Trustees benefit. We do not accept responsibility to any other person for the contents of the financial statements.

Independence

We are not independent of the Trust because a Director of this firm is the Secretary for the trust.

No audit or review engagement undertaken

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

Disclaimer of liability

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on these financial statements.



Director
BDO Gisborne Ltd
1 Peel Street
Gisborne

Dated: 27 July 2022

PGF - Profit and Loss

Whareongaonga 5 Blocks Trust For the year ended 31 March 2022

	NOTES	2022	2021
Income			
Contract		168,473	517,192
Total Income		168,473	517,192
Expenses			
PGF Fencing - Contractor / Scrub & Line Clearing		-	182,284
PGF Materials / Machinery		21,479	92,522
PGF Machine Hire		3,653	235,357
PGF Tracking		3,878	60,804
PGF Training		-	29,720
PGF Project management & administration		13,294	42,675
Total Expenses		42,303	643,362
Net PGF Profit / (Loss)		126,170	(126,170)

This statement should be read with the Compilation Report-Disclaimer of Liability and Notes to the Financial Statements.

Expenses

Whareongaonga 5 Blocks Trust For the year ended 31 March 2022

	2022	2021
Expenses		
Farm operating & maintenance		
Animal Health	-	800
ACC Levies	190	(137)
Bank Fees	130	70
Building R & M	331	-
Electricity & Gas	1,225	1,294
Equipment Hire	-	387
Fencing & Yards	-	104
General expenses	4,545	8,806
General R&M	-	1,725
Roading & drainage	7,797	190
Vehicle Expenses	5,741	4,656
Wages	1,590	30,692
Total Farm operating & maintenance	21,549	48,587
Homestead operating & maintenance		
Homestead - R & M	20,097	8,359
Homestead - insurance	3,822	2,312
Total Homestead operating & maintenance	23,919	10,672
Paritu Road		
Interest Payable - ANZ Home loan	9,934	-
Legal	1,007	-
Paritu Rd - Property Manager	645	-
Paritu Rd - Electricity	1,511	-
Paritu Rd - Rates	1,147	-
Paritu Rd - R&M	3,421	-
Paritu Rd - Insurance	3,582	-
Total Paritu Road	21,247	-
Rates and insurance		
Insurance	2,631	2,096
Rates	9,601	9,156
Total Rates and insurance	12,232	11,252

This statement should be read with the Compilation Report-Disclaimer of Liability and Notes to the Financial Statements.

	2022	2021
Administration expenses		
Accountancy - Fees	37,250	32,210
Accountancy - Unquoted	10,220	18,796
Audit Fees	4,500	4,500
AGM expenses	4,626	1,471
Consultancy Fees	24,698	20,236
Private Banking Fees	13,898	14,346
Trustee Expenses	1,724	1,351
Trustee Fees	23,852	17,526
PIE withholding tax	4,149	9,238
Total Administration expenses	124,917	119,674
Finance expenses		
Interest Payable - ANZ	1,811	19
Total Finance expenses	1,811	19

This statement should be read with the Compilation Report-Disclaimer of Liability and Notes to the Financial Statements.

Statement of Profit or Loss

Whareongaonga 5 Blocks Trust For the year ended 31 March 2022

	NOTES	2022	2021
Income			
PGF Contract		126,170	(126,170)
Tractor hire		-	30,066
Aratu lease		9,800	9,778
Honey Income		50,000	95,000
Rent Received		8,100	5,100
Grazing Income		-	8,839
Livestock proceeds		-	5,503
Total Income		194,070	28,115
Other Income			
Interest Income			
ANZ Bank - Interest		1,703	15,680
Total Interest Income		1,703	15,680
Private Banking			
Private Banking - Interest		7,648	21,182
Cash basis holders adjustment		(25,474)	-
Private Banking - Dividends		23,058	72,350
PIE unlisted loss (not claimable)		(22,858)	-
Foreign exchange Gain/(loss)		25	-
Total Private Banking		(17,602)	93,532
Total Other Income		(15,899)	109,212
Gross Income		178,171	137,327
Expenses			
Farm operating & maintenance		21,549	48,587
Homestead operating & maintenance		23,919	10,672
Paritu Road		21,247	-
Rates and insurance		12,232	11,252
Administration		124,917	119,674
Finance Expenses		1,811	19
Total Expenses		205,674	190,204
Depreciation and amortisation			
Amortisation		29,041	-
Depreciation		38,669	15,213
Depreciation - Forestry		18,237	19,402
Total Depreciation and amortisation		85,947	34,615
Surplus / (deficit) before taxation		(113,450)	(87,492)
Net surplus / (deficit) for the year		(113,450)	(87,492)

This statement should be read with the Compilation Report-Disclaimer of Liability and Notes to the Financial Statements.

Statement of Movements in Equity

Whareongaonga 5 Blocks Trust For the year ended 31 March 2022

	2022	2021
Trust Equity		
Opening Balance	7,737,490	6,900,517
Surplus / (deficit) for period	(113,450)	(87,492)
Grants & Donations	(17,400)	(22,750)
Imputation Credits converted to losses	(4,772)	(3,997)
Investment revaluation reserve	14,890	147,172
Property Revaluation Reserve	-	804,040
Total Trust Equity	7,616,758	7,737,490

This statement should be read with the Compilation Report-Disclaimer of Liability and Notes to the Financial Statements.

Balance Sheet

Whareongaonga 5 Blocks Trust As at 31 March 2022

	NOTES	2022	2021
Assets			
Current assets			
Bank accounts	2	155,906	111,339
GST receivable		-	29,324
Income tax receivable	17	4,148	8,063
Accounts Receivable		57,500	216,944
Interest Accrued		-	2,281
Total Current assets		217,555	367,950
Non current assets			
Property, plant and equipment	5	5,275,404	4,252,703
Forestry	7	285,720	303,957
Investments	8	2,360,218	3,188,994
Total Non current assets		7,921,343	7,745,653
Total Assets		8,138,898	8,113,603
Liabilities			
Current liabilities			
GST payable		600	-
Account payable		24,512	219,989
Rent received in advance		8,216	8,216
Unclaimed Dividends		142,312	147,907
Total Current liabilities		175,640	376,113
Non current liabilities			
ANZ Loan Advance	6	346,500	-
Total Non current liabilities		346,500	-
Total Liabilities		522,140	376,113
Net Assets		7,616,758	7,737,490
Equity			
Trust Equity	3	7,616,758	7,737,490
Total Equity		7,616,758	7,737,490

This statement should be read with the Compilation Report-Disclaimer of Liability and Notes to the Financial Statements.

Notes to the Financial Statements

Whareongaonga 5 Blocks Trust For the year ended 31 March 2022

1. Statement of Accounting Policies

Reporting entity

The financial statements presented here are for the entity Whareongaonga 5 Blocks Trust.

Nature of business

The trust is engaged in Forestry, Land Management & Development. The nature of the trust's business has not changed during the year under review.

Basis of preparation

These financial statements have been prepared in accordance with A Special Purpose Framework for use by For-Profit Entities (SPFT for FPEs) published by Chartered Accountants Australia and New Zealand.

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.

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.

Forestry income is recognised on sale or harvest of the forest.

Lease income is recognised on a straight line basis over the life of the lease.

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

Dividends received are recognised on receipt. The Gross amount of the dividend is recorded and any tax credits refundable or non refundable are handled in the tax expense calculation.

Accounts receivable

Accounts Receivable are stated at expected realisable value, after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified.

Forestry

The forestry asset is made up of roading costs, which are amortised at a rate of 6%.

Property, plant & equipment and depreciation

Plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Depreciation is provided at the maximum rates permitted by the Income Tax Act 2007.

Land and Buildings are stated at rateable value..

The depreciation rates used are as follows:

Land 0% DV

This statement should be read with the Compilation Report-Disclaimer of Liability.

Buildings 3%-4% SL
Motor vehicles 30% DV
Plant and equipment 10-30% DV
Development expenditure 6% DV

Where an item of property, plant or equipment is disposed of, the gain or loss recognised in the statement of financial performance is calculated as the difference between the sale price and the carrying amount of the asset.

Investments

Investments have been revalued to market values excluding the Farmlands Ltd shares which are shown at cost.

Development expenditure amortisation

Expenditure relating to improvements to the land of the types covered by sections DO4 and D10 of the Income Tax Act 2007 have been capitalised and amortised at various rates in accordance with Schedule 20 of the Act.

Income tax

Provision is made for taxation after taking full advantage of all deductions and concessions permitted using the taxes payable method.

Goods and services tax

The financial statements are stated exclusive of goods and services tax (GST) except for accounts receivable and accounts payable, which are stated inclusive of GST.

Carbon Credits

Carbon Credits are not recorded on the Balance Sheet. They are only recorded in the Statement of Financial Performance when they are sold. Value of carbon credits sold during FY2018 is \$1,078,875. This income has been transferred to capital Reserves as it was tax exempt income.

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.

2022 2021

2. Bank Accounts

Bank Accounts		
ANZ 00-Cheque Account	38,049	4,179
ANZ 01-Private Current Account	115,993	105,540
ANZ 02-Serious Saver	1,864	1,620
Total Bank Accounts	155,906	111,339

2022 2021

3. Equity

Retained earnings/(accumulated losses)		
Opening Balance	4,076,462	4,190,701
Current Year Earnings	(113,450)	(87,492)
Donations	-	(8,750)
Attendance Grant	(2,800)	(2,100)
Education Grants	(10,000)	(6,800)
Kaumatua Grants	(4,000)	(4,100)
Tangi Grants	(600)	(1,000)
Imputation Credits converted to losses	(4,772)	(3,997)
Total Retained earnings/(accumulated losses)	3,940,839	4,076,462
Capital reserves		
Opening Balance	1,078,875	1,078,875
Total Capital reserves	1,078,875	1,078,875
Asset revaluation reserve		
Property Revaluation Reserve		
Opening Balance	2,219,680	1,415,640
Property revaluation reserve	-	804,040
Total Property Revaluation Reserve	2,219,680	2,219,680
Investment revaluation reserve		
Opening Balance	362,474	215,301
Investment revaluation reserve	14,890	147,172
Total Investment revaluation reserve	377,364	362,474
Total Asset revaluation reserve	2,597,044	2,582,154
Total Equity	7,616,758	7,737,490

Shareholding

Total shares = 14,535

4. Settlement from Maori Trustee

The Whareongaonga 5 Blocks Trust (the Trust) was set up on 8 May 1997 when the Whareongaonga land was transferred from the Maori Trustee to the Trust as per the vesting order from the Maori Land Court. The Trust received a settlement payment from the Maori Trustee of \$10,142 on 17 October 1997. Land and Buildings, and other improvements, were transferred from the Maori Trustee at Government Valuation on 1 September 1996. Included in the land transferred is the lease to Aratu Forests Ltd which includes an interest in forestry planted by the leasee.

2022 2021

5. Property, plant and equipment

Land & Buildings

Land & Buildings	5,036,611	4,236,611
Accumulated depreciation	(86,106)	(66,078)
Total Land & Buildings	4,950,505	4,170,533

Plant and vehicles

Plant and Vehicles at cost	104,709	104,709
Accumulated depreciation	(41,180)	(22,539)
Total Plant and vehicles	63,529	82,170

Total Property, plant and equipment	5,014,034	4,252,703
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Land and buildings valuations

Ratings valuation 01 September 2020

	Hectares	Land Value	Improvements Value	Capital Value
Pt Whareongaonga 5 ML 6280 & Closed Road	1,954.4079	3,475,000	545,000	4,020,000
Pt Lot 5 DP 2925	79.5207	151,000	6,000	157,000
95 Paritu Road	2.4320	105,000	325,000	430,000
Total	2,036.3606	3,731,000	867,000	4,607,000

2022 2021

Net book value (balance sheet purposes)

Opening balance	4,170,533	3,372,960
Plus revaluation	-	804,040
Plus additions at cost	800,000	-
Less depreciation	(20,028)	(6,467)
Total Net book value (balance sheet purposes)	4,950,505	4,170,533

Land and buildings have been restated to rateable value in accordance with the valuation report dated 1 September 2020 by Lewis Wright Limited. Land and buildings are revalued every three years.

	2022	2021
Development Expenditure		
Opening Balance	-	-
Plus Additions since	290,412	-
Less amortisation since	(29,041)	-
Total Development Expenditure	261,371	-

6. Non Current Liabilities

The closing Balance of ANZ Loan Advance account is \$346,500 with maturity date 16 July 2023. Interest rate changed from 4.44% p.a. to 4.59% p.a. as at 26 Oct 2021, then to 4.79% p.a. as at 15 Dec 2021 and to new rate 5.04% p.a. as at 15 Mar 2022. Total interest paid from 01 April 2021 to 31 March 2022 is \$9,933.82, with \$1,449.98 interest owing as at 31 Mar 2022.

7. Forestry

The Trust inherited a lease to Aratu Forests Ltd by way of a forestry right over 1099.4648 hectares. The agreement provides a stumpage rate of 13% of the product sold or utilised.

	2022	2021
Forestry asset reconciliation		
Opening balance	303,957	323,359
Plus additions since	-	-
Less depreciation since	(18,237)	(19,402)
Total Forestry asset reconciliation	285,720	303,957

Forestry in the Emissions Trading Scheme (ETS)

Pre-1990 Forest Land

There is pre-1990 Forest land on the property and a liability will arise under the Climate Change Response Act 2002 if the pre-1990 forest area or part of it is cleared and not replanted or has not regenerated with at least 500 stems per hectare within 4 years of clearing. The area must also have 30% minimum crown cover 10 to 20 years after planting or regeneration depending on whether the forest is exotic or native respectively. This potential liability is not recognised in the financial statements.

There is pre-1990 Forest land on the property for which an exemption under the forestry allocation plan for the climate Change Response Act 2002 has been obtained.

	2022	2021
8. Investments		
Investments		
ANZ Term Deposit 1018 @ 1.05% pa due 12/04/2021	-	350,000
ANZ Term Deposit 1022 @ 0.80% pa due 09/08/2021	-	500,000
ANZ Bank Private Banking	2,359,718	2,338,494
Farmlands Ltd - 500 shares	500	500
Total Investments	2,360,218	3,188,994

9. Contingent assets and liabilities

At balance date the Trust had no contingent assets and liabilities. (2021: \$nil)

This statement should be read with the Compilation Report-Disclaimer of Liability.

10. Capital commitments

At balance date the Trust had no capital commitments. (2021: \$nil)

11. Related Parties

Whareongaonga 5 Blocks Trust has carried out business through the year with the following:

M Blandford (Trustee) in relation to Consultancy work carried out by Rata Forest Management Ltd in relation to PGF fencing project. Total payments is \$17,694 GST Exclusive for 2022

	2022	2021
12. Donations made		
Muriwai Marae	-	4,750
Rangiwaho Marae	-	4,000
Total Donations made	-	8,750

	2022	2021
13. Education Grants Paid		
Aliesha Waru	400	-
Alyssa Kerr	-	400
Anna B Pohatu	400	400
Arna Whaanga	400	-
Caleb Brown	400	-
Carla Te Hau	400	-
Elijah Kahuroa-Stainton	400	-
Ethan J Couper	400	-
Jacob R Cirolli	400	400
Jared Peterson	-	400
Jayden Falcon	-	400
Joanne N Pleydell	-	400
Karepa Maynard	400	400
Kellann Kemp	400	400
Kelly-Ann Kemp	400	-
Kiana Pohatu -Poulsen	400	-
Laken Wairau	400	400
Maioha Panapa	-	400
Maira-Lyn Davies	400	-
Ngarangi Pomana	400	-
Quade Tapsell	-	400
Rebekah Raihania	400	-
Renae Hodges	400	-
Reuben J Brown	400	-
Riata Maynard	400	400
Roimata Panapa	-	400
Roxanne Waru	400	-
Sapphire Wairau	400	400
Sarayde Tapine	400	400
Tahlia Jade Runga	400	400
Tarah Pitiroi	400	-
Te Iwa Johnston	-	400
Te Rina Porou-Ellis	400	-
Total Education Grants Paid	10,000	6,800

This statement should be read with the Compilation Report-Disclaimer of Liability.

	2022	2021
14. Trustees fees		
Rachel Porou-Wetere	2,985	2,985
Henare Porou	4,104	3,357
Joanne Pleydell	4,104	1,492
Allie Whakataka	1,233	2,985
Tui Ferris	9,934	4,095
Matene Blandford	1,492	2,612
Total Trustees fees	23,852	17,526

15. Maori authority credit account

At the 31st of March 2022 the available Maori Authority Credits available to be attached to any future dividend totalled \$559,399.03. (2021: \$559,643).

16. Beekeeping Contract

Trustees have entered into an agreement where hives are placed on Whareongaonga 5 Blocks in return for a 35% share of honey harvested.

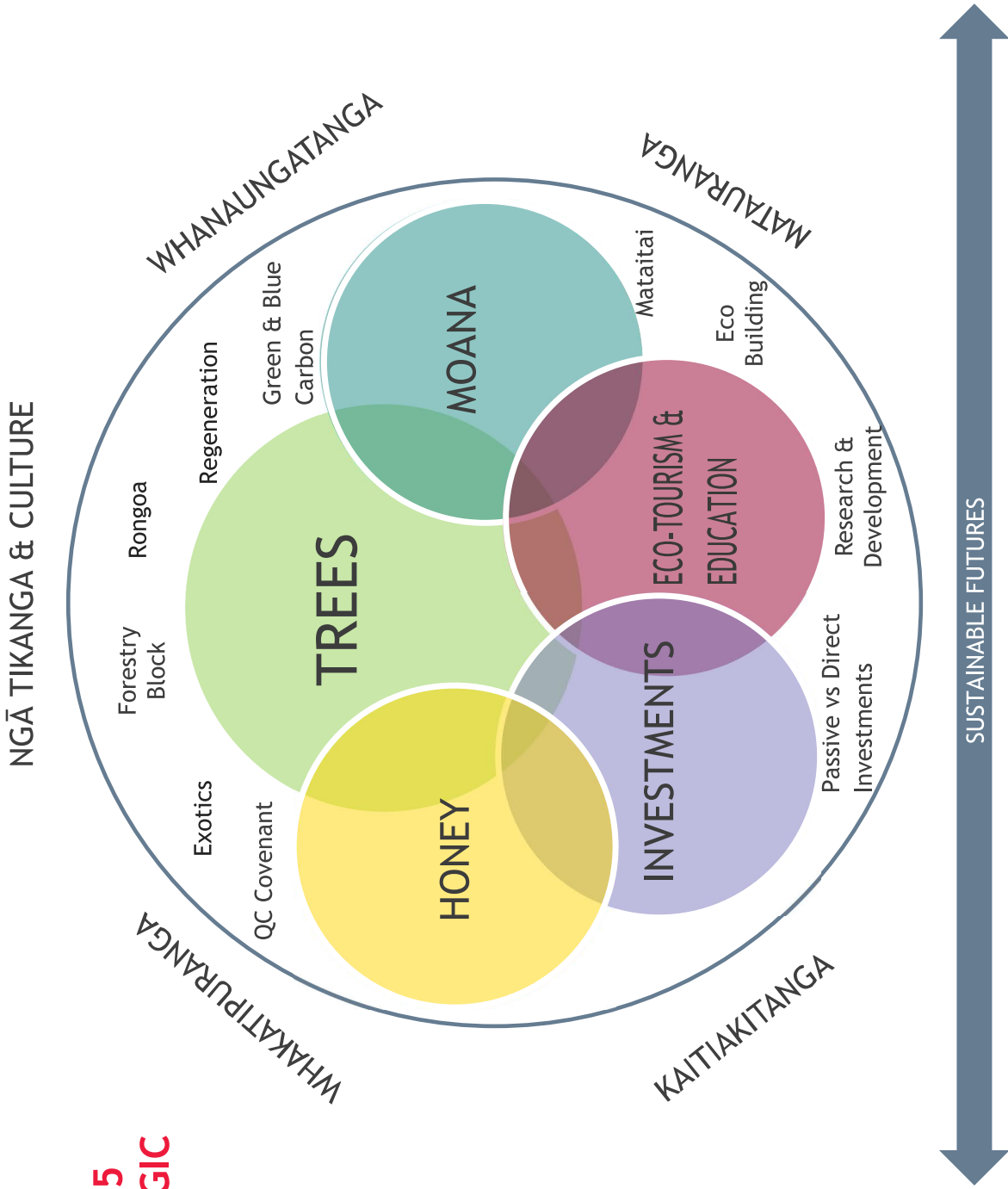
The beekeeper has made a contribution to trust, presented in the Statement of Profit or Loss as Honey Income (\$50,000).

A further payment will be received by the trust upon the sale of honey. Until the honey is sold, this amount can not be quantified.

	2022	2021
17. Income tax		
Net profit (loss) per financial statements	(113,450)	(87,492)
Adjustments to remove accounting effect and replace with tax		
Credit adjustments		
Building Depreciation	18,990	5,428
Forestry Depreciation	18,237	19,402
PIE Withholding Tax	4,149	9,238
Total Credit adjustments	41,376	34,068
Debit adjustments		
Donations	-	-
Excluded dividend income	2,321	1,513
FDR dividend income adjustment (Net)	86	225
Unlisted PIE dividend income	(22,858)	52,235
Total Debit adjustments	(20,451)	53,973
Net taxable income (loss)	(51,623)	(107,397)
Losses carried forward		
Losses carried forward	(130,234)	-
Imputation Credits converted to losses	(27,271)	(22,837)
Total Losses carried forward	(157,506)	(22,837)
Total Income/(losses) to be carried forward	(209,129)	(130,235)
Taxation on income for period @ 17.5%	-	-
Taxation movements		
Opening balance	(8,063)	(5,218)
Tax from above	-	-
RWT credits	(4,148)	(8,063)
Tax refunded	8,063	5,218
Total Taxation movements	(4,148)	(8,063)

This statement should be read with the Compilation Report-Disclaimer of Liability.

**WHAREONGAONGA 5
2022 YEAR STRATEGIC
PRIORITIES**



Whareongaonga Trust Deed proposed amendments 2022:

Section	Current wording	Amended wording	Comments
Cover page AND 2 (a)	<p>LAND INFORMATION NEW ZEALAND REFERENCES: GS6B/952 & GS2C/1385</p> <p>The Trustees shall have no power to sell or mortgage the “corpus land” of the Trust - namely Whareongaonga 5 Block (CFR GS 6B/952) and Lot 5 Deposited Plan 2925 (CFR GS 2C/1385) and any other land purchased by the Trust and held as “corpus land” of the Trust by Court Order.</p>	<p>LAND INFORMATION NEW ZEALAND REFERENCES: GS6B/952 & GS2C/1385 & GS4D/1021</p> <p>The Trustees shall have no power to sell or mortgage the “corpus land” of the Trust - namely Whareongaonga 5 Block (CFR GS 6B/952) and Lot 5 Deposited Plan 2925 (CFR GS 2C/1385) (formerly known as Whareongaonga B) and Lot 1 Deposited Plan 7049 (CFR GS 4D/1021) (95 Paritu Road) and any other land purchased by the Trust and held as “corpus land” of the Trust by Court Order.</p>	Add 95 Paritu Road property to the Deed.
2 (e)	<p>That all existing charges and encumbrances and leases between the Maori Trustee and:</p> <ol style="list-style-type: none"> 1. Rose Thompson 2. Selwyn Skudder and Martin Charteris 3. Fletcher Challenge Forests <p>Be now apportioned to the Whareongaonga 5 Blocks Trust.</p>	<p>That any existing and active charges and encumbrances and leases be apportioned to the Whareongaonga 5 Blocks Trust.</p>	Updated wording.
3 (d)	<p>To grant a forestry right in accordance with the provisions of the Forestry Rights Registration Act 1983 for a term not exceeding forty-two (42) years including any right(s) to renewal provided that:</p> <ol style="list-style-type: none"> i. There shall be no compensation payable to the Grantee or any other person for improvements affected to the land by the Grantee in respect of any such forestry right, and ii. Any such forestry right granted shall impose no liability on the Trustees or the equitable owners of the land than an obligation to permit to Grantee to exercise the rights granted. 	<p>To grant a forestry right in accordance with the provisions of the Forestry Rights Registration Act 1983 for a term not exceeding sixty (60) years including any right(s) to renewal provided that:</p> <ol style="list-style-type: none"> i. There shall be no compensation payable to the Grantee or any other person for improvements affected to the land by the Grantee in respect of any such forestry right, and ii. Any such forestry right granted shall impose no liability on the Trustees or the equitable owners of the land than an obligation to permit to Grantee to exercise the rights granted. 	Changed from forty-two (42) years to sixty (60) years to reflect the forestry harvest cycle.

7 (l)	Postal votes shall not be permitted for owners meetings.	Postal votes shall be permitted for owners meetings by post and/or email.	Taken out 'not' to make postal voting allowed.
6 (l) (ii)	Not later than 5 (five) days before the date appointed for the annual meeting there has been delivered to the Board of Trustees notice in writing, signed by an equitable owner nominating a person for election together with notice in writing signed by that person expressing the person's willingness to be elected.	Not later than 3 (three) weeks before the date appointed for the annual meeting there has been delivered to the Board of Trustees notice in writing, signed by an equitable owner nominating a person for election together with notice in writing signed by that person expressing the person's willingness to be elected.	Extend nomination time frame to allow for postal voting.
7 (b)	Written notice of the time and place of a meeting of owners must be sent to every owner entitled to receive notice of the meeting not less than 10 working days before the meeting.	Written notice of the time and place of a meeting of owners must be sent to every owner entitled to receive notice of the meeting not less than 35 working days before the meeting.	Extends notice time frame to allow for extended nomination process and to allow time for postal voting.
7 (n)		Attendance at an owners meeting can be in person or by way of virtual attendance.	New Clause.
8 (c)	The notice of meeting must be sent to the address or facsimile number which the Trustees provide for that purpose.	The notice of meeting must be sent to the address or email address which the Trustees provide for that purpose.	Update clause to include emails, and remove facsimile.
8 (d)	A meeting of Trustees may be held either by the number of Trustees who constitute a quorum being assembled together at the place, date and time appointed for the meeting, or by telephone conference.	A meeting of Trustees may be held either by the number of Trustees who constitute a quorum being assembled together at the place, date and time appointed for the meeting, or by telephone conference or using virtual tools.	Update clause to add in virtual meetings.
8(e)	The quorum necessary for the transaction of business at a meeting of Trustees is four (4). No business at a meeting of Trustees may be transacted unless a quorum is present. The owners may amend the quorum required under this clause in a general meeting.	The quorum necessary for the transaction of business at a meeting of Trustees is three (3). No business at a meeting of Trustees may be transacted unless a quorum is present. The owners may amend the quorum required under this clause in a general meeting.	Change quorum for Trustee meetings to a majority of three (3).

Ripoata a te Timana

Whareongaonga 5 Blocks Trust For the year ended 31 March 2022

Tēnā koutou katoa

Tēnei te mihi atu ki ngā uri o Whareongaonga me ngā kaitiaki o te whenua, mauri ora ki a koutou katoa. Ki ngā kaitiaki o neherā, ngā tāngata kua mene ki te pō, moe mai rā koutou i wā koutou moenga roa. Huri noa ki te hunga ora, tēnā tātou katoa.

On behalf of Whareongaonga 5 Blocks Trust (W5) and trustees, it is my pleasure to present the Chairperson's Report on the activities of the Trust for the past twelve months period ended 30 June 2022. At this time, we acknowledge the intentions of all previous Trustees and staff of W5 who have contributed towards the confident position of W5. We acknowledge the tenure of our kaumatua, Uncle Allies Whakataka who has been a constant guide and kaitiaki for Whareongaonga 5 Blocks Trust.

For the 2021-2022 year, the focus of the Trustees has been to complete projects delayed due to COVID and weather:

- Purchase Paritu Rd property - complete maintenance and tenant property.
- Complete PGF grant fencing project

With the lockdown environment, the focus for W5 Blocks Trust was to ensure safety; and the achievement of the PGF fencing grant, which included the trainees – the grant, infrastructure and people involved were all local and had a connection to Whareongaonga; kei te mihi atu ki a koutou katoa. We are extremely proud that the whenua is secure and safe; which will assist with the ongoing developments of the strategic direction for Whareongaonga.

Year in Review

Financial position

We are reporting a financial loss of \$113,450 (LY: \$87,492) which reflects the timing of implementing the PGF contract – *Whakamana te mauri o Whareongaonga* and the shared investment in the honey business on Whareongaonga. Our accounts have been audited by Coates Associates Limited and we have a clean audit report.

The result reflects the large-scale development on the block to fence and track. The Trust has also committed \$290,000 of funds to the project to complete. The long-term benefit is the ability to continue to implement the Trusts strategy around trees, carbon, and maybe one day eco-tourism when that market returns. The Trust continues to remain in a strong cash position with annual budgets being set to support the implementation of the strategic direction for the Trust.

In 2021, Bill Savage's honey contract expired. The Trust tested the market and Michael Burt was the successful tender. The Burt whanau are from Turanga and have been bee keeping for 2 generations. Pete Burt was the original apiarist on Whareongaonga. The Burt whanau have whakapapa connections to Ngati Rakaipaaka. Whareongaonga-sourced honey is high grade and highly sought after. The Trust made the strategic decision to invest in the honey from Whareongaonga 5 Blocks by taking a reduced lease (\$50,000) and an ownership stake in the honey when it is sold. Whareongaonga honey has a naturally high DHA component which increases the UMF value (and sale price) of the honey when it is stored. Mike Burt is currently storing our honey and negotiating with potential buyers. The high value honey market has lost some strength due to over-supply but current negotiations indicate that we will achieve at or near the same level of total income as previously achieved under a full lease agreement. Next year Mike will put additional hives in the pine forestry block to increase the total number of hives (and increase total income).

The Trust purchased 95 Paritu Rd for \$800,000. To date we have invested a further \$10,000 in repairs and maintenance to get the house ready for tenancy. The property is now tenanted through Property Brokers property managers and returning \$600/week. There is interest to lease the land for grazing and rent the cottage.

Grants and Koha

The Trust contributed grants for kaumātua, education and tangihanga purposes. The kaumātua grants are processed at each AGM and this was given out to 40 pakeke (LY: 42) for this financial year. The education grants were received earlier this year and it is very exciting to see the range of applicants. A list of the 25 (LY: 17) approved recipients is provided on page 20. In terms of the tangihanga grant, this was requested by 3 (LY: 5) applicants and approved by the Trust.

Trustees

Over the last twelve months we have a total of six planned meetings in the year and three additional meetings, to complete the operations and administration requirements for the year. The total cost for the meetings (and board fees) is listed in the financial summary on page 21:

- August 2021 / Trustee meeting
- September 2021 / Trustee meeting and AGM
- October 2021 Trustee meeting
- December 2021 / Trustee meeting
- February 2022 / Trustee meeting
- March 2022 / Trustee strategy meeting
- April 2022 / Trustee meeting -Discuss business opportunity
- June 2022 / Trustee meeting

Strategic / Operations

The fencing project was delayed significantly this year by poor weather. Our soils become extremely greasy when wet making it unsafe for our tractor post thumper. There is still 400m of new fencing to be installed the complete the project which will be completed this summer season.

After a wet summer we had a very wet winter, which resulted in some batter collapse on our new tracks. The slips were repaired as weather conditions allowed.

Shareholder Database

With 2,710 of shareholders (LY: 2,645), our database of contact details is with our BDO Office and links to the shareholder dividends information. There is a significant number of unclaimed dividends - \$142,312 (LY:\$147,907) Here are some interesting statistics:

- \$5,596 of unclaimed dividends was paid out in the 2022 year (LY: \$3,389)
- Since balance date a further \$569 of unclaimed dividends have been paid out. (LY \$4,198)
- We have 2,156 shareholders who have unclaimed dividends to collect (LY: 2,126), that's 80% of the owners
- 1,778 shareholders have less than 1 share (LY: 1,756)
- 679 shareholders have 1-10 shares (LY: 670)
- Our public W5 Facebook page has 329 members. (LY: 290)
- We have 2,084 shareholders listed with no known address (LY: 2,007). Please check with the BDO office if your shareholding card has an address listed on it

Bank Investment Portfolio

The investment portfolio was presented to the trust as a high-level summary, which we include in this report. In summary:

- We have \$2,225,876 invested in this portfolio as at June 2022 (LY: \$2,414,278)
- The trustees remain committed to holding the first rotation proceeds in perpetuity to earn income and capital growth
- The return since inception is 5.26% (LY: 6.73%)
This year returned a loss of \$17,602 (LY: \$93,532 income)
Capital growth of \$14,890 (LY: \$147,142)

Matene Blandford - Chairperson