

## **TE URANGA B2 INCORPORATION**

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*FOR THE YEAR ENDED 30 JUNE 2013*

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# TE URANGA B2 INCORPORATION

## DIRECTORY

AS AT 30 JUNE 2013

<b>Nature of Business</b>	Sheep and Beef Farming, Dairy Production, Forestry, Forestry Right
<b>Address</b>	Hikurangi Station Mangakahu Valley Road TAUMARUNUI 3994
<b>Registered Office</b>	37 Miriama Street Taumarunui.
<b>Chairman</b>	Traci Houpapa
<b>Secretary</b>	Balance Chartered Accountants Limited
<b>Committee of Management</b>	Traci Houpapa Derek Wooster Alan Cockle
<b>Accountants</b>	Balance Chartered Accountants Ltd Chartered Accountants 37 Miriama Street Taumarunui
<b>Telephone</b>	07 895 3013
<b>Facsimile</b>	07 895 8345
<b>Website</b>	<a href="http://www.teurangab2.co.nz">www.teurangab2.co.nz</a>
<b>Auditor</b>	Sewell & Wilson Chartered Accountants Wanganui
<b>Bankers</b>	Bank of New Zealand, Taumarunui
<b>Solicitors</b>	Ferguson Bhullar & Scott, Solicitors, Taumarunui
<b>Farm Consultant</b>	Darren McNae Ag First Consultants Ltd
<b>Unit Managers</b>	Sheep & Beef (Upoko B2): Jack Valois Dairy Sharemilkers (Koromiko): Luke & Shannon Pepper Dairy Sharemilkers (Paatara): Dean & Lucy Marshall
<b>IRD Number</b>	22-330-128
<b>Tax Entity Type:</b>	Maori Authority

## TE URANGA B2 INCORPORATION

### PAATARA

### DAIRY PRODUCE TRADING ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2013

	AVG \$	Qty	2013 \$	AVG \$	Qty	2012 \$
<b>MILK SALES</b>						
August	3.73	7,851	29,280	2.24	6,833	15,310
September	1.93	16,797	32,422	2.20	14,863	32,734
October	1.92	19,294	37,130	2.60	26,612	69,287
November	1.93	17,595	33,971	2.21	14,831	32,757
December	2.13	16,011	34,075	2.57	13,486	34,663
January	2.12	13,622	28,914	2.59	12,284	31,834
February	2.08	9,962	20,740	2.70	11,798	31,824
March	2.32	8,360	19,355	2.43	11,149	27,083
April	2.41	1,597	3,845	2.56	2,718	6,959
Final Payment This Season	-	0	36,191	-	-	74,942
Final Payment Last Season	-	0	57,778	-	-	15,604
<b>Total Sales</b>	<b>3.00</b>	<b>111,089</b>	<b>333,702</b>	<b>3.26</b>	<b>114,574</b>	<b>372,999</b>
<b>LESS EXPENSES</b>						
<b>Cash Surplus from Trading</b>		<b>111,089</b>	<b>\$333,702</b>		<b>114,574</b>	<b>\$372,999</b>

# TE URANGA B2 INCORPORATION

## PAATARA DAIRY UNIT STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Income</b>			
Gross Profit from Dairy Produce		333,702	372,999
<b>Gross Profit from Trading</b>		<b>333,702</b>	<b>372,999</b>
<b>LESS:</b>			
<b>Farm Working Expenses</b>			
Animal Health General - Paatara		2,967	4,678
Casual Grazing		33,566	18,595
Crop Expenses		1,328	3,185
Dairy Farm Expenses		2,947	6,223
Silage, Hay & Maize Expenses		-	-
Farm Working Animal Expenses		-	640
Cartage		100	-
Stock Food		25,209	28,579
		<b>66,118</b>	<b>61,901</b>
<b>Farm Repairs and Maintenance</b>			
Fencing		3,264	7,028
Farm Buildings		1,155	5,739
Plant		3,658	4,443
Water Supply		4,701	10,502
Tracks, Roads & Drainage		34,396	27,684
Yards		831	-
Drains		-	2,637
Farm Houses		18,018	31,094
		<b>66,023</b>	<b>89,127</b>
<b>Pasture Management Expenses</b>			
Fertiliser		64,409	62,268
Pasture Seed & Crop Expenses		8,424	908
Weed & Pest Control		2,876	747
		<b>75,709</b>	<b>63,923</b>
<b>Administration Expenses</b>			
Farm Advisory Fees		16,778	16,632
Insurances - Paatara		4,099	6,667
Rates - Paatara		14,921	10,260
		<b>35,799</b>	<b>33,559</b>
<b>Net Operating Surplus / (Deficit)</b>		<b>90,053</b>	<b>124,490</b>
<b>Non Cash Transactions</b>			
Depreciation		32,834	30,005
<b>Net Surplus / (Deficit)</b>		<b>\$57,219</b>	<b>\$94,485</b>



## TE URANGA B2 INCORPORATION

### UPOKO B2

### SHEEP TRADING ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2013

	AVG		2013	AVG		2012
	\$	Qty	\$	\$	Qty	\$
<b>SALES</b>						
Lambs	71.38	5,005	357,272	99.52	5,336	531,027
MA Ewes	72.23	1,593	115,061	111.10	1,795	199,418
<b>Total Sales</b>	<b>71.59</b>	<b>6,598</b>	<b>472,333</b>	<b>102.43</b>	<b>7,131</b>	<b>730,445</b>
<b>PURCHASES</b>						
Breeding Rams	742.86	35	26,000	773.08	26	20,100
<b>Total Purchases</b>	<b>742.86</b>	<b>35</b>	<b>26,000</b>	<b>773.08</b>	<b>26</b>	<b>20,100</b>
<b>Cash Surplus from Trading</b>		<b>6563</b>	<b>\$446,333</b>		<b>7105</b>	<b>\$710,345</b>

## TE URANGA B2 INCORPORATION

### UPOKO B2

### BEEF CATTLE TRADING ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2013

	AVG \$	Qty	2013 \$	AVG \$	Qty	2012 \$
<b>SALES</b>						
R 1yr Heifers	-	-	-	986.53	40	39,461
R 2yr Heifers	975.06	112	109,206	1,063.88	115	122,346
MA Cows	643.05	21	13,504	807.25	53	42,784
R 2yr Bulls & Steers	1,267.80	155	196,509	1,103.00	89	98,167
R 3yr Bulls & Steers	1,200.00	33	39,600	1,243.14	84	104,423
Breeding Bulls	1,650.33	2	3,301	1,549.03	2	3,098
<b>Total Sales</b>	<b>1,121.11</b>	<b>323</b>	<b>362,120</b>	<b>1,071.23</b>	<b>383</b>	<b>410,280</b>
<b>PURCHASES</b>						
R 1yr Heifers	467.46	46	21,503	607.88	64	38,904
R 2yr Heifers	733.78	28	20,546	853.60	25	21,340
R 1yr Bulls & Steers	607.01	53	32,171	681.64	30	20,449
R 2yr Bulls & Steers	815.22	45	36,685	822.00	34	27,948
Breeding Bulls	-	-	-	4,300.00	5	21,500
<b>Total Purchases</b>	<b>644.80</b>	<b>172</b>	<b>110,905</b>	<b>823.68</b>	<b>158</b>	<b>130,141</b>
<b>Cash Surplus from Trading</b>		<b>151</b>	<b>\$251,215</b>		<b>225</b>	<b>\$280,139</b>

## TE URANGA B2 INCORPORATION

### LIVESTOCK RECONCILIATION

AS AT 30 JUNE 2013

#### UPOKO B2

#### Sheep

	AVG \$	Qty	2013 \$	AVG \$	Qty	2012 \$
Net Sales Less Purchases		6,563			7,105	
Natural Increase		7,235			7,634	
Deaths & Missing		642			961	
Killed for Dogs		124			-	
		<u>94</u>			<u>432</u>	
<b>OPENING STOCK</b>						
Ewe Hoggets	119.00	1,605	190,995	120.00	1,742	209,040
Ram & Wether Hoggets	101.00	41	4,141	107.00	67	7,169
Two Tooth Ewes	191.00	1,587	303,117	160.00	1,629	260,640
MA Ewes	166.00	2,533	420,478	142.00	4,046	574,532
5 Yr & Older Ewes	138.00	1,299	179,262	-	-	-
MA Wether	78.00	17	1,326	-	-	-
Breeding Rams	305.00	35	10,675	353.00	65	22,945
Total Opening Stock		<u>7,117</u>	<u>1,109,994</u>		<u>7,549</u>	<u>1,074,326</u>
<b>CLOSING STOCK</b>						
Ewe Hoggets	78.00	1,864	145,392	119.00	1,605	190,995
Ram & Wether Hoggets	69.00	181	12,489	101.00	41	4,141
Two Tooth Ewes	121.00	1,507	182,347	191.00	1,587	303,117
MA Ewes	102.00	844	86,088	166.00	2,533	420,478
5 Yr & Older Ewes	82.00	2,565	210,330	138.00	1,299	179,262
MA Wethers	-	-	-	78.00	17	1,326
Rams	273.00	62	16,926	305.00	35	10,675
Total Closing Stock		<u>7,023</u>	<u>653,572</u>		<u>7,117</u>	<u>1,109,994</u>
<b>Decrease in Market Value</b>		<u>-</u>	<u>456,422</u>		<u>-</u>	<u>(35,668)</u>



## TE URANGA B2 INCORPORATION

### LIVESTOCK RECONCILIATION

AS AT 30 JUNE 2013 (continued)

#### UPOKO B2

##### Beef Cattle

	AVG \$	Qty	2013 \$	AVG \$	Qty	2012 \$
Net Sales Less Purchases		151			225	
Natural Increase		203			191	
Deaths & Missing		12			4	
Killed for Rations - Beef Cattle		2			-	
		(38)			38	
<b>OPENING STOCK</b>						
R1 Heifers	558.00	177	98,766	509.00	155	78,895
R2 Heifers	807.00	177	142,839	558.40	297	165,846
MA Cows	1,025.00	141	144,525	997.00	148	147,556
R1 Steers	665.00	127	84,455	599.00	135	80,865
R2 Steers	921.00	155	142,755	883.00	197	173,951
R3 Steers	1,100.00	32	35,200	-	-	-
Breeding Bulls	1,992.00	7	13,944	1,931.00	8	15,448
Total Opening Stock		816	662,484		940	662,561
<b>CLOSING STOCK</b>						
R1 Heifers	456.00	136	62,016	558.00	177	98,766
R 2yr Heifers	724.00	204	147,696	807.00	177	142,839
MA Cows	872.00	170	148,240	1,025.00	141	144,525
R 1yr Bulls & Steers	546.00	165	90,090	665.00	127	84,455
R2 Steers	837.00	177	148,149	921.00	155	142,755
R3 Steers	-	-	-	1,100.00	32	35,200
Breeding Bulls	2,098.00	2	4,196	1,992.00	7	13,944
Total Closing Stock		854	600,387		816	662,484
<b>Decrease in Market Value</b>		-	<b>62,097</b>		<b>(86)</b>	<b>77</b>



## TE URANGA B2 INCORPORATION

### UPOKO B2

### WOOL TRADING ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2013

	AVG		2013	AVG	2012
	\$	Qty	\$	\$	\$
<b>SALES</b>					
Wool Income	2.69	32,550	87,556	3.47	97,932
Dags & Oddments	-	-	-	0.63	280
<b>Cash Surplus from Trading</b>	<b>2.69</b>	<b>32,550</b>	<b>\$87,556</b>	<b>3.43</b>	<b>\$98,212</b>

# TE URANGA B2 INCORPORATION

## UPOKO B2

### STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Income</b>			
Cash Surplus from Sheep Trading		446,333	710,345
Cash Surplus from Beef Cattle Trading		251,215	280,139
Cash Surplus from Wool Trading		87,556	98,212
Grazing Income - Upoko		102,839	94,979
Sundry Income-Upoko		4,337	845
<b>Gross Profit from Trading</b>		<b>892,280</b>	<b>1,184,519</b>
<b>LESS:</b>			
<b>Farm Working Expenses</b>			
Animal Health		69,308	72,299
Contracting		4,910	-
Crop Expenses		20,136	13,781
Silage, Hay & Maize Expenses		11,060	15,310
Farm Working Animal Expenses		8,310	7,617
Cartage		4,385	4,128
Farm Power		9,401	7,082
Protective Clothing		1,514	1,644
Lease of Rams		-	4,000
Shearing Expenses		319	2,080
Contract Shearing		59,371	52,890
Stock Food		465	6,179
Wages - Permanent		161,076	150,299
Wages - Casual Labour		27,221	39,330
Wages - Crutching, Dagging & Docking		4,324	7,109
Staff Benefits		2,089	5,818
		<b>383,887</b>	<b>389,565</b>
<b>Farm Repairs and Maintenance</b>			
Fencing		46,026	19,377
Farm Buildings		1,586	4,828
Plant		6,527	26,279
Water Supply		15,439	5,088
Tracks, Roads & Drainage		15,330	39,653
Yards		7,985	5,908
Drains		-	25,421
Farm Houses		32,170	38,055
		<b>125,062</b>	<b>164,609</b>
<b>Pasture Management Expenses</b>			
Aerial Spreading		12,845	-
Fertiliser		161,603	182,854
Topdressing Ground		4,358	-
Pasture Seed & Crop Expenses		24,552	25,082
Weed & Pest Control		22,829	15,209
		<b>226,186</b>	<b>223,145</b>

# TE URANGA B2 INCORPORATION

## UPOKO B2

### STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Farm Vehicle Expenses</b>			
Vehicle Expense General		344	-
Fuel & Oil		19,964	12,886
Tractor Exp-Upoko		4,602	4,489
Farm Bikes & Quads		6,747	9,396
Trucks & Utilites - Upoko		2,518	1,551
		<u>34,175</u>	<u>28,322</u>
<b>Administration Expenses</b>			
Farm Advisory Fees		16,917	18,171
Insurances - Upoko		9,310	11,187
Farmax		2,000	1,813
Printing & Stationery		1,227	2,233
Rates - Upoko		16,340	10,521
Other Farm Sundry Expenses		841	-
		<u>46,634</u>	<u>43,925</u>
<b>Net Operating Surplus / (Deficit)</b>		<u>76,335</u>	<u>334,951</u>
<b>Non Cash Transactions</b>			
Depreciation		35,780	33,393
Changes in Livestock Values		20,708	121,365
		<u>56,488</u>	<u>154,758</u>
<b>Net Surplus / (Deficit)</b>		<u>\$19,847</u>	<u>\$180,193</u>



## TE URANGA B2 INCORPORATION

### KOROMIKO

### DAIRY PRODUCE TRADING ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2013

	AVG \$	Qty	2013 \$	AVG \$	Qty	2012 \$
<b>MILK SALES</b>						
August	-	-	-	2	12,695	28,078
September	2.54	39,221	99,778	2	27,314	60,442
October	1.93	27,941	53,909	3	44,457	115,280
November	1.93	25,059	48,343	2	24,007	53,343
December	2.13	22,053	46,951	3	20,633	54,233
January	2.12	19,166	40,701	3	18,608	49,079
February	2.09	14,412	30,113	3	20,433	54,705
March	2.31	11,804	27,224	2	17,849	43,277
April	-	-	-	3	9,166	23,505
Final Payment This Season	-	-	58,509	-	-	132,114
Final Payment Last Season	-	-	85,079	-	-	26,442
<b>Total Sales</b>	<b>3.07</b>	<b>159,656</b>	<b>490,608</b>	<b>3</b>	<b>195,162</b>	<b>640,498</b>
<b>LESS EXPENSES</b>						
Cash Surplus from Trading		<b>159,656</b>	<b>\$490,608</b>		<b>195,162</b>	<b>\$640,498</b>

# TE URANGA B2 INCORPORATION

## KOROMIKO

### STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Income</b>			
Gross Profit from Dairy Produce		490,608	640,498
Airstrip		2,716	-
<b>Gross Profit from Trading</b>		<b>493,324</b>	<b>640,498</b>
<b>LESS:</b>			
<b>Farm Working Expenses</b>			
Animal Health General - Koromiko		2,115	2,847
Casual Grazing		40,980	39,770
Crop Expenses		6,956	370
Dairy Farm Expenses		4,338	2,431
Silage, Hay & Maize Expenses		-	-
Farm Working Animal Expenses		-	655
Cartage		545	1,111
Hay Purchased		5,940	-
Stock Food		60,821	55,417
		<b>121,695</b>	<b>102,601</b>
<b>Farm Repairs and Maintenance</b>			
Fencing		2,870	4,033
Farm Buildings		905	-
Plant & Equipment		3,169	5,144
Water Supply		15,115	21,071
Tracks, Roads & Drainage		39,148	3,499
Yards		1,350	-
Drains		-	832
Farm Houses		11,944	51,071
		<b>74,501</b>	<b>85,650</b>
<b>Pasture Management Expenses</b>			
Fertiliser		107,879	80,185
Pasture Seed & Crop Expenses		18,966	11,408
Weed & Pest Control		12,905	10,078
		<b>139,749</b>	<b>101,671</b>
<b>Administration Expenses</b>			
Farm Advisory Fees		16,743	13,418
Insurances - Koromiko		5,523	8,510
Rates - Koromiko		14,908	10,260
		<b>37,175</b>	<b>32,188</b>
<b>Net Operating Surplus / (Deficit)</b>		<b>120,204</b>	<b>318,388</b>
<b>Non Cash Transactions</b>			
Depreciation		18,084	24,701

## TE URANGA B2 INCORPORATION

### KOROMIKO

### STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Net Surplus / (Deficit)		\$102,120	\$293,687



## TE URANGA B2 INCORPORATION

### FORESTRY TRADING ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2013

#### Carter Holt Harvey Forestry Right

CHH Forestry Rentals

**Total Income**

#### LESS EXPENSES

Forestry Block Rates

Forestry Expenses

**Total Expenses**

**Cash Surplus from Trading**

2013 \$	2012 \$
199,552	223,733
<b>199,552</b>	<b>223,733</b>
15,390	10,347
6,526	10,012
<b>21,916</b>	<b>20,359</b>
<b>\$177,637</b>	<b>\$203,374</b>

# TE URANGA B2 INCORPORATION

## COMBINED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Income</b>			
Paatara Dairy Unit Net Operating Surplus		90,053	124,490
Upoko B2 Sheep & Beef Net Operating Surplus		76,335	334,951
Koromiko Dairy Unit Net Operating Surplus		120,204	318,388
Gross Profit from Forestry		177,637	203,374
Rebates Received		9,283	8,003
Quarry Income		488	540
		<u>474,000</u>	<u>989,746</u>
<b>Other Income</b>			
Dividends Received - Gross		21,905	18,201
Interest Received - Gross		6,906	1,028
Interest Received - IRD Use of Money		650	-
		<u>29,461</u>	<u>19,229</u>
<b>Surplus / (Deficit) from Trading and Operations</b>		<u>503,461</u>	<u>1,008,976</u>
<b>Less Governance Costs</b>			
<b>Farm Working Expenses</b>			
Environmental Costs		49,579	57,684
		<u>49,579</u>	<u>57,684</u>
<b>Administration Expenses</b>			
Accountancy & Administration Costs		77,873	69,116
ACC Levies		5,425	6,639
Website		-	294
Bank Fees		545	543
Communications		16,390	-
Strategic Planning		20,000	-
Ahu Whenua		31,496	-
General Expenses		120	1,495
Legal Fees		3,410	916
Portfolio Management Fees		3,573	2,952
Subscriptions & Licences		2,419	5,328
Telephone & Tolls		3,988	2,410
Valuation Expenses		-	1,230
		<u>165,239</u>	<u>90,923</u>
<b>Owners &amp; Incorporation Expenses</b>			
Audit Fees		15,179	12,603
Owners Costs - AGM Expenses		11,830	2,313
Owners Costs - Share Register		14,235	16,537
Owners Costs - Direct Administration		8,200	9,477
Postage		922	326
Printing & Stationery		4,861	2,384
		<u>55,226</u>	<u>43,639</u>

# TE URANGA B2 INCORPORATION

## COMBINED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Committee Expenses</b>			
Committee Expenses - Fees		108,080	99,216
Committee Expenses - Travel & Expenses		24,358	26,828
Committee Expenses - Clerical/Secretarial		35,651	32,839
Committee Expenses - Other		3,556	12,948
Conference Expenses		3,053	5,550
		<u>174,698</u>	<u>177,381</u>
<b>Surplus Before Cost of Finance</b>		<b>58,718</b>	<b>639,350</b>
<b>Cost of Finance</b>			
Interest - Mortgage		90,192	48,932
Interest - Current Account		10,456	24,792
		<u>100,648</u>	<u>73,724</u>
<b>Deficit After Cost of Finance</b>		<b>(41,930)</b>	<b>565,626</b>
<b>Non Cash Transactions (Combined)</b>			
Profit on Disposal of Fixed Assets		(575)	(1,218)
Loss on Disposal of Fixed Assets		2,303	2,611
Depreciation		94,394	89,813
Changes in Livestock Values		20,708	121,365
		<u>116,830</u>	<u>212,572</u>
<b>Operating Loss Before Income Tax</b>		<b>(\$158,760)</b>	<b>\$353,054</b>
Income Tax on Operating Profit		-	58,699
Prior Period Tax Adjustments		5,049	1,331
<b>Total Income Tax</b>		<b>5,049</b>	<b>60,030</b>
<b>Net Surplus / (Deficit)</b>		<b>(\$163,809)</b>	<b>\$293,024</b>



## TE URANGA B2 INCORPORATION

### STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
Equity at Beginning of Year	21,031,991	20,721,443
Net Surplus / (Deficit) for the Year	(163,809)	293,024
Other Changes in Equity		
Decreases		
Revaluation of Opening Livestock due to Change in Values	(497,811)	-
Revaluation of Land	(3,753,769)	
Increases		
Share Investment Revaluation	49,829	10,843
Revaluation of Opening Livestock due to Change in Values	-	156,956
Distributions		
Koha Payments	(11,377)	(17,085)
Tangihanga Koha	(2,500)	(2,500)
Education Grant	(200)	(2,950)
Kaumatua Grants	(12,250)	(11,750)
Te Oranga Whanau - Health Fund - Koha	-	(1,655)
	(26,327)	(35,940)
Dividend Declared (non MACA)	(114,334)	(114,334)
Equity at End of Year	<b>\$16,525,771</b>	<b>\$21,031,991</b>

# TE URANGA B2 INCORPORATION

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>EQUITY</b>			
Reserves	11	12,495,104	16,248,873
Owners Capital		4,030,667	4,783,118
<b>Total Owner's Equity</b>		<b>\$16,525,771</b>	<b>\$21,031,991</b>
<b>REPRESENTED BY:</b>			
<b>FIXED ASSETS</b>			
Freehold Land		15,805,000	18,943,769
Property Improvements		308,587	326,637
Buildings		525,229	524,282
Plant & Equipment		129,217	110,005
Motor Vehicles		31,111	42,042
Furniture & Fittings		27,552	21,781
Dairy Building & Development		272,612	287,102
Dairy Plant		36,799	42,522
<b>Total Fixed Assets</b>	3	<b>17,136,107</b>	<b>20,298,140</b>
<b>LIVESTOCK</b>			
Sheep on Hand		653,572	1,109,994
Beef Cattle on Hand		600,387	662,484
<b>Total Livestock</b>	12	<b>1,253,959</b>	<b>1,772,478</b>
<b>INVESTMENTS</b>			
Shares	2	116,489	105,315
<b>LESS TERM LIABILITIES</b>			
BNZ Term Loan 00020		464,200	-
BNZ Term Loan 00021		602,400	486,160
<b>Total Term Liabilities</b>	4	<b>1,066,600</b>	<b>486,160</b>
<b>CURRENT ASSETS</b>			
BNZ Bank - 025 Account		1,942	1,813
BNZ Bank - Dividend Account		20,654	-
Accounts Receivable		42,526	33,210
Prepayments		432	432
Goods & Services Tax		39,975	6,079
Tax Refund Due	5	57,802	43,717
Craigs Inv Partners - Investment Portfolio		322,874	266,746
<b>Total Current Assets</b>		<b>163,331</b>	<b>351,997</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes

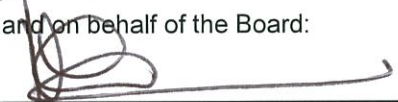
# TE URANGA B2 INCORPORATION

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013 (continued)

	Note	2013 \$	2012 \$
<b>LESS</b>			
<b>CURRENT LIABILITIES</b>			
BNZ Bank - Farm First Account		24,047	905
BNZ Bank - Dividend Account		-	261
Accounts Payable		89,721	76,101
Provision for Annual Leave		25,368	7,323
Provision for Unclaimed Dividends		124,217	127,622
BNZ CCA Facility 761385		800,000	-
BNZ CCA Facility 781685		200,000	600,000
Forestry Rental Paid in Advance		134,535	192,970
Interest Accrued / Due		2,501	4,597
<b>Total Current Liabilities</b>		<b>1,400,389</b>	<b>1,009,779</b>
<b>WORKING CAPITAL</b>		<b>(1,237,058)</b>	<b>(657,782)</b>
<b>NET ASSETS</b>		<b>\$16,202,897</b>	<b>\$21,031,991</b>

For and on behalf of the Board:

  
Chairperson

*Chairman*

Dated 23/10/13

The above Statement of Financial Position should be read in conjunction with the accompanying notes



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2013

**1. Notes to the Financial Statements**

**Reporting Entity**

The financial statements presented here are for TE URANGA B2 INCORPORATION. The Incorporation is a Maori Incorporation incorporated under the Te Ture Whenua Maori Act 1993.

**Reporting Basis**

The financial statements have been prepared on the basis of historical cost and NZ GAAP with the exception of certain items for which specific accounting policies are identified.

**Differential Reporting**

The organisation is a qualifying entity within the New Zealand Institute of Chartered Accountant's Differential Reporting Framework. It is not large as defined by the framework, and is not publicly accountable.

All available exemptions have been taken advantage of. Any additional reports are for the benefit of the readers.

**Summary of Significant Accounting Policies**

The following particular accounting policies which materially affect either the measurement of profits or the financial position have been applied.

**(a) Accounts Receivable**

Accounts Receivable have been stated at net realisable value. Bad Debts (if any) are

**(b) Fixed Assets (Property, Plant and Equipment)**

Fixed assets, except land, are stated at cost less aggregate depreciation. Land is required to be valued under the Te Ture Whenua Act 1993 at its latest rateable value. This is not in accordance with the requirements of FRS-3 Accounting for Property Plant and Equipment.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013 (continued)

### (c) Depreciation

All fixed assets have been depreciated on the same basis as required for taxation purposes as these are considered to be appropriate for this business. From the start of the 2012 income tax year many buildings are no longer able to be depreciated. Where this applies a 0% rate has been applied. The range of depreciation rates used for each asset class are:

Property Improvements	5% - 10%
Dwellings	0%
Buildings	2.5% - 4%
Plant & Equipment	2.5% - 50%
Motor Vehicles	12% - 30%
Furniture & Fittings	12% - 60%

### (d) Repairs and Maintenance:

All repairs and maintenance expenditure has been written off in this financial year as an expense item in accordance with current taxation requirements.

### (e) Income Tax

Income tax is accounted for by the taxes payable method.

### (f) Livestock:

Livestock has been valued in these Financial Statements using "National Average Market Values" (Herd Values) as issued by Inland Revenue. The effect of using herd values or any other options that are available, is shown in the Calculation of Profit for Taxation Purposes.

This valuation approach is in accordance with differential reporting exemptions.

The revaluation of opening livestock holdings at closing livestock values is reflected in the Statement of Movements in Equity. The balance of the movement is shown in the Statement of Financial Performance (impact of changes in numbers).

### (g) Investments:

Public shareholdings are valued at the market value (estimated realisable value) at balance date.

Supplier Shares are valued at cost.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2013 (continued)

**(h) Goods and Services Tax (GST)**

These Financial Statements are prepared on a GST exclusive basis where all items in the Statement of Financial Performance have been recorded exclusive of GST, as have Stock on Hand and Fixed Assets in the Statement of Financial Position.

Accounts receivable and accounts payable are recorded in the Statement of Financial Position inclusive of GST.

**(i) Going Concern**

Measurement of transactions and fair values have been based on the assumption that the entity is a going concern.

**Changes in Accounting Policies**

In all material respects these Financial Statements (including supporting notes and schedules) have been prepared in a manner consistent with those of previous years.

**2. Shares**

Ravensdown Fert Co-op Ltd - 94,008 Shares  
Farmlands Trading Society Ltd - 3636 Shares  
Comvita NZ - 4780 Shares  
Silver Fern Farms Ltd - 1050 Shares

2013	2012
112,328	103,169
3,636	935
-	318
525	893
<b>\$116,489</b>	<b>\$105,315</b>

**3. Fixed Assets**

**Land**

At vested value  
At valuation  
Total Land

2013	2012
\$	\$
3,727,879	3,112,879
12,077,121	15,830,890
<b>15,805,000</b>	<b>18,943,769</b>

**Buildings**

At cost  
Less: Accumulated depreciation  
Total Buildings

824,483	809,706
299,254	285,424
<b>525,229</b>	<b>524,282</b>

**Property Improvements**

At cost  
Less: Accumulated depreciation  
Total Property Improvements

479,436	472,635
479,436	472,635
170,849	145,998
<b>308,587</b>	<b>326,637</b>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2013 (continued)

<b>Plant &amp; Equipment</b>		
At Cost	378,128	344,459
Less: Accumulated depreciation	248,911	234,454
Total Plant & Equipment	129,217	110,005
<b>Dairy Building and Development</b>		
At Cost	790,074	790,074
Less: Accumulated depreciation	517,462	502,971
Total Dairy Building and Development	272,612	287,103
<b>Motor Vehicles</b>		
At Cost	214,237	214,237
Less: Accumulated depreciation	183,126	172,195
Total Motor Vehicles	31,111	42,042
<b>Furniture &amp; Fittings</b>		
At Cost	76,818	74,624
Less: Accumulated depreciation	49,266	52,843
Total Furniture & Fittings	27,552	21,781
<b>Dairy Plant</b>		
At Cost	145,031	145,031
Less: Accumulated depreciation	108,232	102,509
Total Dairy Plant	36,799	42,522
<b>Total Fixed Assets</b>	17,136,107	20,298,140

**4. Term Liabilities**

	2013	2012
	\$	\$
BNZ Term Loan 00020	464,200	-
BNZ Term Loan 00021	602,400	486,160
	1,066,600	486,160

BNZ holds security via way of a registered first mortgage over two land titles representing the Paatara block for the above CCA facility of \$1.1 million and the overdraft facility of \$250,000.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2013 (continued)

**5. Provision for Income Tax**

	2013	2012
Provisional Tax Payments	(50,160)	-
RWT Tax Paid	(1,473)	-
Provision for Terminal Tax	-	(5,527)
Imputation Credits	(6,170)	-
Provision for Income Tax 2012	-	(38,190)
	<b>(\$57,802)</b>	<b>(\$43,717)</b>

**6. Maori Authority Credit Account**

	2013	2012
	\$	\$
Balance at 30 June	275,204	261,195

**7. Contingent Liabilities**

There were no contingent liabilities as at 30 June 2013. (2012 Nil)

**8. Related Parties**

Andrew Martin was Chairman until 21 January 2013 and was paid for renovation work on employee house during the period (Prior year: Andrew Martin paid \$20,653 for renovation of employee house.)

**9. Restriction of Sale of Land**

All land except the Paatara block (purchased 2006) and McGuinness block (purchased 2012) is designated corpus holdings. As such these holdings have significant restrictions in being able to be sold.

**10. Pre 2004 Retained Earnings**

Shareholder dividends have been paid out of pre 2004 retained earnings without MACA credits attached. The balance of pre 2004 retained earnings stands at \$2,211,154 (2012 \$2,325,488)

**11. Reserves**

Composition:

Asset Revaluation Reserve	12,491,815	16,245,584
Capital Gain Reserve	3,289	3,289
	<b>\$12,495,104</b>	<b>\$16,248,873</b>

**Movements**

Opening Balance at 1 July	16,248,873	16,248,873
Decrease in Reserves		
Revaluations	(3,753,769)	-
Closing Balance at 30 June	<b>12,495,104</b>	<b>16,248,873</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2013 (continued)

**12. Valuations**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Land	15,805,000	
Improvements	2,300,000	-
<b>Total Property Values</b>	<b>18,105,000</b>	<b>18,943,769</b>
Livestock	1,253,959	1,795,385
	<b>19,358,959</b>	<b>20,739,154</b>

Land and improvements are shown at the most recent rateable value in accordance with the Te Ture Whenua Maori Act 1993.

Livestock in 2013 is shown based on herd values as issued by the Inland Revenue as these provide a reasonable estimate of the livestock. Livestock in 2012 is shown at values determined by independent livestock valuers as part of the stock take process.

**13. Emission Trading Scheme**

The Incorporation is registered for the Emission Trading Scheme for both pre-1990 and post-1989 forestry. It has holdings sufficient to meet any obligations.



**INDEPENDENT AUDITOR'S REPORT****To The Members Of Te Uranga B2 Incorporation****Report on the Financial Statements**

We have audited the financial statements of Te Uranga B2 Incorporation on pages 1 to 24, which comprise the Statement of Financial Position as at 30 June 2013, the Statement of Financial Performance and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Committee's Responsibilities for the Financial Statements**

The Committee of Management are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibilities**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

- 25 -

**PARTNERS:** Douglas Wilson B.C.A., C.A., Peter Redpath B.B.S., C.A., Glenn Spooner B.B.S., C.A.  
**ASSOCIATE:** Grant Benson B.B.S., C.A.

Other than in our capacity as auditor, we have no relationship with, or interests in, Te Uranga B2 Incorporation.

### Opinion

In our opinion, the financial statements on pages 1 to 24:

- Comply with generally accepted accounting practice in New Zealand
- Give a true and fair view of the financial position of Te Uranga B2 Incorporation as at 30 June 2013 (including the estimated current market value of assets as required by Section 276(4)(c) of the Te Ture Whenua Maori Act 1993) and its financial performance for the year ended on that date.
- The Share register and index of shareholders has been compiled and correctly kept in accordance with Section 263 of the Te Ture Whenua Maori Act 1993.

### Additional Information

- Attention is drawn to Notes 4 & 14 to the financial statements on page 20 & 22. Land is valued at Rateable Value in accordance with the Te Ture Whenua Maori Act 1993, and is therefore not compliant with FRS-3 Accounting for Property, Plant and Equipment which requires an Independent Valuation.

### Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations that we have required.

In our opinion proper accounting records have been kept by Te Uranga B2 Incorporation as far as appears from an examination of those records.



**Sewell & Wilson**

Chartered Accountants

Whanganui

25 October 2013