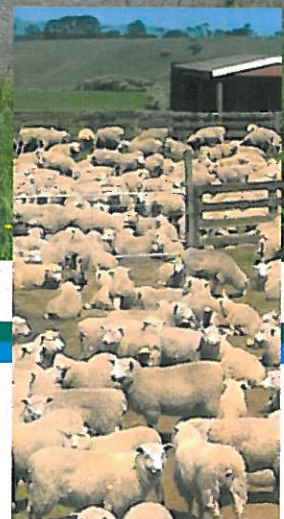
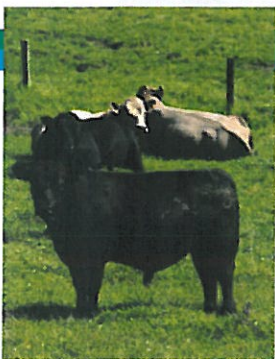
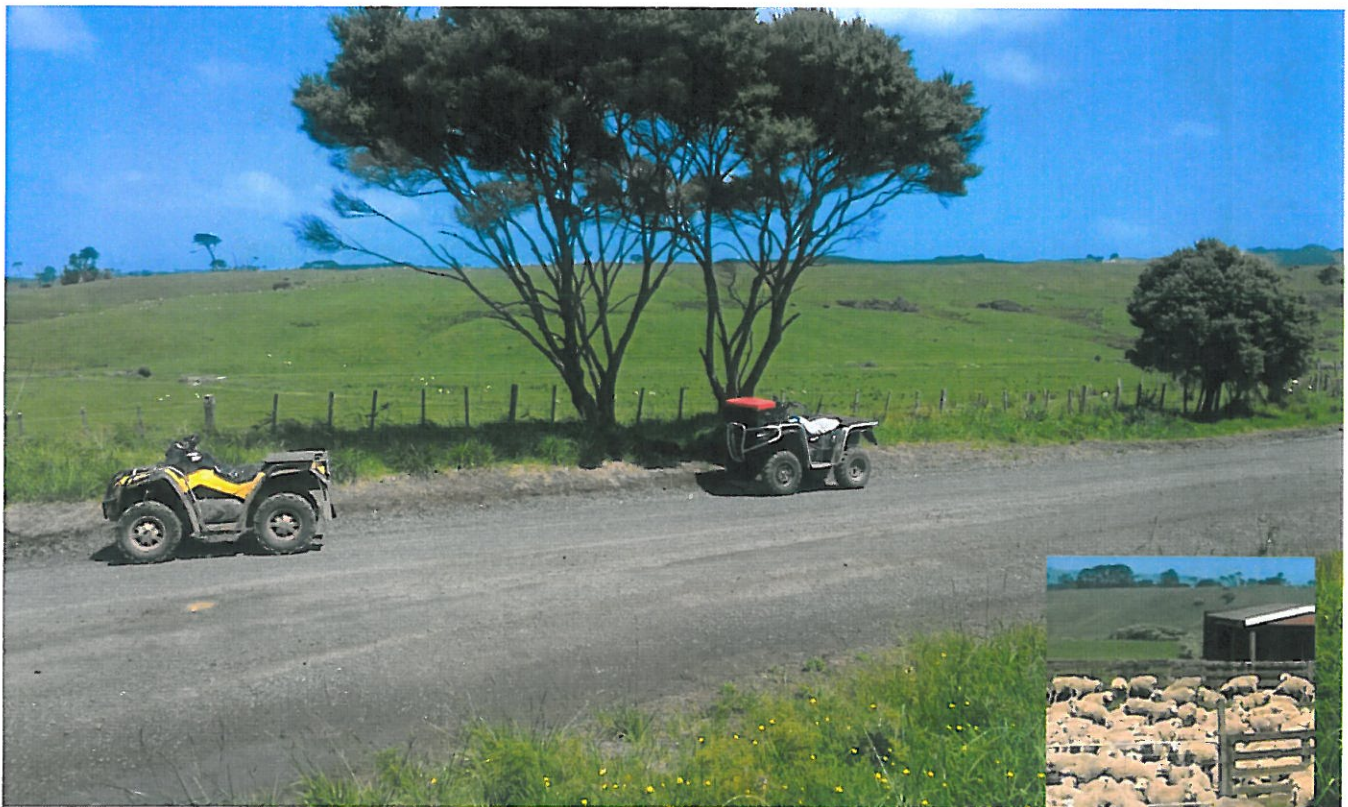




RAPOOTO A TAU 2017-2018





Ō T A K A N I N I T Ō P Ū

Ko Te Mihi Makau

Ka titiro atu ki Tarawera
te mauri o toku wairua
Ka huri toku tirohanga ki nga ngaru nunui e
papaki mai hei runga i nga oneone po.
Ka hono nga roimata ki te papa, e amo haere
atu toku tangi mamae ki te motu.
Ahakoa ka whakarehurehu toku nei tirohanga,
Ka tirohia ihotia ki toku moana tapu
hei oranga mo toku iwi.
No reira, ko te horahanga o te whenua nei
Ko te mauri e tu tonu ana
Ko te mauri o toku whatumanawa,
Ko te makau o nga whanau
Huri noa
Toitū te whenua
Toitū te mana
Toitū te tangata

Tihei mauri ora!





Ō T A K A N I N I T Ō P Ū



Committee of Management



Mei Hill -



- Glenn Wilcox Chair



Awa Hudson -



- Hemi Rau



-Michelle Hill

Kiah Medlyn-Reweti-



Lisa Reweti -



Farm Operations Manager - Ray Monk

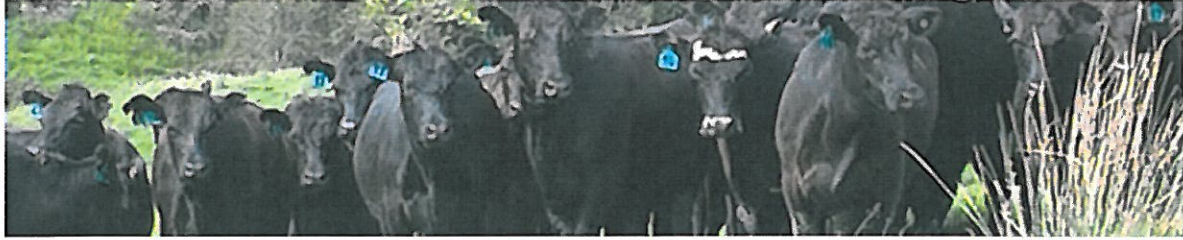
Secretary - Pearl Hill

Registered Office - 23 Neville Street, Warkworth, New Zealand

Auditors- JSA Audit Ltd Suite 106.100 Parnell Rd. Parnell. Auckland

Farm Otakanini Topu 405 South Head Rd Helensville 0874

Makarau 2127 Kaipara Coast Highway, Warkworth 0984



Annual General Meeting of the Ōtakanini Tōpū Incorporation.

Saturday 8 December 2018 at

Te Whare Oranga o Parakai, (*old Parakai Tavern 2/11 Moau St*),
commencing at 10.00 am-1.00pm

Agenda

1. Receive and Confirm the minutes Of 2017 AGM
2. Receive a farm update from the Farm Manager
3. Election of two persons to fill Two Vacancies in the membership of the Committee of Management due to the expiry of the terms of two sitting members being Awa Hudson & Mei Hill.
4. Receive the Financial Reports and Statements for 2017 - 2018
5. Adopt the auditor's report 2017-2018
6. Appointment of an auditor 2017 -2018 & Share Valuer
7. Authorise by resolution a dividend and a bonus payment to eligible Share-holders
8. Consider matters, deemed appropriate by the Chair for general business



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| Chair's Report | 5 |
| Farm Operations Manager's Report & Forest Report | 8 |
| Overview of Financials | 13 |
| Ōtakanini Tōpū Inc Financial Statements and Auditors report for the year ended June 2018 | Attachment A |
| Mycoplasma Bovis MPI report | Attachment B |
| Disciplinary Notice P. Middleton (Auditor 2016) | Attachment C |





Chair's Report

E nga wai o Kaipara, nga rau tawhiri o Tarawera, tena tatou!

It is with pride that I am able to present to you the Otakanini Topu Annual report for 2017/18. This pride is not in our achievements as a Committee of Management, but in the staff who have worked through the many challenges that have arisen throughout the year to produce our best results ever.

This stellar result has not been without angst and it would be remiss not to acknowledge that we tread in our forefathers and mothers footsteps. It is their sweat and blood that soaks the ground of the Otakanini Topu, the largest farm in Auckland and in which we can all feel proud, and through their foresight that we all share in the rewards.

The trading volume based farming system has delivered the financial return we were seeking but the quantities of stock needed is going to be a challenge in the 2019/20 year due to the closing of the Makarau Calf Rearing Unit to "spring calves" and only accepting "autumn calves."

This decision was taken because of the serious threat to our herd integrity posed by Mycoplasma Bovis* and shareholders concerns over mortality rates raised during the 2017



AGM, so it is pleasing to report a further reduction in calf losses to National Standard Levels, the calf unit is an integral part of the the overall operation and was quintessential to acheiving this years stellar financial results.

* See Attachment C



Unfortunately the Maori Land Court lack of progress in regards to the Share Audit is disheartening, the Committee of Management took the extreme measure of appealing to the Minister of Justice, Andrew Little, with advocacy and support from the Member for Tai Tokerau, Kelvin Davis.

The Otakanini Topu cannot process any further Court Orders until we have a decision on our case A20120001689.



The Forest Thinning programme has continued and the

Committee of Management will focus on the future management of the forest in the coming year. We will seek shareholder input at the 2019 AGM before making any long term decisions.

The Otakanini Topu Marine & Coastal Area Claim has been placed on the High Court List but no Court Sittings are allocated before June 2019 so this will be a long process. Legal determination will confirm our existing Takutai Moana Rights and whether or not any other claim might extinguish or diminish our existing rights and Rangatiratanga to the Kaipara Harbour and the Moana Tapokopoko o Tawhaki (Tasman).

Also worth noting is the progression of our *tono* to Nga Whenua Rahui, by the time of publishing it is hoped to have signed our Kawenata and we are well into the protection and restoration of our coast at the time of publication.

I would like to thank all the staff, lead by our Farm Manager, Mr Ray Monk supported by Ellie his wife, for their dedication and hard work, this year has been extremely challenging for them all. New systems and processes have required a higher accountability from staff in order to achieve the standards that are now required to be an efficient farming operation and the stresses of implementing them has fallen on their shoulders. Well done and thank you to you all.



Ō T A K A N I N I T Ō P Ū

I would like to give a special mention to someone who has worked diligently behind the scenes on our books, Linda Hill. By the time of publication Linda will have retired from service with the Otakekani Topu, but I am sure I speak for all Committees of Management past and present in thanking her and wishing her all the best for the future.

Finally I wish to thank all the Committee Members for rising to the challenges presented, it is expected that we may not always agree but our focus has always been to protect the taonga we are entrusted with.

Ehara taku toa i te toa takitahi, he toa takitini ke!

Tihei Mauri Ora!

Na Glenn Wilcox
Hemana Komiti Whakahaere, Otakekani Topu.





Farm Managers Report for 2017-2018

FARMING OPERATIONS

The overall result for the Otakanini Topu farming operations for the 2017/18 season have been a success, financially, environmentally and within the farm system.

The last twelve months has revealed that the number of new strategies implemented over the last few years are working and with the improved farm development and farming programs, these will have a positive impact.

The farming markets have been relatively sound, although there will always be variations within the market place but these fluctuations are outside of our control, the outlook for the coming year looks to be similar to the 2017/2018 year.

Financially the operation is sound and an improvement on last year which is positive. Farm systems currently in place should ensure that we will further enhance performance.

It is important to note that the farm continues on its journey of improvement, there are still a few years to go yet and we are only in the early stages, so included in this report is an independent snapshot of the last ten years demonstrating how far we have come in 10 years. It makes a good comparison of where we were as a farm and the present state.

The importance of Health & Safety in the workplace is something no one can ignore and the focus on the Topu is to ensure everyone goes home safely.



FARM STRUCTURE / STAFF

Staff continue to be the back bone of the operation, alongside them we have local whanau that help out during our busy seasonal periods, we are fortunate to have young, keen school students available during the school holidays for docking and busy pre-christmas periods.

Connie, Witai, Teri as permanent staff have continued to strive to improve their on-farm performance, the drive for continued performance on the farm is heavily reliant on the work put in on a day to day basis so it is important to have a strong team.

Patrick Stead, Quaid Makoare, Marion Panui, Bill Tapurau are just a few of our local whanau that were regularly called on at numerous times throughout the year when the on farm seasonal work load increased and their contribution should be acknowledged as well.

Personal development of staff is encouraged, we have on farm discussions on relevant seasonal topics using professional advisors as well as off farm fieldays.

MARKET PRICES

Stock prices to a large degree remain out of the farmer's control, the schedule prices are set by meat processors but Otakeanini has been able to obtain premium prices to even up the "lows and highs" of the open schedule which is largely driven by supply and demand often dictated by the weather conditions.

The lamb market continues its strong track, this run looks to continue into the next season and for the short term looks very promising.

The beef market remains the constant, which is essential for planning any stock policies around maximising returns

Wool returns continue to be a cost that has to be met, the high returns on sheep are a justification for this cost, there seems to be no real change or improved forecast in the short term for wool.



CULTURAL & ENVIRONMENTAL

Over 5,100 native tree's have been planted around the fenced off Kaituna area as well as shade tree's needed for the stock finishing country along the flats this year, a total of 19,344 native trees planted since 2015.

A big thankyou to Loni Bycroft, Whanau, St Peters school students, Rotary club, council staff and staff involved in planting days.

Plants were sourced from Integrated Kaipara Harbour Management Group, Tree's for Survival, Te Uri O Hau Nurseries, Auckland Council and South Head Land Care.

Pest monitoring control across the whole farm, Otakanini is a pest buffer zone for the Korowai o te Tonga.

Planning will begin in 2019 for remedial works to the ridges that have begun to degrade as a result of wind damage influenced by clear felling by adjoining neighbours in the Woodhill Forest.

LOOKING AHEAD

- Continued progression of farm development
- Continued staff development
- Bench marking of our performance against top producing properties, while still enhancing Cultural and Environmental aspects within our operation
- Expanding the farming operation sustainably.
- Ensuring the farm operation is fully maintained every year
- Entering farm competitions. (Ahuwhenua, Ballance Sustainable Competition)

Meri Kirihimete me te Whai Rawa o te Tau Hou ki a tatou katoa.

Na Ray Monk. Farm Manager



FARM PERFORMANCE 2007-2018

| Performance | 2007 | 2018 | Change | |
|--|-----------------|-----------------|-----------|-------|
| | | | Amount | % |
| a) Physical: | | | | |
| Lambs sold (price) | 4,878 (\$56) | 6,730 (\$120) | +1,852 | +38% |
| Total sheep sold | 6,768 (\$51) | 7,861 (\$118) | +1,093 | +16% |
| Cattle sold/traded | 493 (\$692) | 978 (\$1,234) | +485 | +98% |
| Wool sold – kg | 41,430 (\$2.35) | 49,127 (\$2.18) | +7,697 | +19% |
| b) Financial: | | | | |
| Gross income - \$ | 811,398 | 1,937,282 | 1,125,884 | +139% |
| - per ha | 649 | 1,167 | | |
| - per su | 48 | 124 | | |
| Less farming expenses - \$ | 712,715 | 1,177,463 | +464,748 | +65% |
| - per ha | 570 | 709 | | |
| - per su | 42 | 75 | | |
| - % GI | 88% | 60% | | -28% |
| Equals farming surplus - \$ | 98,683 | 759,814 | 661,131 | +670% |
| - per ha | 79 | 458 | | |
| - per su | 6 | 49 | | |
| - % GI | 12% | 40% | | +28% |
| Capital invested in land, stock & plant - \$ | 14m | 19m | | |
| Annual return on capital | +0.7% | 4.0% | | +471% |

Excerpt from Geoff Burton Farm Business Management Report 2018





OTAKANINI TOPU FOREST 2017-18

The year began with a full compliment of thinning taking place in 2017 work was halted for the balance of summer due to the fire risk.

Thinning resumed in June 2018 & mechanical thinning works scheduled to be completed in November 2018. A residual of approximately 35 hectares of steep slopes will then require manual thinning.

Storms in May 2018 and another one in July of the coming reporting year (2019) did cause some damage to the tree crop, but the areas affected did not warrant clearing, so crew are engaged in removal of damaged trees where viable and we will have some lightly stocked areas, affecting approximately 4 hectares in total.

A formal mapping/valuation process taking place now will identify exactly how much area is affected and the potential loss in value. This process will also inform the Committee of Management with regards to the on-going costs required to maintain the value going into the future.

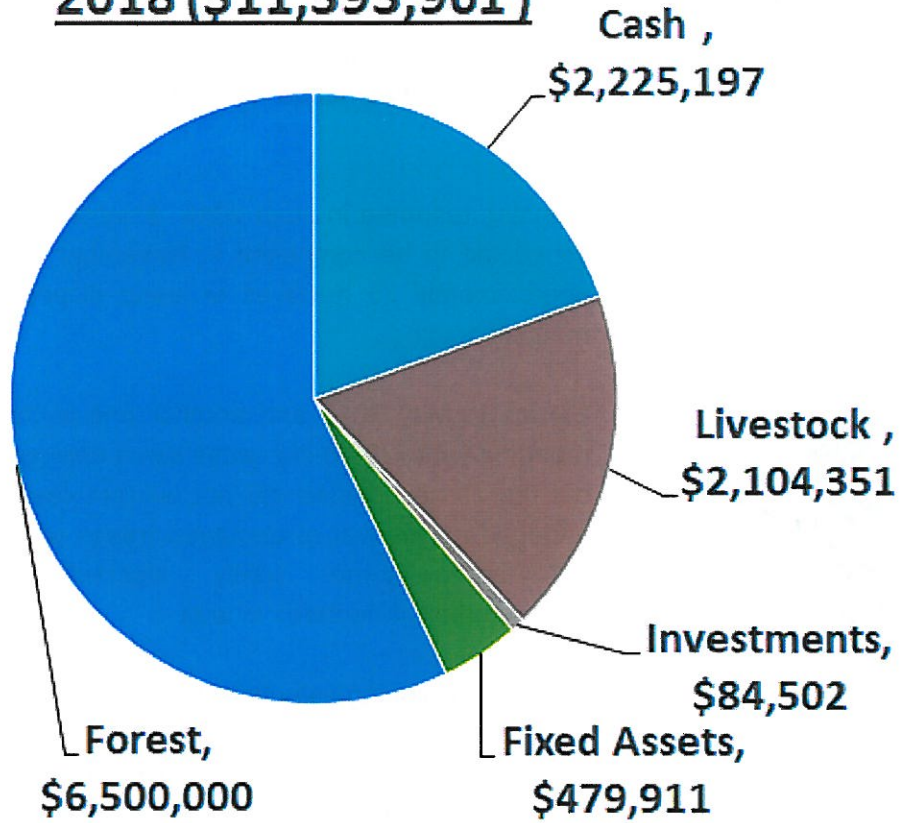




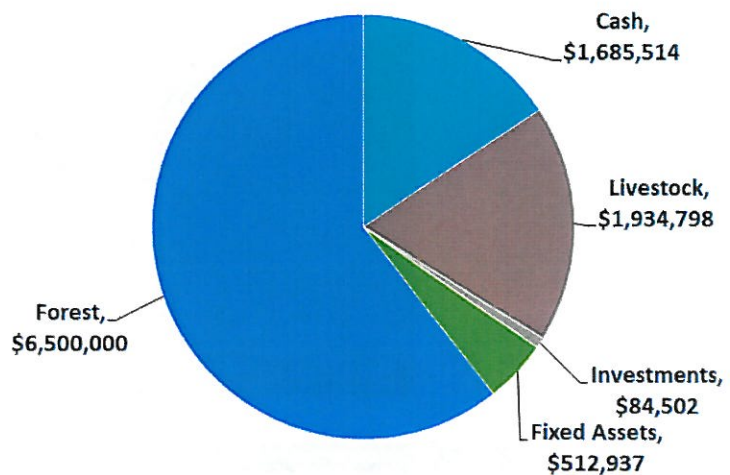
What we have (Assets) not including whenua

Ō T A K A N I N I T Ō P Ū

2018 (\$11,393,961)



2017 (\$10,717,751)

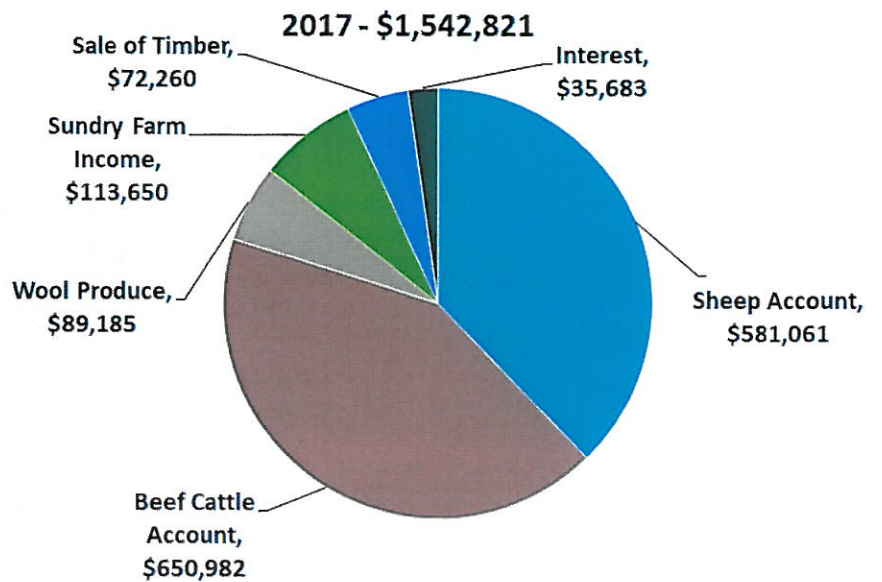
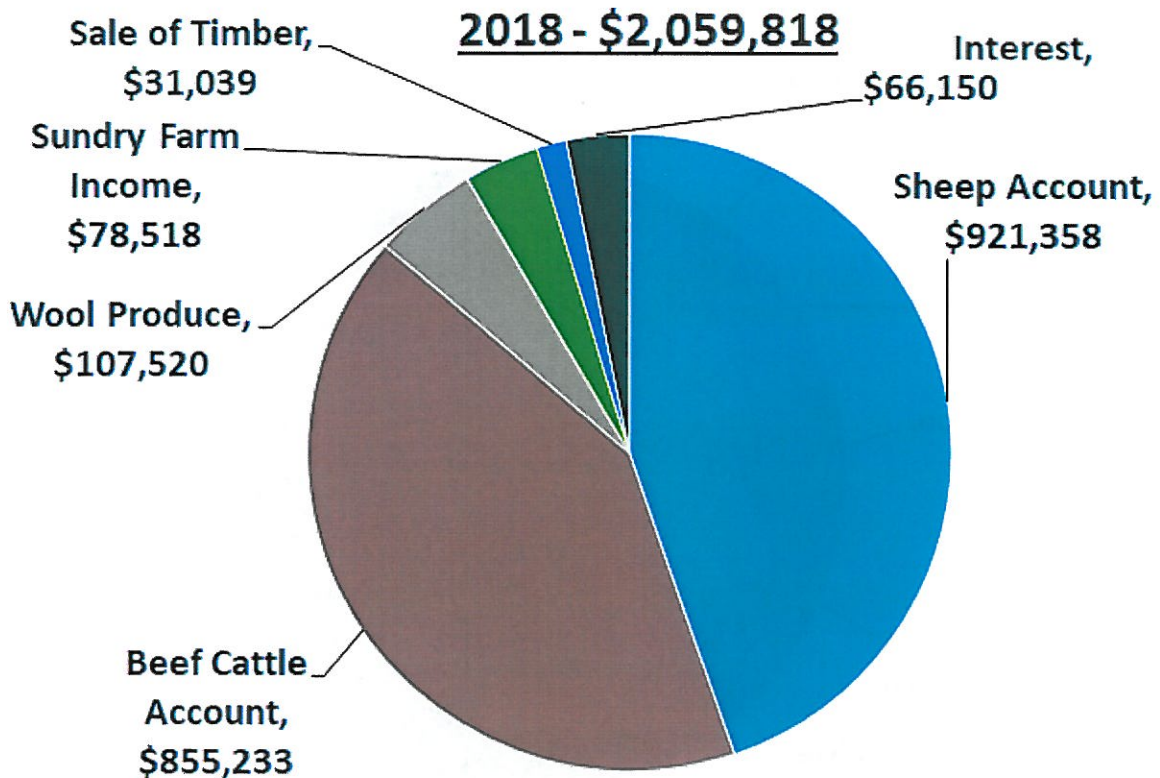




Ō T A K A N I N I T Ō P Ū

How we earnt our income

Ō T A K A N I N I T Ō P Ū

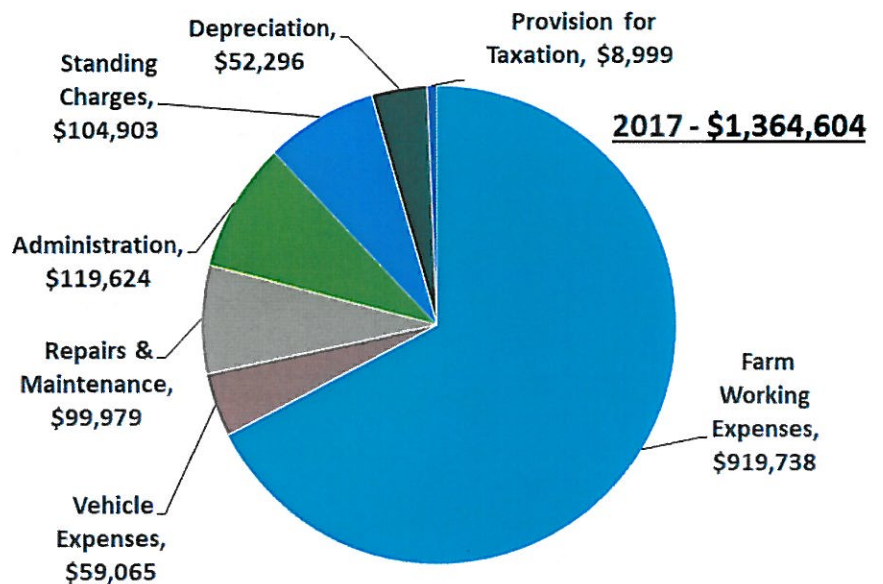
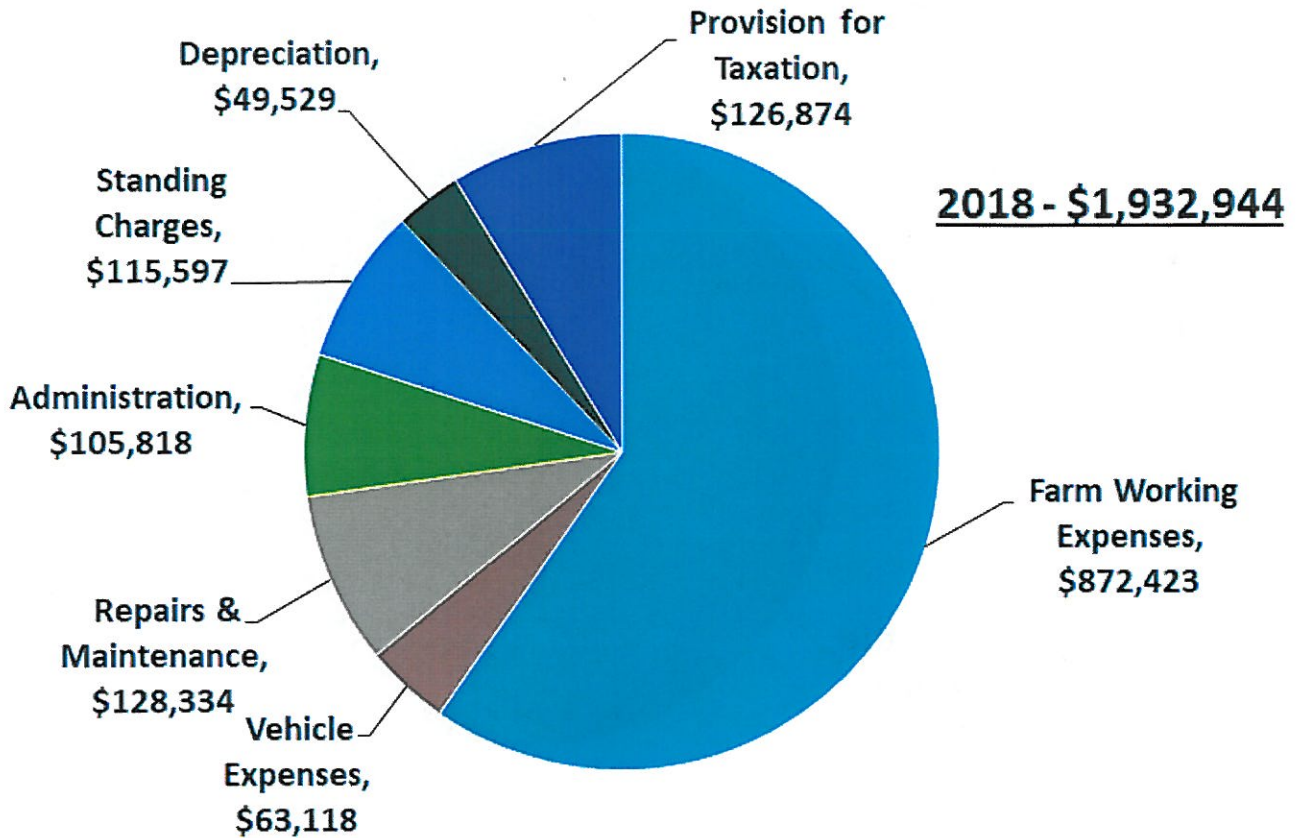




Ō T A K A N I N I T Ō P Ū

How we spent our money

Ō T A K A N I N I T Ō P Ū



Attachment A



WITHERS & CO LTD



CHARTERED ACCOUNTANTS
MATAHURI • NEW ZEALAND

Otakanini Topu Inc
Special Purpose Financial Statements
For the Year Ended 30 June 2018

Attachment A

Otakanini Topu Inc Special Purpose Financial Statements For the Year Ended 30 June 2018



WITHERS & CO LTD



CHARTERED ACCOUNTANTS
MEMBER OF THE INSTITUTE OF CHARTERED ACCOUNTANTS

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Attachment A

Otakanini Topu Inc Directory As at 30 June 2018



WITHERS & CO LTD



Committee

Glenn Wilcox (Chair)
Michelle Hill
Awa Hudson
Hemi Rau
Lisa Reweti
Mei Hill

IRD Number

010-602-335

Business Location

Southhead
R D 1
HELENSVILLE

Nature Of Business

Sheep & Cattle Farming/Investments

Auditor

JSA Audit Limited
Parnell, AUCKLAND

Accountant

Withers & Co Ltd
23 Neville Street
WARKWORTH

Banker

Bank of New Zealand
ASB Bank

Attachment A

Otakanini Topu Inc Farm Working Account For the Year Ended 30 June 2018



WITHERS & CO LTD



| MAKARAU | 2018 \$ | 2017 \$ |
|----------------------------------|----------------|-----------------|
| Farm Income | | |
| Beef Cattle Account | 200,285 | 185,646 |
| Sundry Farm Income | | |
| Rent Received - Farm House | 20,800 | 20,141 |
| Grazing | 4,547 | - |
| | 25,347 | 20,141 |
| Gross Farm Income | 225,632 | 205,787 |
| Farm Working Expenses | | |
| Dips & Sprays | 306 | 97 |
| Dog Expenses | - | 22 |
| Eartags | 105 | 1,925 |
| Electricity | 3,149 | 6,400 |
| Freight | 823 | 1,499 |
| Rations | 721 | 138 |
| Stockfood | 86,016 | 101,396 |
| Veterinary | 10,936 | 13,410 |
| Wages | 38,319 | 56,298 |
| | 140,375 | 181,185 |
| Vehicle Expenses | | |
| Fuel & Oil | 2,038 | - |
| Motor Bikes | 6,044 | 1,512 |
| Tractors | 144 | 837 |
| Utility | 569 | 2,832 |
| | 8,795 | 5,181 |
| Repairs & Maintenance | | |
| Buildings | 13,111 | - |
| Fencing, Gates & Yards | 815 | 1,099 |
| House - Rental | - | 1,527 |
| Plant & Machinery | 742 | 1,170 |
| Protective Clothing | - | 78 |
| Tracks, Roads & Bridges | 1,578 | - |
| Tools & Hardware | - | 337 |
| Water Supply | 2,302 | 363 |
| | 18,548 | 4,574 |
| Administration | | |
| Farm Advisory | - | 1,242 |
| Property Management Fees | 1,995 | 1,622 |
| | 1,995 | 2,864 |
| Standing Charges | | |
| Insurance | 1,029 | 1,871 |
| Rates | 4,107 | 4,016 |
| Rent | 42,449 | 42,070 |
| | 47,585 | 47,957 |
| Total Cash Expenses | 217,298 | 241,761 |
| Depreciation | | |
| Depreciation as per Schedule | 3,894 | 5,740 |
| Total Expenses | 221,192 | 247,501 |
| Net Profit/(Loss) | 4,440 | (41,714) |

The accompanying notes form part of the Special Purpose financial statements. The Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc
Farm Working Account
For the Year Ended 30 June 2018



WITHERS & CO LTD



| SOUTHHEAD | 2018 | 2017 |
|----------------------------|------------------|------------------|
| | \$ | \$ |
| Farm Income | | |
| Sheep Account | 921,358 | 581,061 |
| Beef Cattle Account | 654,948 | 465,336 |
| | 1,576,306 | 1,046,397 |
| Wool Produce | 107,520 | 89,185 |
| | 1,683,826 | 1,135,582 |
| Sundry Farm Income | | |
| Land Access | 150 | 5,300 |
| Sale of Timber | 31,039 | 72,260 |
| Rent of Employee Houses | 31,200 | 31,200 |
| Rent Received - Farm House | 21,230 | 21,091 |
| Rebates & Sundry Income | 591 | 3,380 |
| Auckland Council Grant | - | 32,538 |
| | 84,210 | 165,769 |
| Gross Farm Income | 1,768,036 | 1,301,351 |

The accompanying notes form part of the Special Purpose financial statements. The Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Farm Working Account For the Year Ended 30 June 2018



WITHERS & CO LTD



CHARTERED ACCOUNTANTS

| SOUTHHEAD | 2018 \$ | 2017 \$ |
|----------------------------------|----------------|----------------|
| Farm Working Expenses | | |
| Contract - Shearing | 56,659 | 43,127 |
| Crops, Cultivation & Sowing | 9,750 | 19,339 |
| Chicken Manure | 107,220 | 95,403 |
| Dips & Sprays | 9,865 | 8,291 |
| Dog Expenses | 10,055 | 8,831 |
| Eartags | 3,263 | 3,493 |
| Electricity | 15,672 | 15,433 |
| Employee Allowances | 4,408 | 4,408 |
| Environmental | 2,107 | - |
| Spreading Trucks | - | 546 |
| Fertiliser & Lime | 21,677 | 31,899 |
| Freight Fertilizer | 1,189 | 5,077 |
| Freight | 732 | 3,145 |
| Forestry Preparation | - | 389 |
| Haymaking & Silage | 24,300 | 24,433 |
| Lime | - | 1,500 |
| Nitrogen Fertilizer | 3,479 | 4,143 |
| Pregnancy Tests | 3,967 | 4,036 |
| Regrassing | 29,559 | 22,983 |
| Rations | 3,823 | 3,284 |
| Shearing Expenses | 3,298 | 4,264 |
| Soil Test | 184 | 1,425 |
| Shelter Trees | 4,118 | 3,688 |
| Stockfood | 683 | 904 |
| Veterinary | 46,513 | 52,205 |
| Wages | 350,485 | 352,034 |
| Wages - Other | 7,500 | 7,500 |
| Weed & Pest Control | 11,542 | 16,773 |
| | 732,048 | 738,553 |
| Vehicle Expenses | | |
| Fuel & Oil | 17,251 | 26,008 |
| Excavator | 1,107 | 680 |
| Motor Bikes | 21,489 | 21,174 |
| Tractors | 6,421 | 2,636 |
| Utility | 8,055 | 3,386 |
| | 54,323 | 53,884 |
| Repairs & Maintenance | | |
| Buildings | 47,468 | 3,056 |
| Drain & Dams | 2,748 | - |
| Fencing, Gates & Yards | 22,912 | 45,719 |
| Houses - Workers | 17,597 | 17,900 |
| House - Rental | 2,082 | 295 |
| Plant & Machinery | 6,669 | 12,309 |
| Protective Clothing | 1,432 | 2,076 |
| Tracks, Roads & Bridges | 1,732 | 3,126 |
| Tools & Hardware | 2,089 | 2,881 |
| Water Supply | 5,057 | 8,043 |
| | 109,786 | 95,405 |

The accompanying notes form part of the Special Purpose financial statements. The Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Farm Working Account For the Year Ended 30 June 2018



WITHERS & CO LTD



CHARTERED ACCOUNTANTS
U.K. No. 272581 (2012)

| SOUTHHEAD | 2018 \$ | 2017 \$ |
|------------------------------------|------------------|------------------|
| Administration | | |
| Audit | 11,250 | 8,000 |
| Accountancy | 15,130 | 13,415 |
| AGM Expenses | 8,369 | 12,758 |
| Computer Expenses | 552 | 1,052 |
| Entertainment | - | 92 |
| Farm Advisory | 10,134 | 20,016 |
| Fringe Benefit Tax | - | 4,672 |
| General & Bank Charges | 218 | 437 |
| Koha, Tangihana | 474 | 374 |
| Legal Fees | - | 2,626 |
| Licenses & Levies | 1,748 | 2,112 |
| Secretarial | 11,876 | 16,309 |
| Stationery & Postage | 835 | 963 |
| Travel & Accomodation | 6,645 | 6,485 |
| Telephone & Tolls | 8,154 | 9,151 |
| Property Management Fees | 1,656 | 1,975 |
| Share Register Audit | 2,280 | 3,114 |
| Stock Audit | 1,200 | 600 |
| Management Committee Fees | 7,000 | 10,600 |
| Mini Storage Costs | 2,157 | 2,009 |
| Management Committee Costs - Other | 10,431 | - |
| Customary Marine Title | 3,714 | - |
| | 103,823 | 116,760 |
| Standing Charges | | |
| ACC Levies | 20,124 | 8,595 |
| Insurance | 24,198 | 25,222 |
| Rates | 23,690 | 23,129 |
| | 68,012 | 56,946 |
| Total Cash Expenses | 1,067,992 | 1,061,548 |
| Depreciation | | |
| Depreciation as per Schedule | 45,140 | 48,490 |
| Depreciation - Loss on Sale | 495 | 72 |
| Depreciation Recovered | - | (2,006) |
| | 45,635 | 46,556 |
| Total Expenses | 1,113,627 | 1,108,104 |
| Net Farming Income | 654,409 | 193,247 |

The accompanying notes form part of the Special Purpose financial statements. The Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Statement of Financial Performance For the Year Ended 30 June 2018



WITHERS & CO LTD



| | 2018 \$ | 2017 \$ |
|----------------------------------|-----------------------|-----------------------|
| Revenue Was Received From | | |
| Makarau | 4,440 | (41,714) |
| Southhead | 654,409 | 193,247 |
| | <u>658,849</u> | <u>151,533</u> |
| Plus Sundry Income | | |
| Interest - BNZ | 48,508 | 27,279 |
| Interest - ASB | 17,642 | 8,020 |
| Interest - IRD | - | 384 |
| | <u>66,150</u> | <u>35,683</u> |
| Net Income | <u>724,999</u> | <u>187,216</u> |
| Less | | |
| Provision for Taxation | 126,874 | 8,999 |
| Net Income | <u><u>598,125</u></u> | <u><u>178,217</u></u> |

The notes form part of the accompanying Special Purpose financial statements. These Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Beef Cattle Trading Account For the Year Ended 30 June 2018



WITHERS & CO LTD



| MAKARAU | 2018 No. | Ave Price | 2018 \$ | 2017 \$ |
|---|-------------|---------------|----------------|----------------|
| Sales | | | | |
| R1, R2yr Heifers to Southhead | 6 | 983.33 | 5,900 | - |
| R1yr Heifers | - | - | - | 24,792 |
| R1yr Bulls to Southhead | 258 | 730.00 | 188,340 | 195,490 |
| Calves | 14 | 110.00 | 1,540 | - |
| R1yr Bulls | - | - | - | 1,739 |
| R2yr Bulls to Southhead | 57 | 1,030.00 | 58,710 | - |
| | 335 | 759.67 | 254,490 | 222,021 |
| Purchases | | | | |
| Calves | 327 | 136.65 | 44,686 | 47,452 |
| Deaths & Missing | (20) | - | - | - |
| Net Cash Surplus | 28 | | 209,804 | 174,569 |
| Less Opening Stock | | | | |
| R2yr Heifers (NSC) | - | - | - | 51,524 |
| R3yr Heifers (HS) | 43 | 1,497.00 | 64,371 | - |
| R1yr Bulls (NSC) | 177 | 288.91 | 51,137 | 50,069 |
| | 220 | 525.04 | 115,508 | 101,593 |
| Plus Closing Stock | | | | |
| R2yr Heifers (HS) | 44 | 1,137.00 | 50,028 | - |
| R1yr Heifers (NSC) | 19 | 362.47 | 6,887 | - |
| R3yr Heifers (HS) | - | - | - | 61,533 |
| R1yr Bulls (NSC) | 145 | 338.44 | 49,074 | 51,137 |
| | 208 | 509.56 | 105,989 | 112,670 |
| Gross Profit From Cattle Trading | 16 | | 200,285 | 185,646 |

The accompanying notes form part of these Special Purpose financial statements. These Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Beef Cattle Trading Account For the Year Ended 30 June 2018



WITHERS & CO LTD



| SOUTHHEAD | 2018 No. | Ave Price | 2018 \$ | 2017 \$ |
|---|--------------|-----------------|----------------|------------------|
| Sales | | | | |
| Cows | 48 | 817.13 | 39,222 | 187,705 |
| Heifers | 57 | 1,281.51 | 73,046 | 229,070 |
| R2yr Heifers | 77 | 1,215.30 | 93,578 | - |
| R1yr Heifers | - | - | - | 31,000 |
| R2, R3yr Bulls | 461 | 1,629.41 | 751,158 | 388,176 |
| | 643 | 1,488.34 | 957,004 | 835,951 |
| Purchases | | | | |
| R1yr Bulls | 5 | 553.60 | 2,768 | - |
| R1, 2yr Heifers ex Makarau | 6 | 983.33 | 5,900 | - |
| R1yr Bulls ex Makarau | 258 | 730.00 | 188,340 | 195,490 |
| Bulls | 3 | 4,300.00 | 12,900 | - |
| R2yr Bulls ex Makarau | 57 | 1,030.00 | 58,710 | - |
| | 329 | 816.47 | 268,618 | 195,490 |
| Deaths & Missing | (36) | - | - | - |
| Net Cash Surplus | 350 | | 688,386 | 640,461 |
| Less Opening Stock | | | | |
| R3yr Heifers (HS) | - | - | - | 130,221 |
| R2yr Heifers (HS) | 174 | 1,137.00 | 197,838 | 174,479 |
| MA Cows (HS) | 201 | 1,497.00 | 300,897 | 306,234 |
| R1yr Heifers (NSC) | 163 | 343.77 | 56,034 | 79,096 |
| R1yr Bulls (NSC) | 465 | 288.91 | 134,343 | 106,080 |
| Breeding Bulls (HS) | 5 | 3,004.00 | 15,020 | 34,045 |
| R2yr Bulls (NSC) | 377 | 467.15 | 176,116 | 105,241 |
| R3yr Bulls (NSC) | - | - | - | 113,082 |
| | 1,385 | 635.56 | 880,248 | 1,048,478 |
| Plus Closing Stock | | | | |
| R2yr Heifers (HS) | 136 | 1,137.00 | 154,632 | 203,754 |
| MA Cows (HS) | 202 | 1,497.00 | 302,394 | 287,631 |
| R1yr Heifers (NSC) | 97 | 362.49 | 35,162 | 56,034 |
| R2yr Bulls (NSC) | 448 | 492.31 | 220,555 | 176,116 |
| R1yr Bulls (NSC) | 334 | 338.44 | 113,039 | 134,343 |
| Breeding Bulls (HS) | 7 | 3,004.00 | 21,028 | 15,475 |
| | 1,224 | 691.84 | 846,810 | 873,353 |
| Gross Profit From Cattle Trading | 189 | | 654,948 | 465,336 |

The accompanying notes form part of these Special Purpose financial statements. These Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Sheep Trading Account For the Year Ended 30 June 2018



WITHERS & CO LTD



| SOUTHHEAD | 2018 No. | Ave Price | 2018 \$ | 2017 \$ |
|--|--------------|---------------|------------------|----------------|
| Sales | | | | |
| Ewe Hoggets | 69 | 130.96 | 9,036 | - |
| Mixed Age Ewes | 1,061 | 101.57 | 107,761 | 72,906 |
| Lambs | 6,730 | 119.83 | 806,433 | 467,602 |
| Ram & Wether Hoggets | - | - | - | 34,047 |
| Wethers | 1 | 120.00 | 120 | 480 |
| | 7,861 | 117.46 | 923,350 | 575,035 |
| Purchases | | | | |
| Rams | 29 | 474.14 | 13,750 | 17,300 |
| Deaths & Missing | (736) | - | - | - |
| Net Cash Surplus | 8,568 | | 909,600 | 557,735 |
| Less Opening Stock | | | | |
| Ewe Lambs (NSC) | 1,712 | 32.20 | 55,126 | 63,519 |
| 2th Ewes (HS) | 1,915 | 179.00 | 342,785 | 271,800 |
| Ewes 3 & 4 yr (HS) | 2,800 | 160.00 | 448,000 | 432,300 |
| Ewes - 5 & 6 yr (HS) | 1,867 | 142.00 | 265,114 | 129,910 |
| M A Wethers (NSC) | 46 | 53.70 | 2,470 | - |
| Breeding Rams (HS) | 91 | 289.00 | 26,299 | 27,920 |
| | 8,431 | 135.19 | 1,139,794 | 925,449 |
| Plus Closing Stock | | | | |
| Ewe Lambs (NSC) | 1,999 | 34.60 | 69,165 | 55,126 |
| MS Lambs (NSC) | 244 | 34.60 | 8,442 | - |
| 2th Ewes (HS) | 1,469 | 179.00 | 262,951 | 287,250 |
| Ewes 3 & 4 yr (HS) | 1,662 | 160.00 | 265,920 | 366,800 |
| Ewes - 5 & 6 yr (HS) | 3,604 | 142.00 | 511,768 | 205,370 |
| MA Wethers (NSC) | 68 | 56.29 | 3,828 | 2,470 |
| Breeding Rams (HS) | 102 | 289.00 | 29,478 | 31,759 |
| | 9,148 | 125.88 | 1,151,552 | 948,775 |
| Gross Profit From Sheep Trading | 9,285 | | 921,358 | 581,061 |

The accompanying notes form part of these Special Purpose financial statements. These Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Trend Statement For the Year Ended 30 June 2018



WITHERS & CO LTD



| | 2018 | 2017 | 2016 | 2015 |
|-------------------------------|------------------|------------------|------------------|------------------|
| Sales | | | | |
| Beef Cattle – Southhead | 957,004 | 835,951 | 818,654 | 972,515 |
| Beef Cattle – Makarau | 254,490 | 222,021 | 414,927 | 274,291 |
| Sheep | 923,350 | 575,035 | 525,784 | 486,796 |
| Wool | 107,520 | 89,185 | 169,424 | 131,946 |
| Sundries | 109,557 | 185,910 | 156,523 | 147,965 |
| Gross Cash Income | <u>2,351,921</u> | <u>1,908,102</u> | <u>2,085,312</u> | <u>2,013,693</u> |
| Farm Expenses | | | | |
| Stock Purchases – Southhead | 268,618 | 195,490 | 205,850 | 106,550 |
| Stock Purchases – Makarau | 44,686 | 47,452 | 82,161 | 72,865 |
| Stock Purchases – Sheep | 13,750 | 17,300 | 14,250 | 10,500 |
| Farm Running Costs | 1,285,290 | 1,303,369 | 1,649,305 | 1,665,356 |
| Depreciation | 49,529 | 52,296 | 59,445 | 117,106 |
| Net Farming Income/(Loss) | 658,849 | 151,533 | (109,435) | (24,253) |
| Interest, Dividends Received | 66,150 | 35,683 | 46,131 | 60,950 |
| Dividends Paid – Current Year | 35,750 | 35,514 | 25,885 | 32,235 |
| Statistics | | | | |
| Livestock Owned – Cattle | 1,432 | 1,605 | 1,647 | 1,787 |
| Livestock Owned – Sheep | 9,148 | 8,431 | 8,422 | 8,418 |
| Livestock Units – Southhead | 14,611 | 14,602 | 15,421 | 15,162 |
| Livestock Units – Makarau | 876 | 923 | 940 | 1,402 |
| Natural Increase – Beef | 189 | 358 | 364 | 410 |
| Natural Increase – Sheep | 9,285 | 8,268 | 7,950 | 6,989 |
| Wool Sold – Kilos | 49,127 | 31,807 | 40,755 | 36,045 |
| Average Price – Sales | | | | |
| Per Kg Wool | 2.18 | 2.66 | 4.16 | 3.66 |
| Lambs | 119.83 | 74.40 | 79.59 | 96.98 |
| Ewe Lambs | 130.96 | - | 89.81 | 90.08 |
| Ram & Wether Hoggets | - | 116.60 | 93.93 | 104.31 |
| Heifers | 1,243.46 | 1,199.32 | 1,146.64 | 1,029.59 |
| R2yr, R3yr Bulls | 1,629.41 | 1,528.25 | 1,496.57 | 1,561.76 |
| Bulls | - | - | 2,328.00 | 2,028.67 |

The accompanying notes form part of these Special Purpose financial statements. These Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Statement of Financial Position As at 30 June 2018



WITHERS & CO LTD



CHARTERED ACCOUNTANTS
Auckland - New Zealand

| | Note | 2018 \$ | 2017 \$ |
|---|------|-------------------|-------------------|
| Current Assets | | | |
| Bank of New Zealand ASB | | 390,261 | 653,925 |
| GST Refund Due | | 19 | - |
| Cattle Proceeds Due | 1(c) | - | 5,740 |
| Accounts Receivable | | 211,150 | 2,000 |
| Sheep Proceeds Due | | 2,840 | 12,394 |
| Wool on Hand | | 109,726 | 16,367 |
| | | 19,084 | 8,074 |
| | | 733,080 | 698,500 |
| Livestock | | | |
| Sheep | 1(e) | 1,151,552 | 948,775 |
| Beef Cattle - Southhead | | 846,810 | 873,353 |
| Beef Cattle - Makarau | | 105,989 | 112,670 |
| | | 2,104,351 | 1,934,798 |
| Investments | | | |
| Shares - Ballance Fertilizer (8250) | 1(f) | 66,825 | 66,825 |
| Shares - Ravensdown (9867) | | 9,867 | 9,867 |
| Shares - Farmlands Trading Society Ltd (7810) | | 7,810 | 7,810 |
| Term Deposit - ASB | | - | 1,006,220 |
| Term Deposit - BNZ | | 2,358,376 | 600,000 |
| | | 2,442,878 | 1,690,722 |
| Fixed Assets | | | |
| Land | | 16,416,193 | 13,616,193 |
| Buildings - Southhead | | 139,811 | 142,268 |
| Motor Vehicles - Southhead | | 124,634 | 132,739 |
| Development - Southhead | | 109,538 | 116,753 |
| Furniture & Fittings | | 2,110 | 2,344 |
| Plant & Equipment - Southhead | | 65,512 | 75,373 |
| Vehicles - Makarau | | 19,182 | 22,048 |
| Plant & Equipment - Makarau | | 7,742 | 8,637 |
| Development - Makarau | | 607 | 740 |
| Buildings - Makarau | | 10,775 | 12,035 |
| | | 16,896,104 | 14,129,130 |
| Total Assets | | 22,176,413 | 18,453,150 |
| Current Liabilities | | | |
| GST Due for Payment | 1(c) | 46,235 | - |
| Taxation | | 113,445 | 1,981 |
| Accounts Payable | 8 | 140,975 | 133,786 |
| Undrawn Dividends | 6 | 565,604 | 483,439 |
| | | 866,259 | 619,206 |
| Total Liabilities | | 866,259 | 619,206 |
| Excess Assets Over Liabilities | | 21,310,154 | 17,833,944 |

The accompanying notes form part of the Special Purpose financial statements. The Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Statement of Financial Position As at 30 June 2018



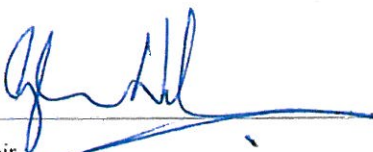
WITHERS & CO LTD



CHARTERED ACCOUNTANTS
INCORPORATED IN NEW ZEALAND

| | Note | 2018 \$ | 2017 \$ |
|---|------|--------------------------|--------------------------|
| Represented by; | | | |
| Equity | | | |
| Issued Capital | | 190,507 | 190,507 |
| Land Revaluation Reserve | | 16,200,000 | 13,400,000 |
| Realised Capital Reserves | | 127,309 | 127,309 |
| Livestock Revaluation Reserve | | 2,247,613 | 2,046,861 |
| Changes in Opening Balance for Prior Period Adjustments | | - | 58,419 |
| Revenue Reserves | | 2,544,725 | 2,010,848 |
| Total Equity | | <u>21,310,154</u> | <u>17,833,944</u> |

For And On Behalf Of Otakanini Topu Inc.


 _____ Date Nov 12 2018
 Chair


 _____ Date Nov 12 2018
 Committee

The accompanying notes form part of the Special Purpose financial statements. The Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Statement of Movements in Equity For the Year Ended 30 June 2018



WITHERS & CO LTD



CHARTERED ACCOUNTANTS
AUCKLAND & NEW ZEALAND

| | <i>Note</i> | 2018 | 2017 |
|---|-------------|-------------------|-------------------|
| | | \$ | \$ |
| Equity At 1 July 2017 | | 17,833,944 | 17,551,127 |
| Surplus & Revaluations | | | |
| Net Surplus After Tax | | 598,125 | 178,217 |
| Land Revaluation Reserve | | 2,800,000 | - |
| Livestock Revaluation Reserve | | 200,752 | 168,848 |
| Changes in Opening Balance for Prior Period Adjustments | | - | 58,419 |
| Total Recognised Revenues & Expenses | | 3,598,877 | 405,484 |
| Other Movements | | | |
| Distribution to Owners | | (122,667) | (122,667) |
| Equity At 30 June 2018 | | 21,310,154 | 17,833,944 |

The accompanying notes form part of these Special Purpose financial statements. These Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Cashflow Statement For the Year Ended 30th June 2018



WITHERS & CO LTD



| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Cash Receipts From | | |
| Cattle Sales | 1,211,494 | 1,057,972 |
| Sheep Sales | 923,350 | 575,035 |
| Wool Sales | 107,520 | 89,185 |
| Rent – Houses | 73,230 | 72,432 |
| Sundry | 4,697 | 37,838 |
| Rebates | 591 | 3,380 |
| Sale of Timber | 31,039 | 72,260 |
| | <u>2,351,921</u> | <u>1,908,102</u> |
| Produced by Expenditure On | | |
| Cattle Purchases | 313,304 | 242,942 |
| Sheep Purchases | 13,750 | 17,300 |
| Farm Working Expenses | 1,285,290 | 1,303,309 |
| | <u>1,612,344</u> | <u>1,563,551</u> |
| Cash Surplus from Farming Forestry Plus Other Cash Received | 739,577 | 344,551 |
| Interest Received | 66,150 | 35,683 |
| BNZ Term Deposit Decrease | - | 418,392 |
| Taxation Refund, RWT Paid | - | 910 |
| Shares – Silver Fern Farms Ltd | - | 335 |
| Asset Sales | - | 5,652 |
| GST | 51,973 | - |
| Reimbursement – Ray Monk | - | 58,419 |
| ASB Term Deposit Decrease | 1,006,220 | - |
| | <u>1,124,343</u> | <u>519,391</u> |
| Making Total Cash Available | <u>1,863,920</u> | <u>863,942</u> |
| Capital Purchases & Repayments, Dividends Paid | | |
| Dividends Paid – Current & Prior Years | 40,502 | 46,975 |
| Asset Purchases | 16,503 | 44,550 |
| ASB Term Deposit | - | 1,005,774 |
| GST | - | 18,323 |
| Taxation, RWT | 15,408 | - |
| ASB Savings | 19 | - |
| BNZ Term Deposit | 1,758,376 | - |
| | <u>1,830,808</u> | <u>1,115,622</u> |
| Cash Surplus | <u>33,112</u> | <u>(251,680)</u> |
| Represented By Working Capital Changes | | |
| Bank (Decrease)/Increase | (263,664) | (143,414) |
| Current Assets – Debtors (Decrease)/Increase | 303,965 | (109,721) |
| Current Liabilities - Creditors Decrease/(Increase) | (7,189) | 1,455 |
| | <u>33,112</u> | <u>(251,680)</u> |

The notes form part of the accompanying Special Purpose financial statements. The Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Fixed Assets and Depreciation Schedule For the Year Ended 30 June 2018



WITHERS & CO LTD



CHARTERED ACCOUNTANTS
AUCKLAND

| Asset | Cost Price | Book Value 01/07/17 | Additions Disposals | Gain/Loss on Disposal | Capital Profit | -- Depreciation -- Mth Rate | \$ | Accum Deprec 30/06/18 | Book Value 30/06/18 |
|--|----------------|---------------------|---------------------|-----------------------|----------------|--------------------------------|---------------|-----------------------|---------------------|
| Assets | | | | | | | | | |
| Vehicles - Southhead | | | | | | | | | |
| John Deere 1020 | 6,350 | 2 | 0 | (2) | | 20.0% DV | | | 0 |
| Tractor - New Holland T6070 | 128,460 | 56,398 | | | | 12 13.0% DV | 7,332 | 79,394 | 49,066 |
| Nuffield Tractor | 1,750 | | 0 | | | 20.0% DV | | | 0 |
| Excavator Hyundai | 137,533 | 29,664 | | | | 12 -- | | 107,869 | 29,664 |
| Utility - Toyota Hilux 3.0 | 30,778 | 1,002 | | | | 12 21.6% DV | 216 | 29,992 | 786 |
| Toyota Hilux FKY956 | 45,603 | 7,421 | | | | 12 20.0% DV | 1,484 | 39,666 | 5,937 |
| Quad - Can Am Outlander 500 XT 2012 | 13,400 | 2,252 | | | | 12 30.0% DV | 676 | 11,824 | 1,576 |
| Quad - Can Am Outlander 500XT 2013 | 14,609 | 3,508 | | | | 12 30.0% DV | 1,052 | 12,153 | 2,456 |
| 2014 Can Am Outlander 500EF1 | 13,739 | 4,881 | | | | 12 30.0% DV | 1,464 | 10,322 | 3,417 |
| 2015 Can Am Outlander 500 | 12,870 | 6,149 | | | | 12 30.0% DV | 1,845 | 8,566 | 4,304 |
| Front End Loader MXT12 | 16,460 | 7,493 | | | | 12 13.0% DV | 974 | 9,941 | 6,519 |
| 2016 Can Am Defender 800 | 19,956 | 13,969 | | | | 12 30.0% DV | 4,191 | 10,178 | 9,778 |
| Suzuki LTA500 Quad | | | 14,362 | | | 9 30.0% DV | 3,231 | 3,231 | 11,131 |
| Sub-Total | 441,508 | 132,739 | 14,362 | (2) | | | 22,465 | 323,136 | 124,634 |
| Vehicles - Makarau | | | | | | | | | |
| Tractor - McCormick CX95 | 35,000 | 22,048 | | | | 12 13.0% DV | 2,866 | 15,818 | 19,182 |
| Sub-Total | 35,000 | 22,048 | 0 | | | | 2,866 | 15,818 | 19,182 |
| Plant And Machinery - Southhead | | | | | | | | | |
| Weather Station | 2,802 | 1,466 | | | | 12 13.0% DV | 191 | 1,527 | 1,275 |
| Calf Puller | 600 | 314 | | | | 12 13.0% DV | 41 | 327 | 273 |
| Hing Hit Post Driver | 16,355 | 7,274 | | | | 12 16.0% DV | 1,164 | 10,245 | 6,110 |
| Fertilizer Spreader | 2,767 | 1,359 | | | | 12 16.0% DV | 217 | 1,625 | 1,142 |
| Fence Stapler | 1,140 | 94 | | | | 12 14.4% DV | 14 | 1,060 | 80 |
| B/500 Solar Fence Unit | 976 | 60 | | | | 12 10.0% DV | 6 | 922 | 54 |
| Solar Electric Fence System | 1,425 | 76 | | | | 12 10.0% DV | 8 | 1,357 | 68 |
| Compressor Trailblazer | 1,500 | 123 | | | | 12 14.4% DV | 18 | 1,395 | 105 |
| Fuel Tanks | 1,280 | 26 | | | | 12 10.0% DV | 3 | 1,257 | 23 |
| Croplands 1000L Sprayer | 15,964 | 5,786 | | | | 12 16.0% DV | 926 | 11,104 | 4,860 |
| Digger Spade Bucket | 783 | 370 | | | | 12 13.0% DV | 48 | 461 | 322 |
| Water Tank | 2,848 | 1,143 | | | | 12 16.0% DV | 183 | 1,888 | 960 |
| Fridge - Shearers Quarters | 356 | 31 | | | | 12 12.0% DV | 4 | 329 | 27 |
| Fire Extinguishers | 867 | 48 | | | | 12 10.0% DV | 5 | 824 | 43 |
| Waste Not Feeder | 872 | 221 | | | | 12 15.6% DV | 34 | 685 | 187 |
| Waste Not Feeder | 872 | 221 | | | | 12 15.6% DV | 34 | 685 | 187 |
| Grass Trimmer | 427 | 26 | | | | 12 10.0% DV | 3 | 404 | 23 |
| Slasher Vogel 3000 | 7,991 | 489 | | | | 12 18.0% DV | 88 | 7,590 | 401 |
| Sheep Weigher | 1,511 | 120 | | | | 12 14.4% DV | 17 | 1,408 | 103 |
| 13 Hp Motor | 995 | 166 | | | | 12 15.6% DV | 26 | 855 | 140 |
| Pump | 2,549 | 68 | | | | 12 10.0% DV | 7 | 2,488 | 61 |
| Homelite Pump, Hoses | 1,188 | 64 | | | | 12 18.0% DV | 12 | 1,136 | 52 |
| Silage Wagon - Uni Side Feed | 29,000 | 5,893 | | | | 12 15.6% DV | 919 | 24,026 | 4,974 |
| Anderson 605 Pump and Motor | 13,665 | 2,344 | | | | 12 15.6% DV | 366 | 11,687 | 1,978 |
| Pump & Motor | 1,767 | 120 | | | | 12 14.4% DV | 17 | 1,664 | 103 |
| Cattle Weigh Platform | 667 | 53 | | | | 12 14.4% DV | 8 | 622 | 45 |
| Bike Trailer | 2,176 | 174 | | | | 12 14.4% DV | 25 | 2,027 | 149 |
| Autodraft Cattel Scales | 23,750 | 11,581 | | | | 12 13.0% DV | 1,506 | 13,675 | 10,075 |
| Loadbars 3000 Kg HD1010 | 1,735 | 855 | | | | 12 13.0% DV | 111 | 991 | 744 |
| Shearing Gear | 8,345 | 179 | | | | 12 10.0% DV | 18 | 8,184 | 161 |
| Mobile Sheep Yards, Prattley | 9,268 | 286 | | | | 12 10.0% DV | 29 | 9,011 | 257 |
| Prattley Sheep Race | 814 | 34 | | | | 12 10.0% DV | 3 | 783 | 31 |
| Spray Tank & Boom | 13,472 | 687 | | | | 12 18.0% DV | 124 | 12,909 | 563 |
| Quick Hitch, Foam Markers | 3,382 | 172 | | | | 12 18.0% DV | 31 | 3,241 | 141 |
| 500 L Mounted Spray Tank | 685 | 42 | | | | 12 10.0% DV | 4 | 647 | 38 |
| Scales | 1,149 | 76 | | | | 12 10.0% DV | 8 | 1,081 | 68 |
| Post Hole Borer | 1,021 | 42 | | | | 12 21.6% DV | 9 | 988 | 33 |
| Grader Blade | 1,500 | 179 | | | | 12 12.0% DV | 21 | 1,342 | 158 |
| Cell Phones (3) | 1,016 | 43 | | | | 12 67.0% DV | 29 | 1,002 | 14 |
| Weigh Scale Indicator | 1,735 | 1,156 | | | | 12 13.0% DV | 150 | 729 | 1,006 |
| Harrows | 3,712 | 317 | | | | 12 14.0% DV | 44 | 3,439 | 273 |
| Silage Wagon Giltrap | 8,000 | 353 | 0 | (353) | | 14.4% DV | | | 0 |
| Cambridge Roller | 1,500 | 213 | | | | 12 12.0% DV | 26 | 1,313 | 187 |
| Sprayer | 3,758 | 330 | | | | 12 14.4% DV | 48 | 3,476 | 282 |
| Scales & Load Bars | 3,387 | 1,020 | | | | 12 15.6% DV | 159 | 2,526 | 861 |
| Prattley 3 Way Crate | 9,355 | 2,816 | | | | 12 15.6% DV | 439 | 6,978 | 2,377 |
| Hay Feeder | 9,055 | 764 | | | | 12 14.4% DV | 110 | 8,401 | 654 |
| EID Panel Reader | 1,995 | 984 | | | | 12 13.0% DV | 128 | 1,139 | 856 |
| Big Bale Grab | 2,140 | 101 | | | | 12 10.0% DV | 10 | 2,049 | 91 |

The accompanying notes form part of these Special Purpose financial statements. These Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A



WITTIERS & CO LTD



CHARTERED ACCOUNTANTS
AUCKLAND NEW ZEALAND

Otakanini Topu Inc Fixed Assets and Depreciation Schedule For the Year Ended 30 June 2018

| Asset | Cost Price | Book Value 01/07/17 | Additions Disposals | Gain/Loss on Disposal | Capital Profit | -- Depreciation -- Mth Rate \$ | Accum Deprec 30/06/18 | Book Value 30/06/18 | |
|--------------------------------------|----------------|---------------------|---------------------|-----------------------|----------------|-----------------------------------|-----------------------|---------------------|----------------|
| 3 Sets Harrows | 4,122 | 377 | | | | 12 14.4% DV | 54 | 3,799 | 323 |
| EID Stick Reader | 1,056 | 545 | | | | 12 13.0% DV | 71 | 582 | 474 |
| Slasher | 8,250 | 222 | | | | 12 18.0% DV | 40 | 8,068 | 182 |
| Bandsaw | 675 | 40 | | | | 12 10.0% DV | 4 | 639 | 36 |
| Water Blaster | 3,300 | 125 | | | | 12 14.4% DV | 18 | 3,193 | 107 |
| Website Design | 1,090 | 408 | | | | 12 50.0% DV | 204 | 886 | 204 |
| Staff Computer | 1,015 | 465 | | | | 12 50.0% DV | 233 | 783 | 232 |
| 2 Spray Units, Boom | 6,490 | 337 | | | | 12 18.0% DV | 61 | 6,214 | 276 |
| Quick Hitch frame for Spray Boom | 3,473 | 184 | | | | 12 18.0% DV | 33 | 3,322 | 151 |
| Cordless Drill | 259 | 11 | | | | 12 10.0% DV | 1 | 249 | 10 |
| Stove | 1,067 | 68 | | | | 12 10.0% DV | 7 | 1,006 | 61 |
| Anvil | 350 | 19 | 0 | (19) | | 10.0% DV | | | 0 |
| MX BR200 DGS Bucket | 2,540 | 1,129 | | | | 12 13.0% DV | 147 | 1,558 | 982 |
| 1 Pearson Silage Grab | 2,885 | 107 | | | | 12 14.4% DV | 15 | 2,793 | 92 |
| Trailer | 1,423 | 64 | | | | 12 14.4% DV | 9 | 1,368 | 55 |
| Computer | 1,739 | 163 | | | | 12 50.0% DV | 82 | 1,658 | 81 |
| Garmin GP5 | 661 | 6 | | | | 12 48.0% DV | 3 | 658 | 3 |
| 10T Trailer | 14,300 | 2,186 | | | | 12 14.4% DV | 315 | 12,429 | 1,871 |
| Grease Gun Trolley Kit | 1,046 | 273 | | | | 12 15.6% DV | 43 | 816 | 230 |
| Compressor | 1,017 | 514 | | | | 12 16.0% DV | 82 | 585 | 432 |
| Grundfos Pump | 4,609 | 2,312 | | | | 12 18.0% DV | 416 | 2,713 | 1,896 |
| Brother MFC Printer | 521 | 57 | | | | 12 50.0% DV | 29 | 493 | 28 |
| Trailer Cages (2) | 822 | 535 | | | | 12 13.0% DV | 70 | 357 | 465 |
| Water Tank 30000 Ltr | 3,229 | 1,332 | | | | 12 16.0% DV | 213 | 2,110 | 1,119 |
| Slove - Workers Dwelling | 1,000 | 232 | | | | 12 20.0% DV | 46 | 814 | 186 |
| Silage Wagon Scales | 13,893 | 12,538 | | | | 12 13.0% DV | 1,630 | 2,985 | 10,908 |
| Plate Meter | 838 | 765 | | | | 12 13.0% DV | 99 | 172 | 666 |
| Belt Drive Compressor | | | 2,141 | | | 11 16.0% DV | 314 | 314 | 1,827 |
| Sub-Total | 305,787 | 75,373 | 2,141 | (372) | | | 11,630 | 234,066 | 65,512 |
| Development - Southhead | | | | | | | | | |
| Silage Pit | 11,528 | 845 | | | | 12 12.5% DV | 106 | 10,789 | 739 |
| Water Bore | 16,693 | 5,830 | | | | 12 6.0% DV | 350 | 11,213 | 5,480 |
| Power Supply | 918 | 94 | | | | 12 12.5% DV | 12 | 836 | 82 |
| Water Tank | 2,000 | 79 | | | | 12 18.0% DV | 14 | 1,935 | 65 |
| Water Tank | 3,300 | 158 | | | | 12 18.0% DV | 28 | 3,170 | 130 |
| Devan Tank | 2,217 | 121 | 0 | (121) | | 18.0% DV | | | 0 |
| Water Supply | 29,948 | 20,660 | | | | 12 6.0% DV | 1,240 | 10,528 | 19,420 |
| Water Supply | 8,810 | 6,465 | | | | 12 6.0% DV | 388 | 2,733 | 6,077 |
| Water Supply | 36,718 | 29,907 | | | | 12 5.0% DV | 1,495 | 8,306 | 28,412 |
| Water Supply | 5,847 | 5,013 | | | | 12 5.0% DV | 251 | 1,085 | 4,762 |
| Water Supply | 59,683 | 38,704 | | | | 12 6.0% DV | 2,322 | 23,301 | 36,382 |
| Cattle Yards | 9,863 | 8,877 | | | | 12 10.0% DV | 888 | 1,874 | 7,989 |
| Sub-Total | 187,525 | 116,753 | 0 | (121) | | | 7,094 | 75,770 | 109,538 |
| Development - Makarau | | | | | | | | | |
| Pump System | 1,638 | 740 | | | | 12 18.0% DV | 133 | 1,031 | 607 |
| Sub-Total | 1,638 | 740 | 0 | | | | 133 | 1,031 | 607 |
| Furniture & Fittings | | | | | | | | | |
| Fire Place - Managers House | 4,005 | 2,344 | | | | 12 10.0% DV | 234 | 1,895 | 2,110 |
| Sub-Total | 4,005 | 2,344 | 0 | | | | 234 | 1,895 | 2,110 |
| Plant And Machinery - Makarau | | | | | | | | | |
| Calf Feeder | 1,739 | 976 | | | | 12 16.0% DV | 156 | 919 | 820 |
| Trailer | 4,208 | 2,652 | | | | 12 13.0% DV | 345 | 1,901 | 2,307 |
| Calf Feeders | 998 | 568 | | | | 12 16.0% DV | 91 | 521 | 477 |
| Colostrum Tank | 1,518 | 1,012 | | | | 12 13.0% DV | 132 | 638 | 880 |
| Sewerage System | 4,000 | 3,429 | | | | 12 5.0% DV | 171 | 742 | 3,258 |
| Sub-Total | 12,463 | 8,637 | 0 | | | | 895 | 4,721 | 7,742 |
| Buildings - Southhead | | | | | | | | | |
| House No 1 | 30,552 | 4,528 | | | | 12 SL% | | 26,024 | 4,528 |
| House No 2 | 5,970 | | | | | 12 SL% | | 5,970 | 0 |
| House No 3 | 11,373 | | | | | 12 SL% | | 11,373 | 0 |
| House No 4 | 108,352 | 69,340 | | | | 12 SL% | | 39,012 | 69,340 |
| Plus Additions | 22,669 | 22,669 | | | | 12 -- | | | 22,669 |
| Haybarn No 2 | 3,391 | | | | | 12 SL% | | 3,391 | 0 |
| Haybarn No 3 | 6,324 | 1,813 | | | | 12 2.5% SL% | 158 | 4,669 | 1,655 |
| Haybarn No 1 | 8,355 | 1,388 | | | | 12 2.5% SL% | 209 | 7,176 | 1,179 |
| Woolshed | 62,915 | 18,827 | | | | 12 SL% | | 44,088 | 18,827 |
| Workshop | 30,359 | 13,658 | | | | 12 2.5% SL% | 759 | 17,460 | 12,899 |
| Shearers Quarters | 18,625 | 3,015 | | | | 12 2.5% SL% | 466 | 16,076 | 2,549 |
| Garage & Implement Shed | 9,353 | | | | | 12 2.5% SL% | | 9,353 | 0 |

The accompanying notes form part of these Special Purpose financial statements. These Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Fixed Assets and Depreciation Schedule For the Year Ended 30 June 2018



WITHERS & CO LTD



| Asset | Cost Price | Book Value 01/07/17 | Additions Disposals | Gain/Loss on Disposal | Capital Profit | -- Depreciation -- | | Accum Deprec 30/06/18 | Book Value 30/06/18 |
|---|-------------------|------------------------|------------------------|-----------------------------|-------------------|--------------------|----------|-----------------------------|---------------------------|
| | | | | | | Mth | Rate | \$ | |
| Storage Shed | 17,468 | 2,281 | | | | 12 | 2.5% SL% | 437 | 15,624 |
| Fertilizer Bin | 5,582 | 122 | | | | 12 | 2.5% SL% | 122 | 5,582 |
| Killing House | 3,161 | 320 | | | | 12 | 2.5% SL% | 79 | 2,920 |
| Roof - Cattle Crush | 4,534 | 4,307 | | | | 12 | 5.0% SL% | 227 | 454 |
| Sub-Total | 348,983 | 142,268 | 0 | | | | | 2,457 | 209,172 |
| Buildings - Makarau | | | | | | | | | |
| Portacom | 13,913 | 10,388 | | | | 12 | 8.0% SL% | 1,113 | 4,638 |
| Container | 2,100 | 1,647 | | | | 12 | 7.0% SL% | 147 | 600 |
| Buildings - Makarau | 16,013 | 12,035 | 0 | | | | | 1,260 | 5,238 |
| Land | | | | | | | | | |
| Land (2745.3409 Ha 2017 GV \$16,965,000) | 3,551,293 | 3,551,293 | | | | 12 | SL% | | 3,551,293 |
| Plus Revaluation | 10,000,000 | 10,000,000 | | | | 12 | SL% | | 10,000,000 |
| Revaluation (2018) | | | 2,800,000 | | | | | | 2,800,000 |
| Pine Trees | 64,900 | 64,900 | | | | 12 | SL% | | 64,900 |
| Sub-Total | 13,616,193 | 13,616,193 | 2,800,000 | | | | | | 16,416,193 |
| Total Assets | 14,969,115 | 14,129,130 | 2,816,503 | (495) | | | | 49,034 | 870,847 |
| | | | | | | | | | 16,896,104 |

The accompanying notes form part of these Special Purpose financial statements. These Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Fixed Assets and Depreciation Schedule For the Year Ended 30 June 2018



WITHERS & CO LTD



CHARTERED ACCOUNTANTS
REGISTERED IN NEW ZEALAND

| Asset | Cost Price | Book Value 01/07/17 | Additions Disposals | Gain/Loss on Disposal | Capital Profit | -- Depreciation -- Mth Rate \$ | Accum Deprec 30/06/18 | Book Value 30/06/18 |
|-------|------------|---------------------|---------------------|-----------------------|----------------|-----------------------------------|-----------------------|---------------------|
|-------|------------|---------------------|---------------------|-----------------------|----------------|-----------------------------------|-----------------------|---------------------|

The accompanying notes form part of these Special Purpose financial statements. These Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Notes to the Special Purpose Financial Statements For the Year Ended 30 June 2018



WITHERS & CO LTD



CHARTERED ACCOUNTANTS
INCORPORATED IN NEW ZEALAND

1 Statement of Accounting Policies

These are the special purpose financial statements of Otakanini Topu Inc, Maori Authority registered under the Te Ture Whenua Maori Act 1993.

Basis Of Preparation

Otakanini Topu Inc is not considered "large" as defined for a Maori Incorporation, as total revenue does not exceed \$10 million.

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by New Zealand Institute of Chartered Accountants and have been prepared for:

- * Inland Revenue
- * Internal Management purposes

Measurement Base

These special purpose financial statements do not comply with generally accepted accounting practice. The special purpose financial statements of Otakanini Topu Inc have been prepared on an historical cost basis, except as noted otherwise below. The information is presented in New Zealand dollars and has been rounded to whole dollars, unless otherwise stated.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in the previous year.

(a) Revenue

Sales of goods and/or services are recognised when they have been delivered and accepted by the customer.

Interest income is recognised using the cash basis method.

(b) Property, Plant & Equipment

The entity has the following classes of Property, Plant & Equipment;

- Land
- Buildings - Southhead
- Motor Vehicles - Southhead
- Development - Southhead
- Furniture & Fittings
- Plant & Equipment - Southhead
- Vehicles - Makarau
- Plant & Equipment - Makarau
- Development - Makarau
- Buildings - Makarau

All property, plant & equipment, except for land and buildings, is stated at cost less accumulated depreciation.

Land and buildings have been revalued by \$12,800,000 to reflect 2017 Government Valuation

Depreciation has been calculated in accordance with rates permitted under the Income Tax Act 2007.

(c) Goods & Services Tax

These special purpose financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

The accompanying notes form part of the Special Purpose financial statements. The Special purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Notes to the Special Purpose Financial Statements For the Year Ended 30 June 2018



WITHERS & CO LTD



- (d) **Taxation**
Income tax is accounted for using the taxes payable method. The income tax expense charged to the Statement of Financial Performance is the estimated tax payable in the current year, adjusted for any differences between the estimated and actual tax payable in prior years.
- (e) **Biological Assets**
Livestock has been valued in accordance with current Income Tax legislation at values as set out in the livestock trading accounts. No estimate of market values for livestock has been made.

Forestry is recorded at cost \$64,900. It is estimated that the market value of the forest is \$6,500,000.
- (f) **Investments**
Share investments in listed and unlisted companies are stated at cost, as these holdings are integral to farming operations. Should the nature of these farming activities change, impairment indicators would be considered.

All Term Deposits are classified as Investments.
- (g) **Receivables**
Receivables are stated at their estimated realisable value.

Bad debts are written off in the year in which they are identified.
- 2 **Contingent Liabilities**
As defined in the Te Ture Whenua Maori Act 1993 Section 267 (1) unclaimed dividends means "dividends in the hands of the incorporation that have been held by it or by a preceding incorporation of body corporate (including the Maori Trustee) for at least 10 years without payment to the shareholder or other person entitled". In accordance with Section 267 (2) of the Act, the incorporation is required, within 12 months of the dividends becoming unclaimed to compile a list of the shareholders to whom those dividends are payable, setting out the amount of unclaimed dividends held for each shareholder and shall transmit the list to the Registrar of the Maori Land Court. The Incorporation is currently undertaking a review of the share register to determine the amount of unclaimed dividends to be provided to the Maori Land Court. The Incorporation carried out a review of Dividends paid from 1998 to 2002 to identify all unrepresented cheques, which have been written off. The total value of unrepresented cheques identified was \$41,362 but the review could result in amendment to this amount. Since 2002 a further \$59,464 unrepresented dividend cheques have been written off.
- 3 **Related Parties**
There were no material transactions with any related parties during the year under review.
- 4 **Securities and Guarantees**
Bank of New Zealand have a registered security over all livestock.
- 5 **Future Capital Commitments**
There are no future capital commitments.

The accompanying notes form part of the Special Purpose financial statements. The Special purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A

Otakanini Topu Inc Notes to the Special Purpose Financial Statements For the Year Ended 30 June 2018



WITHERS & CO LTD



6 Undrawn Dividends

This represents dividends accrued for the years listed to those shareholders who cannot be located due to changed addresses or uncompleted succession.

| | | <u>Number</u> | <u>\$</u> | |
|--|--------|---------------|------------------|--------------|
| December 2005 | \$1.00 | 32734 | 32,734 | |
| December 2006 | \$1.00 | 38331 | 38,331 | |
| March 2010 | \$1.00 | 33741 | 33,741 | |
| December 2011 | \$1.30 | 36772 | 39,438 | (Net of MAC) |
| December 2012 | \$1.30 | 41139 | 44,115 | (Net of MAC) |
| December 2013 | \$1.30 | 56029 | 60,091 | (Net of MAC) |
| December 2014 | \$1.00 | 56260 | 46,415 | (Net of MAC) |
| Unpresented Cheques Written Off (Now Undrawn) | | | 59,464 | (Net of MAC) |
| December 2015 | \$1.00 | 64749 | 53,418 | (Net of MAC) |
| December 2016 | \$1.50 | 70427 | 87,153 | (Net of MAC) |
| December 2017 | \$1.50 | 86,917 | 86,917 | (Net of MAC) |
| Less Prior Year Dividends Paid | | | (16,213) | |
| | | | <u>\$565,604</u> | |

7 Maori Authority Credit Account

| | <u>This Year</u> | <u>Last Year</u> |
|--|------------------|------------------|
| Balance as at 1 July 2017 | 21,153 | 32,026 |
| <u>CREDITS</u> | | |
| RWT on Interest | 13,429 | 7,019 |
| Income Tax Paid | 1,981 | - |
| | <u>35,563</u> | <u>39,045</u> |
| <u>DEBITS</u> | | |
| Maori Authority Credits on Dividend Paid | 7,583 | 9,964 |
| Income Tax Refund | - | 7,928 |
| Closing Balance as at 30 June 2018 | <u>\$ 28,980</u> | <u>\$ 21,153</u> |

8 Taxation Summary

| | |
|---|-------------------------|
| Income | \$ |
| Farming | 658,849 |
| Interest | 66,150 |
| <u>NET TAXABLE INCOME 2018</u> | <u>\$724,999</u> |
| 2018 Tax Payable @ 17.5% | 126,874 |
| RWT Paid | 13,429 |
| <u>2018 TERMINAL TAX PAYABLE</u> | <u>\$113,445</u> |

The notes form part of the accompanying Special Purpose financial statements. The Special Purpose financial statements should be read in conjunction with the attached Audit Report.

Attachment A



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Otakanini Topu Incorporation

Opinion

We have audited the special purpose financial statements of Otakanini Topu Incorporation ("the Topu"), which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of movements in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying special purpose financial statements of Otakanini Topu Incorporation on pages 2 to 21, present fairly, in all material respects the financial position of the entity as at 30 June 2018, and its financial performance for the year then ended in accordance with the Special Purpose Financial Reporting Framework for For-Profit Entities (the Framework) published by Chartered Accountants Australia & New Zealand (CAANZ) and also the requirements of Te Ture Whenua Maori Act 1993.

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 Special Purpose Financial Statements section of our report. We are independent of the Entity in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and 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, Otakanini Topu Incorporation.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the special purpose financial statements, which describes the basis of preparation. The special purpose financial statements are prepared for Inland Revenue and internal management purposes. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the entity, executive committee and its shareholders and should not be distributed to or used by parties other than the entity, executive committee or its shareholders. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Shareholder Register Audit

We draw your attention to Note 2 Contingent Liabilities, which states that a shareholder register audit was completed and is currently undergoing a Maori Land Court review. Under section 263 of Te Ture Whenua Maori Act 1993, the entity has to keep a share register and index of shareholders. Our opinion is not modified in respect of this matter.

Who we report to

This report is made solely to the Topu's shareholders, as a body, in accordance with the requirements of Te Ture Whenua Maori Act 1993. Our audit work has been undertaken so that we might state to the Topu's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Topu and the Topu's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Executive Committee's Responsibilities for the Special Purpose Financial Statements

The Executive Committee is responsible for the preparation of the special purpose financial statements in accordance with the Special Purpose Financial Reporting Framework for For-Profit Entities (the Framework) published by Chartered Accountants Australia & New Zealand (CAANZ) and also the requirements of Te Ture

Attachment A

Whenua Maori Act 1993 and for such internal control as the Executive Committee determines is necessary to enable the preparation of special financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Executive Committee is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Executive Committee either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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 special purpose 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 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 the Executive Committee.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Executive Committee, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 special purpose 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 entity to cease to continue as a going concern.

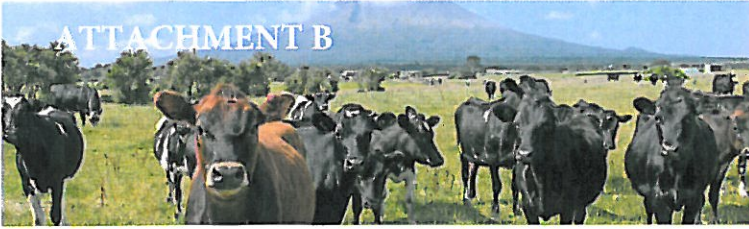
We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



JSA Audit Limited

Parnell, Auckland

12 November 2018



Biosecurity New Zealand

Tiakitanga Pūtaiao Aotearoa

PROTECTING YOUR ANIMALS FROM **MYCOPLASMA BOVIS**



The main way bacterial disease *Mycoplasma bovis* spreads is through:

1. Close and prolonged contact between cattle.
2. Calves drinking milk from infected cows.

It will also spread from an infected cow in a milking herd through contaminated milking equipment.

There is a very low risk of it being spread through:

- cattle on neighbouring properties;
- vehicles, machinery, footwear, clothing, sheep movements, etc.

Mycoplasma bovis is not thought to be transmitted in urine or faeces. It is not windborne or spread in rivers and streams. It is a relatively slow-moving disease and the bacteria doesn't survive well outside of the animal.

Things you can do

You can help protect your animals from *Mycoplasma bovis* and other diseases with good biosecurity practices on-farm. Complete the Biosecurity WOF, developed with farmers and vets, to develop your on-farm biosecurity plan. You can find this on www.mpi.govt.nz/bovis or www.dairynz.co.nz/biosecurity/.

Animal movements

Infected animals may not show any symptoms but still pass on the disease. In times of stress it can cause illness such as untreatable mastitis, abortions, swollen joints and arthritis, and severe pneumonia in up to 30 percent of infected calves.

Prevent contact with cattle from other herds. Limit cattle movements onto your farm. When sourcing animals, review the full health history of the source herd, especially mastitis and lameness in cows, and pneumonia and lameness in calves.

Use a pre-purchase checklist like the one on www.dairynz.co.nz/pre-purchase.

Calving, calves and milk

Calves can contract *Mycoplasma bovis* through direct contact with infected cattle, or by drinking milk from infected cows.

Calf rearers should source calves from as few different farms as possible. You should also minimise the number of farms from which milk is sourced, and ideally only feed milk from your own farm to your calves. Do not feed milk from cows with mastitis.

Consider using powdered milk to completely remove this risk, or you can pasteurise or acidify milk for calves.

If you're buying or selling calves or milk, you can take some simple steps to reduce the risk of spreading *Mycoplasma bovis* and other diseases. Check on www.mpi.govt.nz/bovis or talk to your industry representative.

Bobby calf and slink collection can continue as normal, with your loading facility and slink collection pick up in a "green zone" to reduce the risk of exposure to pests, weeds and disease. Farms under movement controls cannot move animals off the property without a permit from MPI.

Over the fence contact

So far in New Zealand there have been no cases of *Mycoplasma bovis* traced to over-the-fence contact with animals on neighbouring properties. But to be safe, you should not allow nose-to-nose contact with your neighbour's stock. Create a boundary fence buffer zone; with electric outrigger fencing, or a separate electric fence two metres back from the boundary.

Complete records

Always complete your NAIT records and make sure any movements are correctly recorded. Knowing where your cows have been is crucial to understanding and preventing the spread of disease. Ensure Animal Status Declarations are fully completed and retained.

Grazing

If you are moving animals for grazing, make sure the grazing property has good biosecurity measures in place. This includes internal boundary fences that prevent stock in separate groups from mixing and having nose-to-nose contact. All *Mycoplasma bovis*-infected properties are under Restricted Place Notices under the Biosecurity Act.



Feed

There is no risk of *Mycoplasma bovis* infection from bringing in hay or baleage from uninfected farms. If the feed is coming from a farm under a Notice of Direction or a Restricted Place Notice, confirm that it meets any conditions on the Notice.

Cleaning and disinfection

While the risk of transmitting *Mycoplasma bovis* through equipment is low, practice good biosecurity.

Gear and vehicles

1. Clean off all visible dirt and dung from gear and vehicles that have been in contact with stock.
2. Once items are clean, use a disinfectant and leave it on for about twenty minutes.

Some disinfectants are:

- 0.2% citric acid (made by mixing 1 tsp of citric acid with 1 litre of water);
- Trigene;
- 1% Virkon (made by mixing 50g standard sachet Virkon with 5 litres water).

Any other appropriate disinfectant used to the manufacturer's instructions.

Visitors

Make available for visitors coming on and going off-farm:

- A foot bath with disinfectant and a scrubbing brush to clean their boots.
- Clean hot water and soap for washing hands and any equipment that they need to take.

Where to get more information

If you have questions about *Mycoplasma bovis*:

- email info@mpi.govt.nz or call **MPI on 0800 00 83 33**
- If you have sick animals, contact your veterinarian or call the **MPI Pest and Diseases hotline: 0800 80 99 66**

DairyNZ: 0800 43 24 79 69
www.dairynz.co.nz/mbovis

Beef + Lamb NZ: 0800 23 33 52
beeflambnz.com/news-views/topics/M-Bovis

Federated Farmers: 0800 32 76 46
www.fedfarm.org.nz/

New Zealand Veterinary Association: www.nzva.org.nz

Your local Rural Support Trust:
0800 78 72 54 (0800 RURAL HELP)
www.rural-support.org.nz

To join our mailing list email
mbovis2017_liaison@mpi.govt.nz



Attachment C

FROM THE NEW ZEALAND INSTITUTE OF CHARTERED ACCOUNTANTS NOTICE OF DECISIONS OF THE DISCIPLINARY TRIBUNAL IN NEW ZEALAND JULY 2018

**Member guilty of conduct
unbecoming an accountant,
negligence or incompetence in a
professional capacity, failing to
respond to communications from
NZICA and breaching NZICA's Rules
and/or Code of Ethics – Desmond
Patrick Middleton FCA**

On 6 March 2018 the Disciplinary Tribunal of the New Zealand Institute of Chartered Accountants heard a case in relation to **Desmond Patrick Middleton** a Fellow Chartered Accountant of **Warkworth**.

Pursuant to the Rules of the New Zealand Institute of Chartered Accountants the Tribunal ordered that the Member pay a monetary penalty of \$5,000 (Rule 13.40(c)), that the Member be censured (Rule 13.40(k)), that the Member not undertake audits of any form for a period of two years (Rule 13.40(n)), that the Member pay costs of \$19,500, that the decision be published on the website and in the official publication *Acuity* (Rule 13.44(a)) and that the Tribunal's decision together with suitably worded covering letters be circulated to the Member's clients or former clients for which he performed statutory assurance engagements (Rule 13.44 (b)(ii)).



Ō T A K A N I N I T Ō P Ū

Notes 2017-2018



Õ T A K A N I N I T Õ P Û

Notes 2017-2018





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Email: admin@otakaninitopu.co.nz

www.otakaninitopu.co.nz