



**2014 Financial Statements**

**Te Uranga B2 Incorporation**

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## Te Uranga B2 Incorporation

### Directory

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As at 30 June 2014

<b>Nature of Business</b>	Sheep and Beef Farming, Dairy Production, Forestry, Forestry Right
<b>Address</b>	Hikurangi Station Mangakahu Valley Road Taumarunui  <a href="http://www.teurangab2.co.nz">www.teurangab2.co.nz</a>
<b>Telephone</b>	07 895 3013
<b>Facsimile</b>	07 895 8345
<b>Registered Office</b>	37 Miriama Street Taumarunui
<b>Secretary</b>	Balance Chartered Accountants Limited
<b>Tax Status</b>	Te Uranga B2 Incorporation is a Maori Authority for tax purposes
<b>GST</b>	Payments Basis - Two Monthly
<b>Chairman</b>	Traci Houpapa
<b>Committee of Management</b>	Alan Cockle Traci Houpapa Vonda Houpapa Kaike Kereopa Derek Wooster Donna Tuwhangai (Associate)
<b>Farm Consultant</b>	Darren McNae AgFirst Consultants Ltd
<b>Unit Managers</b>	Upoko (Sheep & Beef) - Jack Valois Koromiko (Dairy) - Luke & Shannon Pepper (Sharemilkers) Paatara (Dairy) - Dean & Lucy Marshall (Sharemilkers)
<b>Accountants</b>	Balance Chartered Accountants Ltd Chartered Accountants 37 Miriama Street, Taumarunui

As at 30 June 2014

<b>Auditor</b>	Sewell & Wilson Chartered Accountants Whanganui
<b>Bankers</b>	BNZ Ltd Taumarunui
<b>Solicitors</b>	Ferguson Bhullar & Scott Taumarunui
<b>IRD Number</b>	022-330-128

## Livestock Trading Statement - Upoko

For the Year Ended 30 June 2014

	2014			2013		
	Qty	Avg. Price	\$	Qty	Avg. Price	\$
<b>Sales - Sheep Trading Account</b>						
<b>Sales</b>						
Lambs	5,808	90	521,645	5,005	71	357,272
Ewe Hoggets	171	76	13,020	-	-	-
Two Tooth Ewes	155	74	11,438	-	-	-
MA Ewes	877	83	72,543	1,593	72	115,061
	<b>7,011</b>		<b>618,646</b>	<b>6,598</b>		<b>472,333</b>
<b>Purchases</b>						
Rams	30	464	13,925	35	743	26,000
<b>Cash Surplus for the Year</b>			<b>604,721</b>			<b>446,333</b>
<b>Opening Stock</b>						
Ewe Hoggets	1,864	78	145,392	1,605	119	190,995
Ram Hoggets	181	69	12,489	41	101	4,141
Two Tooth Ewes	1,507	121	182,347	1,587	191	303,117
MA Ewes	844	102	86,088	2,533	166	420,478
MA Wethers/Killers	-	-	-	17	78	1,326
5 Yr+ Ewes	2,565	82	210,330	1,299	138	179,262
Rams	62	273	16,926	35	305	10,675
<b>Total Opening Stock</b>	<b>7,023</b>		<b>653,572</b>	<b>7,117</b>		<b>1,109,994</b>
<b>Closing Stock</b>						
Ewe Hoggets	1,428	94	134,232	1,864	78	145,392
Ram Hoggets	64	90	5,760	181	69	12,489
Two Tooth Ewes	1,439	131	188,509	1,507	121	182,347
MA Ewes	2,411	118	284,498	844	102	86,088
5 Yr+ Ewes	1,128	101	113,928	2,565	82	210,330
Rams	79	257	20,303	62	273	16,926
<b>Total Closing Stock</b>	<b>6,549</b>		<b>747,230</b>	<b>7,023</b>		<b>653,572</b>
Change in Sheep Numbers & Values			109,942			(414,438)
<b>Gross Surplus from Sales - Sheep Trading</b>			<b>588,437</b>			<b>404,349</b>
<b>Sales - Sheep Reconciliation of Numbers</b>						
Opening Stock	7,023			7,117		
<b>Plus</b>						
Purchases	30			35		
Natural Increase	7,387			7,235		
	<b>7,417</b>			<b>7,270</b>		
<b>Less</b>						
Sales	7,011			6,598		
Deaths & Missing	880			766		
	<b>7,891</b>			<b>7,364</b>		
<b>Closing Stock Numbers</b>	<b>6,549</b>			<b>7,023</b>		

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

**Te Uranga B2 Incorporation**

**Livestock Trading Statement - Upoko (continued)**

**For the Year Ended 30 June 2014**

	2014			2013		
	Qty	Avg. Price	\$	Qty	Avg. Price	\$
<b>Sales - Beef Cattle Trading Account</b>						
<b>Sales</b>						
R 2yr Heifers	138	1,118	154,350	112	975	109,206
R 2yr Bulls & Steers	164	1,330	218,133	155	1,268	196,509
MA Cows	48	768	36,858	21	643	13,504
R 3yr Bulls & Steers	-	-	-	33	1,200	39,600
Breeding Bulls	2	1,382	2,764	2	1,650	3,301
	<b>352</b>		<b>412,104</b>	<b>323</b>		<b>362,120</b>
<b>Purchases</b>						
R 1yr Heifers	54	541	29,218	46	467	21,503
R 1yr Bulls & Steers	52	617	32,067	53	607	32,171
R 2yr Heifers	30	830	24,900	28	734	20,546
R 2yr Bulls & Steers	43	972	41,795	45	815	36,685
Breeding Bulls	5	4,900	24,500	-	-	-
	<b>184</b>		<b>152,480</b>	<b>172</b>		<b>110,905</b>
<b>Cash Surplus for the Year</b>			<b>259,624</b>			<b>251,215</b>
<b>Opening Stock</b>						
R1 Heifers	136	456	62,016	177	558	98,766
R1 Steers	165	546	90,090	127	665	84,455
R2 Heifers	204	724	147,696	177	807	142,839
R2 Steers	177	837	148,149	155	921	142,755
MA Cows	170	872	148,240	141	1,025	144,525
R3 Steers	-	-	-	32	1,100	35,200
Breeding Bulls	2	2,098	4,196	7	1,992	13,944
<b>Total Opening Stock</b>	<b>854</b>		<b>600,387</b>	<b>816</b>		<b>662,484</b>
<b>Closing Stock</b>						
Beef - R1 Heifers	159	506	80,454	136	456	62,016
Beef - R1 Steers	102	614	62,628	165	546	90,090
Beef - R1 Bulls	66	614	40,524	-	-	-
Beef - R2 Heifers	156	799	124,644	204	724	147,696
Beef - R2 Steers	202	933	188,466	177	837	148,149
Beef - R2 Bulls	5	933	4,665	-	-	-
Beef - MA Cows	185	986	182,410	170	872	148,240
Beef - Breeding Bulls	6	2,031	12,186	2	2,098	4,196
<b>Total Closing Stock</b>	<b>881</b>		<b>695,977</b>	<b>854</b>		<b>600,387</b>
Change in Beef Cattle Numbers & Values			69,558			(83,373)
<b>Gross Surplus from Sales - Beef Cattle Trading</b>			<b>285,656</b>			<b>272,491</b>
<b>Sales - Beef Cattle Reconciliation of Numbers</b>						
Opening Stock	854			816		
<b>Plus</b>						
Purchases	184			172		
Natural Increase	230			203		
	<b>414</b>			<b>375</b>		

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

**Te Uranga B2 Incorporation**

**Livestock Trading Statement - Upoko (continued)**

**For the Year Ended 30 June 2014**

	2014			2013		
	Qty	Avg. Price	\$	Qty	Avg. Price	\$
<b>Less</b>						
Sales	352			323		
Deaths & Missing	35			14		
	<u>387</u>			<u>337</u>		
<b>Closing Stock Numbers</b>	<u>881</u>			<u>854</u>		

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

**Te Uranga B2 Incorporation**

**Statement of Wool Produce Trading - Upoko**

**For the Year ended 30 June 2014**

	2014			2013		
	Qty	Avg. Price	\$	Qty	Avg. Price	\$
<b>Wool Sales</b>						
Wool Income	23,271	3.48	81,081	32,550	2.69	87,556

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



# Te Uranga B2 Incorporation

## Statement of Financial Performance - Upoko

For the Year Ended 30 June 2014

Note	2014	2013
	\$	\$
<b>Livestock Trading Revenue</b>		
Gross Surplus from Sales - Sheep Trading	588,437	404,349
Gross Surplus from Sales - Beef Cattle Trading	285,656	272,491
<b>Total Gross Surplus from Livestock Trading</b>	<b>874,094</b>	<b>676,840</b>
<b>Operating Revenue</b>		
Grazing Income - Upoko	77,643	102,839
Sundry Income-Upoko	1,472	4,337
Gross Surplus from Wool Trading	81,081	87,556
<b>Gross Surplus</b>	<b>160,196</b>	<b>194,732</b>
<b>Net Revenue</b>	<b>1,034,289</b>	<b>871,572</b>
<b>Less Expenses</b>		
<b>Pasture Management Expenses</b>		
Fertiliser	174,993	161,603
Aerial Spreading	-	12,845
Ground Spreading	1,894	4,358
Pasture Seed & Crop Expenses	25,743	24,552
Weed & Pest Control	14,942	22,829
	<b>217,572</b>	<b>226,186</b>
<b>Farm Working Expenses</b>		
Animal Health - Upoko	76,731	69,308
Contracting	1,180	4,910
Crop Expenses	6,840	20,136
Farm Power	15,729	9,401
Farm Working Animal Expenses	10,812	8,310
Cartage	3,822	4,385
Silage, Hay & Maize Expenses	24,699	11,060
Protective Clothing	2,668	1,514
Shearing Expenses	2,204	319
Contract Shearing	60,986	59,371
Staff Benefits	1,363	2,089
Stock Food	316	465
Wages - Permanent	134,565	161,076
Wages - Casual Labour	26,889	27,221
Wages - Crutching, Dagging & Docking	4,821	4,324
	<b>373,624</b>	<b>383,887</b>
<b>Motor Vehicle Expenses</b>		
Vehicle Expense General	632	344
Fuel & Oil	18,311	19,964
Farm Bikes & Quads	9,661	6,747
Trucks & Utilites - Upoko	4,957	2,518
Tractor Exp-Upoko	248	4,602
	<b>33,809</b>	<b>34,175</b>

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

**Te Uranga B2 Incorporation**

**Statement of Financial Performance - Upoko (continued)**

**For the Year Ended 30 June 2014**

	Note	2014	2013
		\$	\$
<b>Repairs &amp; Maintenance</b>			
General		374	-
Farm Buildings		350	1,586
Fencing		38,196	46,026
Plant		5,486	6,527
Farm Houses		6,620	32,170
Tracks, Roads & Drainage		11,148	15,330
Water Supply		41,471	15,439
Yards		-	7,985
		<b>103,645</b>	<b>125,062</b>
<b>Administration Expenses</b>			
Farm Advisory Fees		16,645	16,917
Insurances - Upoko		5,958	9,310
Printing & Stationery		1,681	1,227
Rates - Upoko		15,642	16,340
Other Farm Sundry Expenses		50	841
Subscriptions & Licences		2,350	2,000
Training		427	-
		<b>42,753</b>	<b>46,634</b>
<b>Total Expenses</b>		<b>771,402</b>	<b>815,945</b>
<b>Net Surplus</b>		<b>262,888</b>	<b>55,627</b>

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

Te Uranga B2 Incorporation

Statement of Dairy Produce Trading - Koromiko

For the Year Ended 30 June 2014

	2014			2013		
	Qty	Avg. Price	\$	Qty	Avg. Price	\$
<b>Dairy Produce</b>						
August	11,559	2.76	31,861	-	-	-
September	25,856	2.75	71,024	39,221	2.54	99,778
October	30,088	2.74	82,418	27,941	1.93	53,909
November	27,955	2.74	76,507	25,059	1.93	48,343
December	26,445	2.87	75,785	22,053	2.13	46,951
January	25,048	2.85	71,457	19,166	2.12	40,701
February	20,341	3.86	78,500	14,412	2.09	30,113
March	19,014	3.06	58,113	11,804	2.31	27,224
April	14,390	3.16	45,483	-	-	-
May	6,906	3.40	23,466	-	-	-
Deferred Payments			175,815			143,588
<b>Total Dairy Produce</b>	<b>207,602</b>		<b>790,429</b>	<b>159,656</b>		<b>490,608</b>

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

**Te Uranga B2 Incorporation**

**Statement of Financial Performance - Koromiko**

**For the Year Ended 30 June 2014**

	Note	2014 \$	2013 \$
<b>Operating Revenue</b>			
Airstrip		1,568	2,716
Gross Surplus from Dairy Produce		790,429	490,608
<b>Gross Surplus</b>		<b>791,997</b>	<b>493,324</b>
<b>Net Revenue</b>		<b>791,997</b>	<b>493,324</b>
<b>Less Expenses</b>			
<b>Pasture Management Expenses</b>			
Fertiliser		95,688	107,879
Pasture Seed & Crop Expenses		8,409	18,966
Weed & Pest Control		10,238	12,905
		<b>114,335</b>	<b>139,749</b>
<b>Farm Working Expenses</b>			
Animal Health General - Koromiko		-	2,115
Crop Expenses		11,711	6,957
Cartage		-	545
Other Farm Expense		-	4,338
Casual Grazing		21,503	40,980
Hay Purchased		4,455	5,940
Silage, Hay & Maize Expenses		11,171	-
Stock Food		107,851	60,821
		<b>156,691</b>	<b>121,695</b>
<b>Repairs &amp; Maintenance</b>			
Farm Buildings		440	905
Fencing		2,294	2,870
Plant & Equipment		14,060	3,169
Farm Houses		23,549	11,944
Tracks, Roads & Drainage		45,361	39,148
Water Supply		36,794	15,115
Yards		5,561	1,350
		<b>128,059</b>	<b>74,501</b>
<b>Administration Expenses</b>			
Farm Advisory Fees		16,664	16,743
Insurances - Koromiko		5,159	5,523
Rates - Koromiko		15,642	14,908
		<b>37,465</b>	<b>37,175</b>
<b>Total Expenses</b>		<b>436,549</b>	<b>373,120</b>
<b>Net Surplus</b>		<b>355,447</b>	<b>120,204</b>

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

**Te Uranga B2 Incorporation**

**Statement of Dairy Produce Trading - Paatara**

**For the Year Ended 30 June 2014**

	2014			2013		
	Qty	Avg. Price	\$	Qty	Avg. Price	\$
<b>Dairy Produce</b>						
August	7,203	2.77	19,958	7,851	3.73	29,280
September	16,972	2.75	46,652	16,797	1.93	32,422
October	19,539	2.74	53,509	19,294	1.92	37,130
November	18,365	2.74	50,403	17,595	1.93	33,971
December	16,455	2.88	47,318	16,011	2.13	34,075
January	16,623	2.86	47,473	13,622	2.12	28,914
February	13,697	3.83	52,429	9,962	2.08	20,740
March	10,502	3.05	32,005	8,360	2.32	19,355
April	2,819	3.17	8,945	1,597	2.41	3,846
Deferred Payments			112,200			93,968
<b>Total Dairy Produce</b>	<b>122,175</b>		<b>470,891</b>	<b>111,089</b>		<b>333,702</b>

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

**Te Uranga B2 Incorporation**

**Statement of Financial Performance - Paatara**

**For the Year Ended 30 June 2014**

	Note	2014	2013
		\$	\$
<b>Operating Revenue</b>			
Gross Surplus from Dairy Produce		470,891	333,702
<b>Less Expenses</b>			
<b>Pasture Management Expenses</b>			
Fertiliser		56,267	64,409
Pasture Seed & Crop Expenses		6,834	8,424
Weed & Pest Control		6,132	2,876
		<b>69,233</b>	<b>75,709</b>
<b>Farm Working Expenses</b>			
Animal Health General - Paatara		-	2,967
Crop Expenses		505	1,328
Cartage		-	100
Other Farm Expenses		-	2,947
Casual Grazing		26,621	33,566
Stock Food		59,286	25,209
		<b>86,412</b>	<b>66,117</b>
<b>Repairs &amp; Maintenance</b>			
General		2,195	-
Farm Buildings		2,129	1,155
Fencing		2,148	3,264
Plant		6,029	3,658
Farm Houses		3,939	18,018
Tracks, Roads & Drainage		19,131	34,397
Water Supply		24,161	4,701
Yards		157	832
		<b>59,888</b>	<b>66,024</b>
<b>Administration Expenses</b>			
Farm Advisory Fees		16,639	16,778
Insurances - Paatara		4,095	4,099
Rates - Paatara		15,642	14,921
		<b>36,376</b>	<b>35,799</b>
<b>Total Expenses</b>		<b>251,910</b>	<b>243,649</b>
<b>Net Surplus</b>		<b>218,982</b>	<b>90,053</b>

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



# Te Uranga B2 Incorporation

## Combined Income Statement

For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
<b>Divisional Farm Income</b>			
Net Surplus from Upoko		262,888	55,627
Net Surplus from Koromiko		355,447	120,204
Net Surplus from Paatara		218,982	90,053
Net Surplus from Forestry		163,167	177,637
<b>Total Divisional Income</b>		<b>1,000,483</b>	<b>443,520</b>
<b>Total Gross Surplus</b>		<b>1,000,483</b>	<b>443,520</b>
<b>Other Income</b>			
Dividends Received		12,630	21,905
Interest Received - Gross		1,264	6,906
Interest Received - IRD Use of Money		1	650
Non Taxable Distribution		187	-
PIE Non Assessable Income		2,299	-
Rebates		3,418	9,283
Quarry Income		2,329	488
Ahuwhenua Prize		1,891	-
Profit on Sale		2,060	575
<b>Total Other Income</b>		<b>26,080</b>	<b>39,808</b>
<b>Gross Surplus after Other Income</b>		<b>1,026,564</b>	<b>483,328</b>
<b>Less Expenses</b>			
<b>Administration Expenses</b>			
Accountancy & Administration Costs		81,161	77,873
ACC Levies		4,890	5,425
Ahuwhenua Awards		-	31,496
Bank Fees		559	545
Environmental Costs		29,618	49,579
General Expenses		237	120
Legal Fees		-	3,410
Printing & Stationery		6,167	4,861
Portfolio Management		3,990	3,573
Strategic Planning		-	20,000
Subscriptions & Licences		1,261	2,419
Telephone & Tolls		3,998	3,988
Communications		8,231	16,390
		<b>140,114</b>	<b>219,679</b>
<b>Finance Expenses</b>			
Interest - Current Account		7,236	10,456
Interest - Mortgage		108,166	90,192
		<b>115,402</b>	<b>100,648</b>

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

# Te Uranga B2 Incorporation

## Combined Income Statement (continued)

For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
<b>Owner &amp; Incorporation Expenses</b>			
Audit Fees		13,259	15,179
Postage		2,065	922
Owners Costs - AGM Expenses		16,820	11,830
Owners Costs - Share Register		15,539	14,235
Owners Costs - Direct Administration		9,827	8,200
		<b>57,510</b>	<b>50,366</b>
<b>Committee Expenses</b>			
Committee Expenses - Fees		123,100	108,080
Committee Expenses - Travel & Expenses		15,876	24,358
Committee Expenses - Clerical/Secretarial		41,066	35,651
Committee Expenses - Other		6,512	3,556
Conference Expenses		5,527	3,054
		<b>192,081</b>	<b>174,699</b>
<b>Non Cash Expenses</b>			
Depreciation		93,113	94,394
Loss on Sale of Fixed Assets		-	2,303
		<b>93,113</b>	<b>96,697</b>
<b>Total Expenses</b>		<b>598,221</b>	<b>642,088</b>
<b>Surplus (Deficit) before Income Tax</b>		<b>428,343</b>	<b>(158,760)</b>
Income Tax Expense	3	45,420	6,732
<b>Net Surplus (Deficit)</b>		<b>382,924</b>	<b>(165,492)</b>

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

**Te Uranga B2 Incorporation**

**Statement of Movements in Equity**

**For the Year Ended 30 June 2014**

	2014	2013
	\$	\$
<b>Revenues and Expenses</b>		
Net Surplus (Deficit)	382,924	(165,492)
Movement in Reserves	202,372	(2,956,017)
<b>Total Recognised Revenues and Expenses</b>	<b>585,296</b>	<b>(3,121,508)</b>
<b>Contributions and Distributions</b>		
<b>Distributions</b>		
Dividend Declared (Non MACA)	(114,334)	(114,334)
Tangihanga Koha	(6,099)	(2,500)
Education Grant	(142)	(200)
Kaumatua Grants	(13,250)	(12,250)
Koha Payments	(13,230)	(11,377)
	<b>(147,055)</b>	<b>(140,661)</b>
Equity at the Beginning of the Year	16,524,088	19,786,257
<b>Equity at the End of the Year</b>	<b>16,962,329</b>	<b>16,524,088</b>

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



# Te Uranga B2 Incorporation

## Statement of Financial Position

As at 30 June 2014

	Note	2014 \$	2013 \$
<b>Equity</b>			
Owners Capital		7,801	7,801
Retained Earnings		3,459,300	3,223,431
Reserves	5	13,495,229	13,292,857
<b>Total Equity</b>		<b>16,962,329</b>	<b>16,524,088</b>
<b>Represented by:</b>			
<b>Current Assets</b>			
BNZ Bank Farm First Call Account		1,977	1,942
BNZ Bank - Dividend Account		646	20,654
Craigs Investment Partners - Portfolio		354,753	322,874
Accounts Receivable		124,106	42,526
Income Tax Receivable	4	-	56,120
GST Receivable		15,014	39,975
Prepayments		-	432
Sheep on Hand	6	747,230	653,572
Beef Cattle on Hand	6	695,977	600,387
<b>Total Current Assets</b>		<b>1,939,703</b>	<b>1,738,481</b>
<b>Non Current Assets</b>			
Property, Plant & Equipment	7	17,104,812	17,136,106
Term Investments	8	116,374	116,489
<b>Total Non Current Assets</b>		<b>17,221,186</b>	<b>17,252,596</b>
<b>Total Assets</b>		<b>19,160,889</b>	<b>18,991,077</b>
<b>Current Liabilities</b>			
BNZ Bank - Farm First Account		152,230	24,047
Accounts Payable		95,378	89,721
Forestry Rental Paid in Advance		132,820	134,535
Interest Accrued / Due		2,267	2,501
BNZ CCA Facility 761385		-	800,000
BNZ CCA Facility 781685		-	200,000
BNZ CCA Facility 033531		622,000	-
Income Tax Payable	4	23,060	-
Provisions	9	144,028	149,585
<b>Total Current Liabilities</b>		<b>1,171,785</b>	<b>1,400,389</b>
<b>Non Current Liabilities</b>			
Term Loans - Secured	10	1,026,775	1,066,600
<b>Total Liabilities</b>		<b>2,198,560</b>	<b>2,466,989</b>
<b>Net Assets</b>		<b>16,962,329</b>	<b>16,524,088</b>

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

Te Uranga B2 Incorporation

Statement of Financial Position (continued)

As at 30 June 2014



Chairman

Date 30 September 2014

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

## **1 Statement of Accounting Policies**

### **Reporting Entity**

Te Uranga B2 Incorporation is a Maori incorporation established under the Te Ture Whenua Maori Act 1993.

### **Statement of Compliance and Basis of Preparation**

The Financial Statements of Te Uranga B2 Incorporation have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The incorporation qualifies for differential reporting as it is not publicly accountable and is not large as defined in the Framework for Differential Reporting. The incorporation has taken advantage of all available differential reporting exemptions.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by the company. The information is presented in New Zealand dollars.

### **Going Concern**

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

### **Specific Accounting Policies**

The following specific accounting policies which materially affect the measurement of the Statement of Financial Performance and Statement of Financial Position have been applied:

#### **(a) Revenue**

Revenue is recognised when the obligation for payment has been created.

#### **(b) Expenses**

Expenses have been classified on their business function.

#### **(c) Livestock**

Livestock has been valued in these financial statements using "National Average Market Values" (Herd Scheme Values) as issued by Inland Revenue.

This valuation approach is in accordance with Differential Reporting exemptions.

The revaluation of opening livestock holdings at closing livestock values is reflected in the Livestock Revenue Reserve. The balance of the movement (impact of changes in numbers) is shown in the Statement of Financial Performance via the Livestock Trading Statements.

#### **(d) Trade Receivables**

Trade Receivables are recognised at estimated realisable value.

#### **(e) Property, Plant & Equipment**

Property, Plant & Equipment, excluding land, are recognised at Cost less aggregate depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007. Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year.

Land is valued at its latest rateable value as required under the Te Ture Whenua Act 1993.

## Te Uranga B2 Incorporation

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

#### For the Year Ended 30 June 2014

##### (f) Income Tax

The income tax expense recognised in the Statement of Financial Performance is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior years.

##### (g) Goods and Services Taxation (GST)

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

##### (h) Changes in Accounting Policies

A Livestock Revaluation Reserve has been re-established. Revaluation of opening livestock holdings at closing livestock values is reflected in the reserve.

There have no other changes to 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 Auditor's Remuneration

The auditor of Te Uranga B2 Incorporation is Sewell & Wilson

Audit Fees

2014	2013
\$	\$
13,259	15,179
<b>13,259</b>	<b>15,179</b>

## 3 Tax Reconciliation

Surplus (Deficit) before Income Tax

### Permanent Differences

Non Taxable Distribution

PIE Non Assessable Income

FIF Income - FDR

Base Price Adjustment

Imputation Credits

### Total Permanent Differences

### Taxable Income (Loss)

Losses Brought Forward

Income Tax at 17.5%

Imputation Credits Converted to Losses

### Tax Expense

2014	2013
\$	\$
428,343	(158,760)
(187)	-
(2,299)	-
4,313	-
(78)	-
(2,064)	-
<b>(315)</b>	<b>-</b>
<b>428,028</b>	<b>(158,760)</b>
(180,279)	-
43,356	-
2,064	6,732
<b>45,420</b>	<b>6,732</b>

For the Year Ended 30 June 2014

**4 Income Tax**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	(56,120)	-
<b>Plus:</b>		
Provision for Terminal Tax	43,356	-
Tax Refunds	56,120	-
Imputation Credits Not Allowed	2,064	6,170
	<b>101,539</b>	<b>6,170</b>
<b>Less:</b>		
RWT Tax Paid	990	1,473
Provisional Tax Payments	19,083	54,647
Overseas Tax Paid	223	-
Imputation Credits	2,064	6,170
	<b>22,359</b>	<b>62,289</b>
<b>Total Tax Payable/Refund</b>	<b>23,060</b>	<b>(56,120)</b>
<b>Income Tax Payable/(Receivable)</b>	<b>23,060</b>	<b>(56,120)</b>

**5 Reserves**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Asset Revaluation Reserve</b>		
Opening Balance	12,077,121	15,830,890
<b>Less:</b>		
Land Revaluation 2011	-	3,753,769
<b>Closing Balance</b>	<b>12,077,121</b>	<b>12,077,121</b>
<b>Shares Revaluation Reserve</b>		
Opening Balance	64,950	15,121
Movements for the period	22,130	49,829
<b>Closing Balance</b>	<b>87,080</b>	<b>64,950</b>
<b>Capital Gain Reserve</b>		
Opening Balance	402,862	402,862
Movements for the period	742	-
<b>Closing Balance</b>	<b>403,604</b>	<b>402,862</b>
<b>Livestock Revaluation Reserve</b>		
Opening Balance	747,923	1,245,734
Movements for the period	179,500	(497,811)
<b>Closing Balance</b>	<b>927,423</b>	<b>747,923</b>
<b>Total Reserves</b>	<b>13,495,229</b>	<b>13,292,857</b>

# Te Urunga B2 Incorporation

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

For the Year Ended 30 June 2014

### 6 Inventories

	2014	2013
	\$	\$
Livestock		
Sheep on Hand	747,230	653,572
Beef Cattle on Hand	695,977	600,387
<b>Total Inventories</b>	<b>1,443,207</b>	<b>1,253,959</b>

### 7 Property, Plant & Equipment

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2014	\$	\$	\$	\$
Freehold Land	15,805,000	-	-	15,805,000
Buildings	853,501	12,288	311,542	541,959
Property Improvements	479,436	22,960	193,809	285,627
Plant & Equipment	387,233	22,536	271,149	115,488
Tractors, Vehicles & ATVs	217,561	12,905	181,903	35,658
Incorporation Chattels	83,360	3,955	53,221	30,139
Dairy Building & Development	790,074	13,538	531,000	259,074
Dairy Plant	145,031	4,931	113,163	31,868
<b>Total Property, Plant &amp; Equipment</b>	<b>18,761,195</b>	<b>93,113</b>	<b>1,656,383</b>	<b>17,104,812</b>

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2013	\$	\$	\$	\$
Freehold Land	15,805,000	-	-	15,805,000
Buildings	824,483	13,830	299,254	525,229
Property Improvements	479,436	24,851	170,849	308,587
Plant & Equipment	378,426	21,934	248,911	129,515
Tractors, Vehicles & ATVs	214,237	10,931	183,126	31,111
Incorporation Chattels	76,818	2,634	49,266	27,552
Dairy Building & Development	790,074	14,491	517,462	272,612
Dairy Plant	145,031	5,723	108,232	36,799
<b>Total Property, Plant &amp; Equipment</b>	<b>18,713,504</b>	<b>94,394</b>	<b>1,577,100</b>	<b>17,136,404</b>

Fixed assets, excluding land, are stated at cost less accumulated depreciation.

Land is required to be valued at its latest rateable value under the Te Ture Whenua Act 1993.

### 8 Term Investments

	2014	2013
	\$	\$
Shares as listed		
Farmlands Trading Society Ltd	3,636	3,636
Ravensdown Fertiliser Co-op Ltd	112,328	112,328
Silver Fern Farms Ltd	410	525
<b>Total</b>	<b>116,374</b>	<b>116,489</b>

<b>Total Term Investments</b>	<b>116,374</b>	<b>116,489</b>
<b>9 Provisions</b>	<b>2014</b>	<b>2013</b>
	\$	\$
Employee Entitlements		
Provision for Annual Leave		
Opening Balance	19,172	25,369
Unpaid Distributions		
Opening Balance	124,857	124,217
<b>Total Provisions</b>	<b>144,028</b>	<b>149,585</b>
<b>10 Term Loans - Secured</b>	<b>2014</b>	<b>2013</b>
	\$	\$
BNZ Term Loan 00020		
Total Outstanding	-	464,200
BNZ Term Loan 00021		
Total Outstanding	585,015	602,400
BNZ holds security through a registered first mortgage over two land titles representing the Paatara dairy unit.		
BNZ Term Loan 00024		
Total Outstanding	441,760	-
<b>Total Term Loans - Secured</b>	<b>1,026,775</b>	<b>1,066,600</b>
<b>11 Dividends</b>		
Shareholder dividends have been paid out of pre 2004 retained earnings without MACA credits attached.		
<b>12 Maori Authority Credit Account</b>	<b>2014</b>	<b>2013</b>
	\$	\$
Balance as at 31 March	239,157	275,204
<b>Total Maori Authority Credit Account</b>	<b>239,157</b>	<b>275,204</b>
<b>13 Restriction on Sale of Land</b>		
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.		
<b>14 Pre 2004 Retained Earnings</b>		
Shareholder dividends have been paid out of pre 2004 retained earnings without MACA credits attached. The balance of pre 2004 retained earnings stands at \$2,096,820 (2013 \$2,211,154)		

**15 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.

**16 Contingent Liabilities**

The Incorporation has no contingent liabilities as at 30 June 2014, (2013 Nil).

**17 Capital Commitments**

The Incorporation has no capital commitments as at 30 June 2014, (2013 Nil).

## 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 4 to 25, which comprise the Statement of Financial Position as at 30 June 2014, the Trading accounts, the Statements of Financial Performance, the Combined Income Statement 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.

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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 4 to 25:

- 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 2014 (including the estimated current market value of assets as required by Section 276A(3)(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 1(e) & 7 to the financial statements on page 20 & 23. 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

2 October 2014