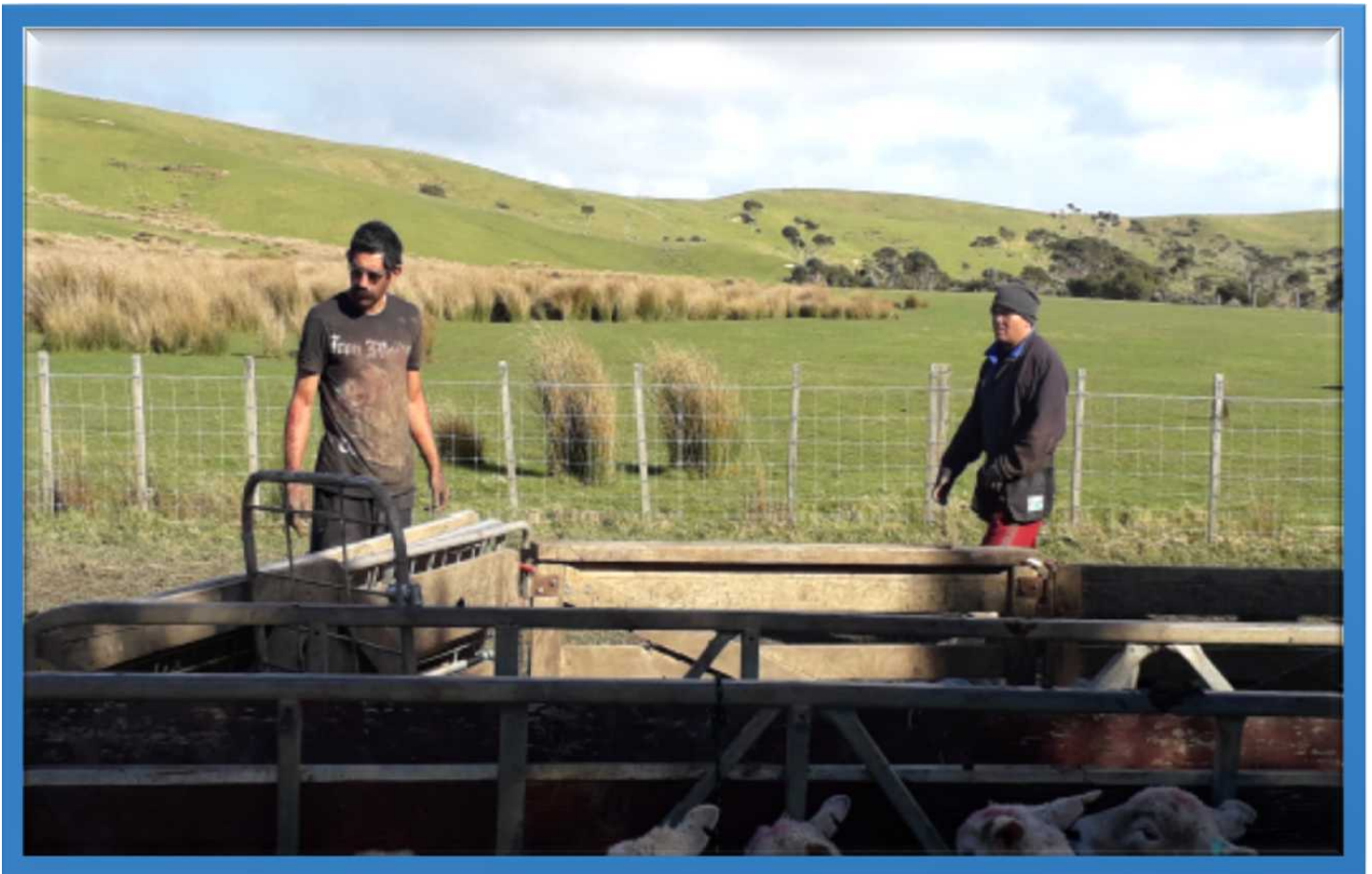


**OTAKANINI TOPU  
INCORPORATION**

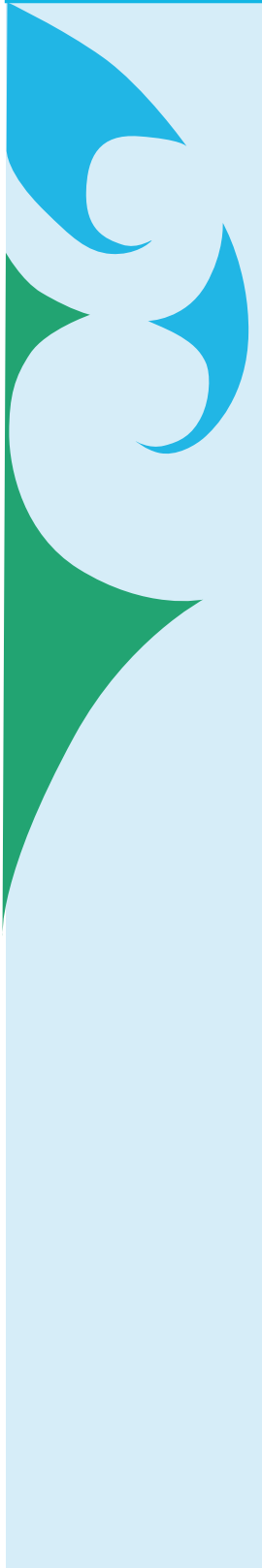
## **RAPOOTO A TAU 2018-2019**





**OTAKANINI TOPU INCORPORATION**

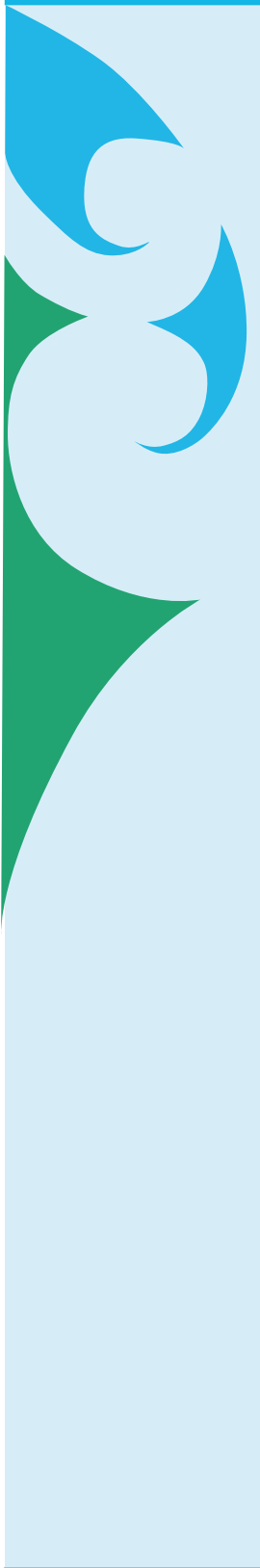
**Notes 2018-2019**



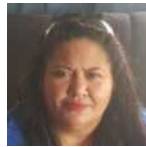
### Ko Te Whakatau

I a ra, i a po e maku ana te ihorangi i nga  
oneone, tangi ai ki te tira a Maui.  
Ka anuhe ki Hawaiki,  
Ka nui te mokemoke,  
Uwhingia atu nga wai o Kaipara  
Kia purea ai i te mauri o tou wairua  
Pikitia ki nga toi a nga kopakitanga o te  
korowai, kia tirohia atutia ki Maunganui.  
Whakarongo ake ki nga ngaru nunui o te  
Moana Tapokopoko o Tawhaki, kia rongo ai i  
te whatumanawa o Takanini.  
Hoinei te mihi aroha  
Hoinei te mirimiri mo nga pokohiwi  
whakangaeue  
Hei whakatenatena ake, kia whakatu nei i  
nga matapono, aua matapono i tukuna  
ihotia e nga matua tupuna hei rangatiratanga  
mo nga whakatupuranga e huri mai nei.  
Ko te uhi  
Ko te rawe  
Ka rawe  
Te tau Tu ki ana whawhai  
Eke eke Tangaroa  
Tutuki ki te Rangi  
Haumi e  
Hui e  
Taiki e!





**Committee of Management**



Trysha Povey-Hemana -



- Glenn Wilcox Chair



Awa Hudson



- Hemi Rau



-Michelle Hill

Kiah Medlyn-Reweti-



Lisa Reweti -



**Farm Operations Manager** - Ray Monk



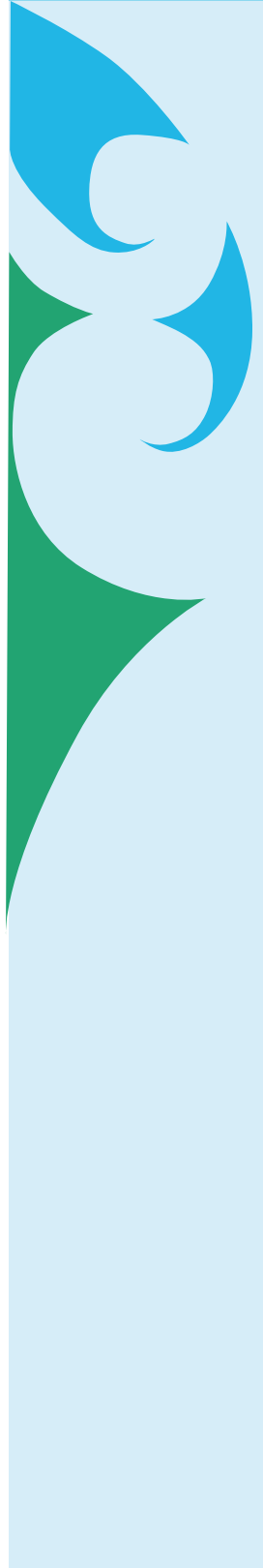
**Secretary** - Racheal Timoti



**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

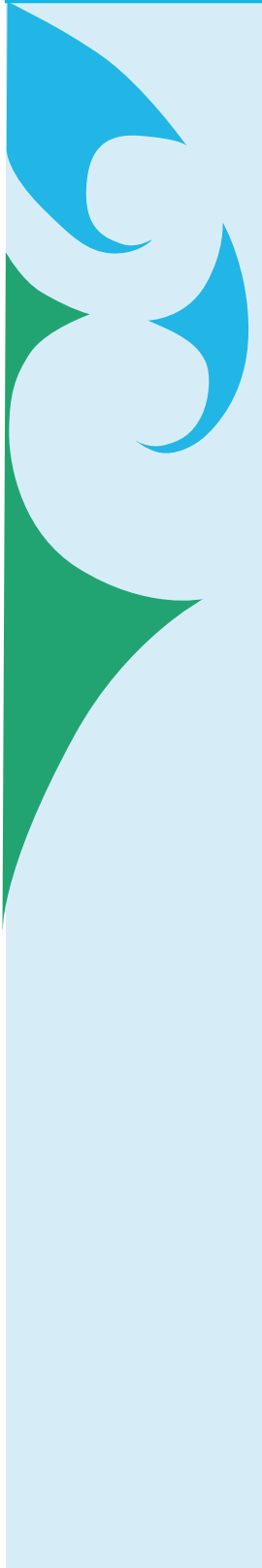


## Annual General Meeting of the Ōtakanini Tōpū Incorporation.

Saturday 7 December 2019 at  
Parakai Primary School, (*Fordyce Road, Parakai*),  
commencing at 10.00 am-1.00pm

### Agenda

1. Receive and Confirm the minutes of 2018 AGM
2. Receive a farm update
3. Election of five persons to fill five Vacancies in the membership of the Committee of Management due to the expiry of the terms of sitting members being Hemi Rau, Michelle Hill, Lisa Reweti, Kiah Medlyn-Reweti & Glenn Wilcox
4. Receive the Financial Reports and Statements for 2018 - 2019
5. Adopt the auditor's report 2018-2019
6. Appointment of an auditor 2018 -2019 & Share Valuer
7. Authorise by resolution a dividend and a tuku rawa payment to eligible Share-holders
8. Consider matters, deemed appropriate by the Chair for general business



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Farm Operational Manager's Report	8
Overview of Financials	11
Ōtakanini Tōpū Inc Financial Statements and	Attachment A
Auditors report for the year ended June 2019	Attachment B

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## Chair's Report

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### E nga oneone maha o Tarawera, tena tatou!

It is with pleasure that I am once more able to present to you the Otakanini Topu Annual report for 2018/19. This year has not been without its challenges but it is pleasing to report a solid performance due in no small part to the dedication of Ray Monk and his team. "*Ahakoā he tokoiti ratou he tino pounamu.*"

The Otakanini Topu stands tall in having a workforce composed entirely of members of the whanau of Ngati Whatua, this is in contrast to the many Maori farms that although in Maori ownership, have very few whanau working on them. The wages we pay go to our whanau and help our communities to thrive and flourish, as well as providing training and employment opportunities. As with any whanau we will have our "ups and downs" but we all work with the common goal of protecting our taonga.

The kaitiakitanga of our taonga is already impacting upon our financial parameters, this is reflected in our expenditure but we are seeing and receiving signs of changes to the nature of the land and these will need to be heeded if we are to take our role of kaitiakitanga seriously.

To date we have concentrated environmental mitigation on the Kaipara Harbour and I would like to thank "*uncle*" Lonny Bycroft for his tireless support for our programme of riparian planting that completed a total stock exclusion zone to the harbour. The Otakanini Topu is the only farm that has managed this on such a scale.



However we must now also turn our attention to our sacred mountains which are in danger of being destroyed by environmental changes that we may be contributing to, discussions with the government are occurring to enable access to funds that will maintain the financial viability of the farm whilst we begin to undertake extensive restorative works.

Although the farm operations were solid, the constraints brought about by a shortage of the appropriate skills required, produced only a fair financial result. The Committee recognised this shortfall and put in place strategies to reduce this risk from all our operations. The Ahuwhenua and Ballance Environmental Awards were entered into as part of our bi-annual bench-marking exercise, the Otakanini Topu winning the Agri Science and the Beef & Lamb categories in the Ballance Awards.

The forest thinning programme has continued throughout the year, however our forest was hit by a tornado and we are still in the process of assessing the implications that this might have to the asset value. The Committee will continue to monitor the forest to ensure this asset is not put at risk, the forest will begin to reach harvestable age in seven years and must be protected as it now represents our largest income receipt in the upcoming years, to this end we are now insuring our forest against fire & storm damage.

Unfortunately I am disappointed to once more report no progress with the Maori Land Court & despite requests to various ministers we received a response that is far from satisfactory. The resolution of our case is a top priority for the Committee and we have continued to seek advocacy from Ministers to seek resolution.

On a more positive note the Committee may be in a position to seek funding through the Regional Growth Fund and could look to diversify with negligible risk to its own funds. This is a golden opportunity that if we are successful could see a range of employment and income streams made available. The Committee will be striving to ensure that the Otakanini Topu is achieve a positive outcome before the fund closes in September 2020.





Ō T A K A N I N I T Ō P Ū

I would once again 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. Farm work is by its very nature often dangerous, it is easy to not recognise the physical hardships our staff must endure in inclement weather Well done and thank you to you all.

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.

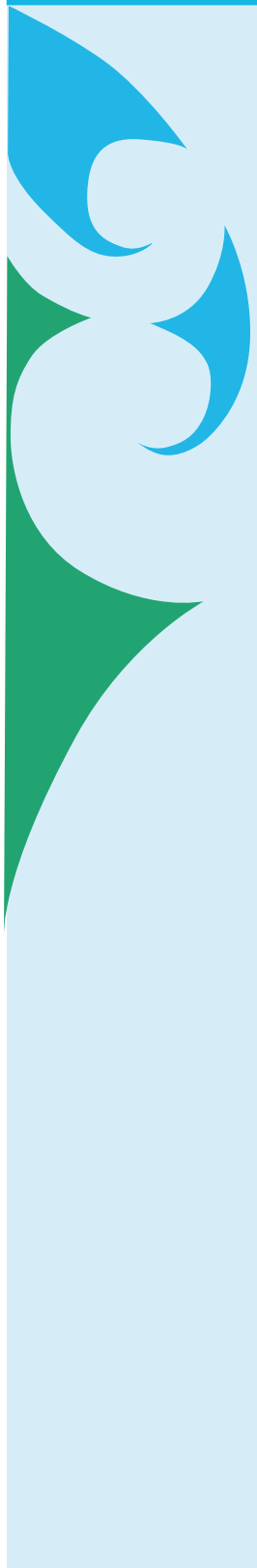
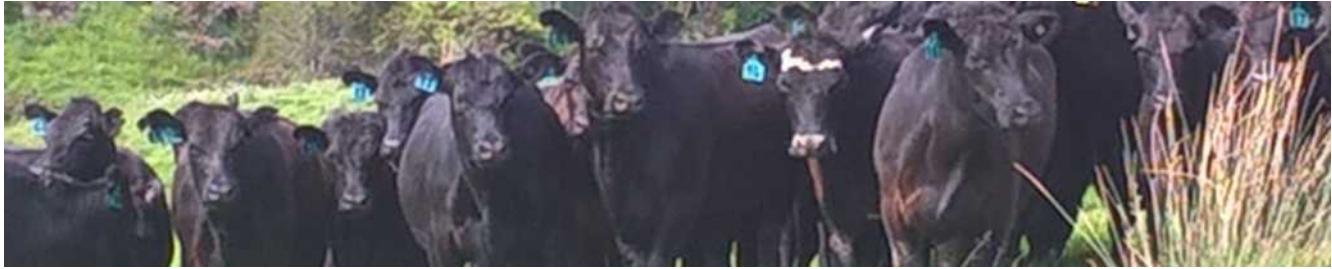
Ehara taku toa i te toa takitahi, he toa takitini ke!

Tihei Mauri Ora!

**Na Glenn Wilcox**

Hemana Komiti Whakahaere, Otakekanini Topu.





## Farm Managers Report for 2018-2019

### FARMING OPERATIONS

The final result for the Otakanini Topu farming operations 2018/19 season have been in complete contrast to last season, with the early dry season from Dec onwards decisions had to be made early to mitigate possible production losses, early selling programmes and Makarau proved to be the difference, although not all prime stock could be off loaded when we would have liked, it pulled us through that risky period

The last twelve months and the number of new strategies that have been implemented over the last few years are working and give us confidence moving forward, with an enormous government focus on environmental issues, sustainable farming methods are becoming more crucial within the agricultural industry

The farming markets continue to firm, variations within the market place are inevitable, these fluctuations are outside our control, the outlook for sheep and cattle in the coming year look favourable, wool continues to be a cost that only just covers shearing expenses

Although overall profit is down this year on last, it must be noted that the environmental program and infrastructure has had a major influence on net profit, but importantly there are farm systems currently in place that we have implemented to lift performance, it is important that the sustainable farming plan continue for the long term improvement of the farm.

Unfortunately we had large stock losses (sheep) partly due to dog attacks on farm, the dogs were caught, owners were taken to court by council, insurance is being paid but stock losses due to poaching on the back of farm has become an issue with fences cut, we have a monitoring program are in place.

The new Stock Managers role as was identified by the Committee has been created and filled.



### FARM STRUCTURE / STAFF

The farming program cannot operate without the support of our skilled staff, alongside them we have local whanau that help out during our busy seasonal periods

Teri Tapurau left us in July to further his farming career in the far north, we wish him well and are keen to follow his career

Quaid Makaore who was a casual for us has been employed on a fixed term agreement

Lee Crown has been an addition to the team his role is our Stock Manager, he has come up from the central north Island.

Connie, Witai, as permanent staff continue to strive and improve their on-farm performance,

Marion Leith, Julianna Leith, Anna Steele have been our Makarau casual staff working in the calf rearing unit which is only seasonal

Personal development of staff is encouraged and with the transition from quads to four wheelers there has been a considerable upskilling.

Work-safe completed an on farm audit as part of our health & safety monitoring system, no major issues were identified but the importance of Health & Safety in the workplace for staff and visitors is of vital importance and the focus is to ensure everyone goes home safely.

### MARKET PRICES

Stock prices remain out of the farmer's control, the prices are set by meat processors and this is largely driven by supply and demand that internally is impacted by climate conditions and externally, international trends.

The lamb market remains strong on last year's upward trend, this run looks to continue and looks very promising whilst the beef market remains constant, which is essential for planning any stock policies around maximising returns.

Wool show no change and continue to be a cost that has to be met, the high returns on sheep are a justification for this cost.



## CULTURAL & ENVIRONMENTAL

O11,732 Native tree's planted around the fenced off Kaituna, Te Hihi & Otakanini T Block area for the 2018/19 season,

Native tree's were funded through the government funded "1 billion tree program", the total of Native Tree's planted in environmental areas since 2015, = 31, 076

Loni Bycroft, Whanau, St Peters school students, Rotary club members, woofers and Otakanini staff were involved in plantings.

Significant funding approved from government agencies for environmental programs ash been utilised, but we have not been reimbursed in the 2018 year.

Tree's have been received from Integrated Kaipara Harbour Management Group, Tree's for Survival, Te Uri Hau, Auckland Regional Council and South Head Land Care.

Pest monitoring control occurred across the whole farm, Otakanini is a pest buffer zone for the south head peninsular

## LOOKING AHEAD

- Continued progression of sustainable farm development
- Continued progression of staff development
- Continued bench marking of our performance against top producing properties, whilst enhancing cultural and environmental aspects within our operation
- Expanding the farming operation,
- To sustain dividend payments
- Ensuring the farm operation is fully maintained every year

Nga Mihi

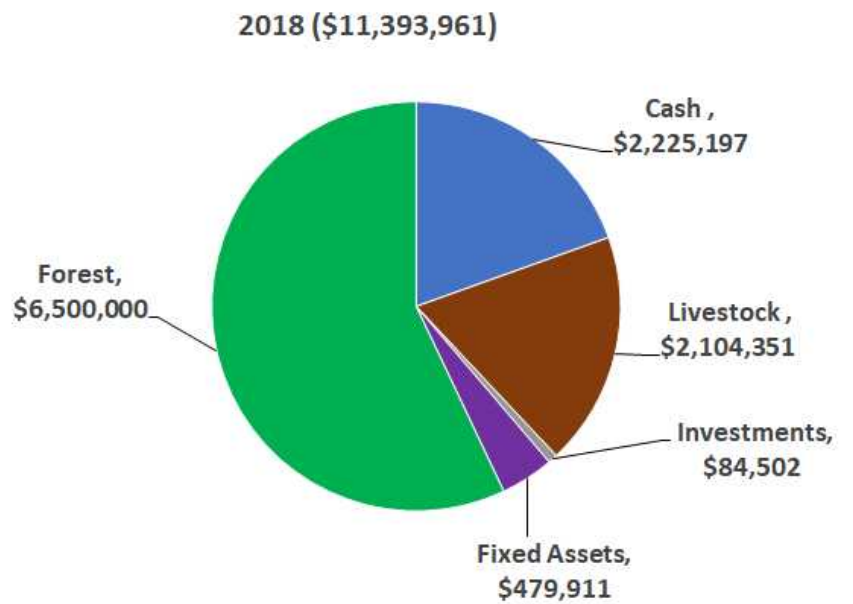
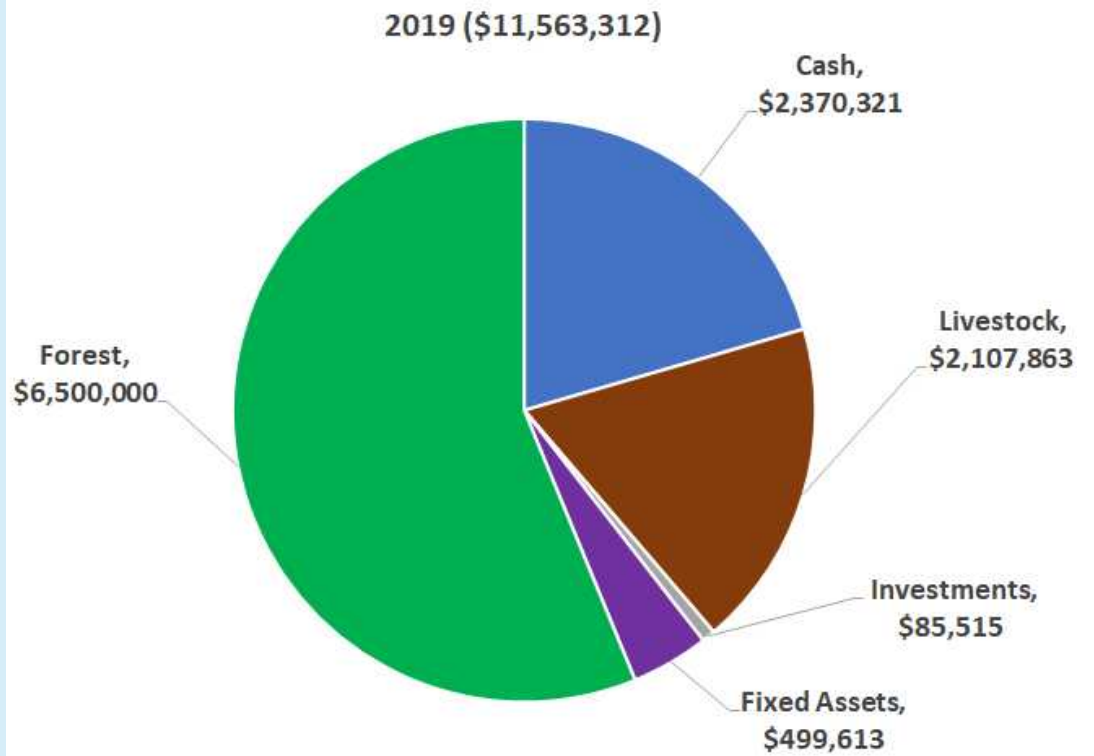
Ray Monk. Farm Manager



# OTAKANINI TOPU INCORPORATION

What we are worth (not including whenua)

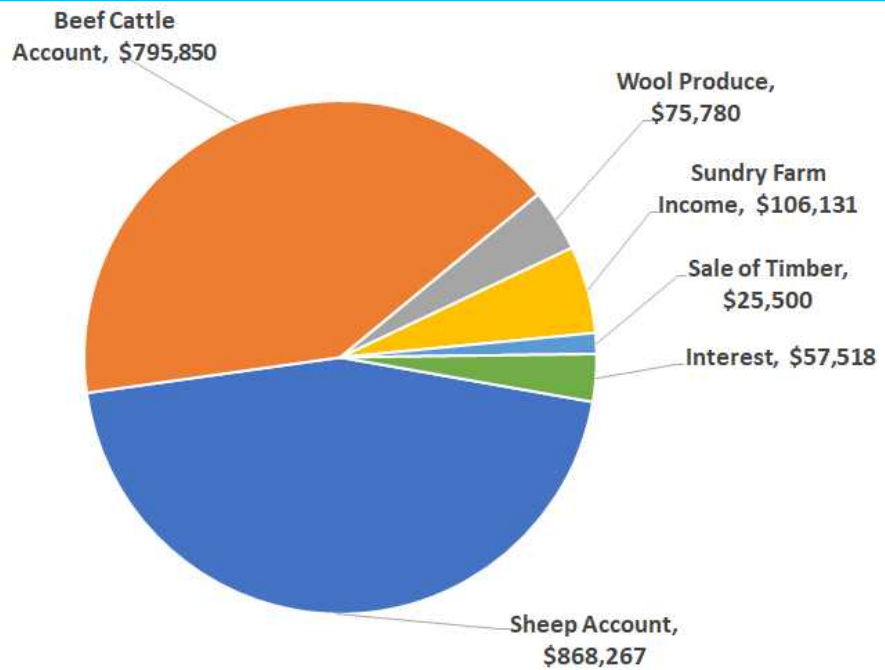
Ō T A K A N I N I T Ō P Ū



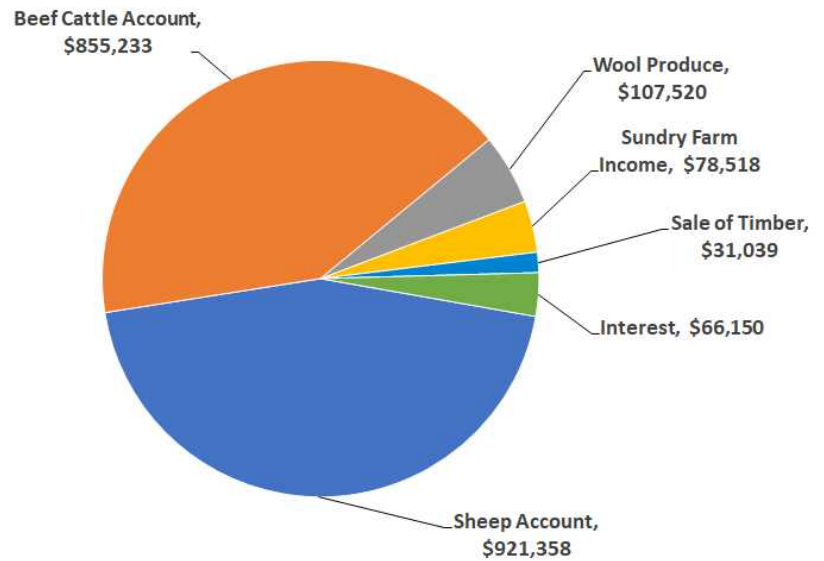


# OTAKANINI TOPU INCORPORATION

How we made \$1,929,046 in 2019



How we made \$2,059,818 in 2018

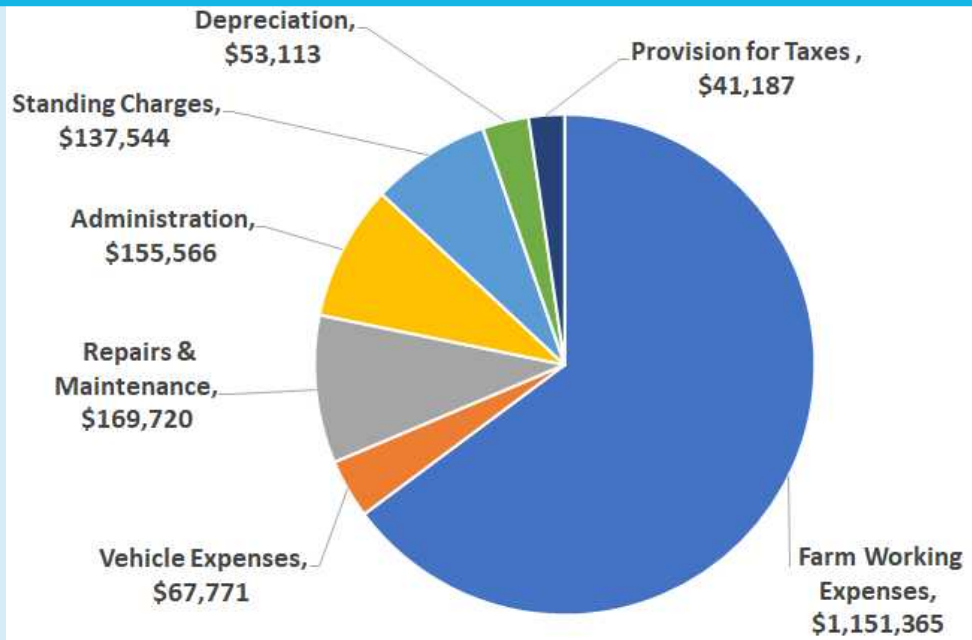


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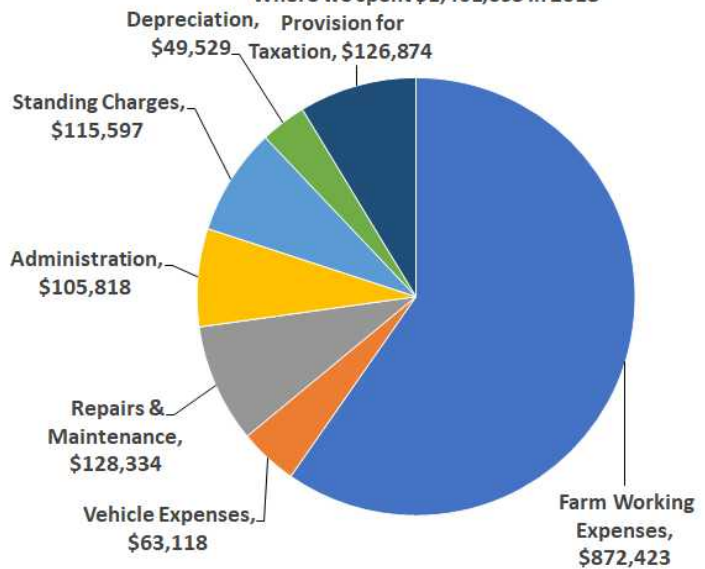


# OTAKANINI TOPU INCORPORATION

Where we spent \$1,776,266 in 2019



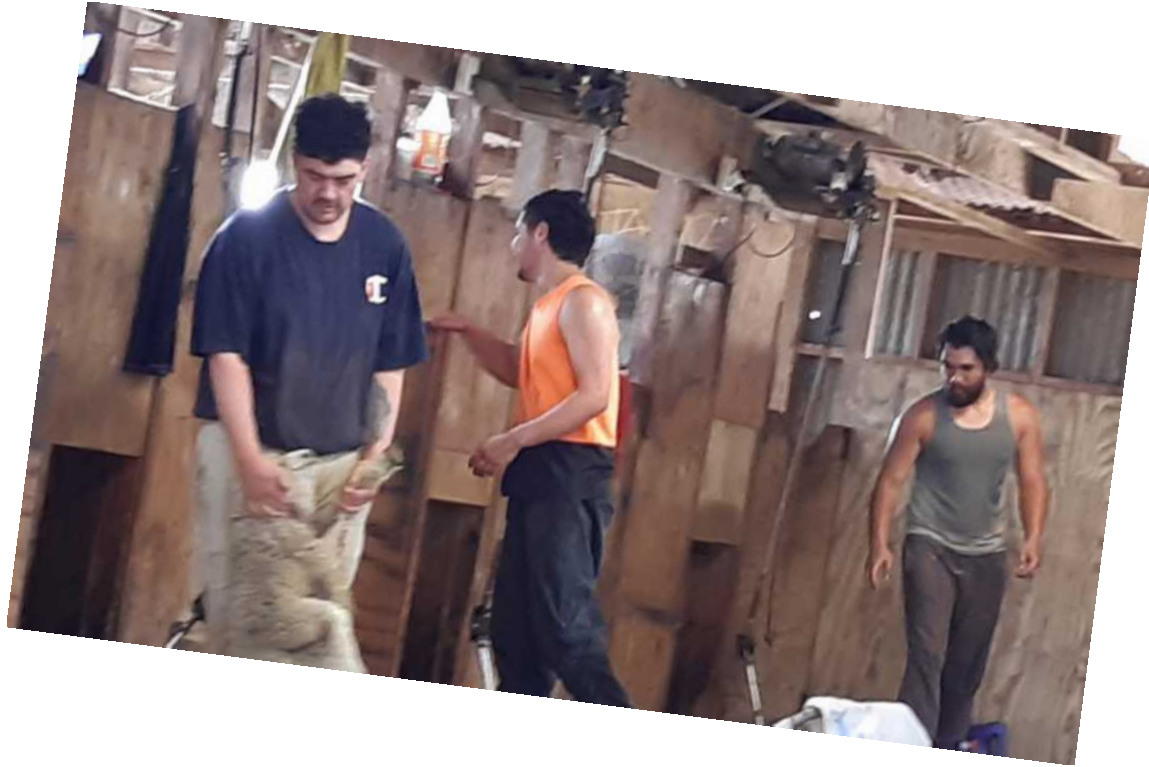
Where we spent \$1,461,693 in 2018



Ō T A K A N I N I T Ō P Ū



OTAKANINI TOPU INCORPORATION



## Attachment 1

**Otakanini Topu Accounts for the year  
ended June 2019**





WITHERS & CO LTD



CHARTERED ACCOUNTANTS  
AUCKLAND | NEW ZEALAND

**Otakanini Topu Inc**  
**Special Purpose Financial Statements**  
**For the Year Ended 30 June 2019**

**Otakanini Topu Inc**  
**Special Purpose Financial Statements**  
**For the Year Ended 30 June 2019**



WITHERS & CO LTD



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**Otakanini Topu Inc**  
**Directory**  
**As at 30 June 2019**



WITHERS & CO LTD



**Committee**

Glenn Wilcox (Chair)  
Michelle Hill  
Awa Hudson  
Hemi Rau  
Lisa Reweti  
Trisya Povey - Hemana Appointed 8/12/18  
Mei Hill Retired 8/12/18

**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

**Otakanini Topu Inc**  
**Farm Working Account**  
**For the Year Ended 30 June 2019**



WITHERS & CO LTD



	2019 \$	2018 \$
<b>Farm Income</b>		
Sheep Account	868,267	921,358
Beef Cattle Account	795,850	855,233
	<u>1,664,117</u>	<u>1,776,591</u>
Wool Produce	75,780	107,520
	<u>1,739,897</u>	<u>1,884,111</u>
<b>Sundry Farm Income</b>		
Land Access	-	150
Sale of Timber	14,509	31,039
Rent of Employee Houses	25,500	31,200
Rent Received - Farm House	40,656	42,030
Rebates & Sundry Income	3,632	591
Auckland Council Grant	47,334	-
Grazing	-	4,547
	<u>131,631</u>	<u>109,557</u>
<b>Gross Farm Income</b>	<u>1,871,528</u>	<u>1,993,668</u>

*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.*

**Otakanini Topu Inc**  
**Farm Working Account**  
**For the Year Ended 30 June 2019**



WITHERS & CO LTD



	2019 \$	2018 \$
<b>Farm Working Expenses</b>		
Contract - Shearing	96,043	56,659
Contract Farming	17,207	-
Crops, Cultivation & Sowing	16,520	9,750
Chicken Manure	111,449	107,220
Dips & Sprays	9,323	10,171
Dog Expenses	12,208	10,055
Eartags	4,266	3,368
Electricity	24,231	18,821
Employee Allowances	1,851	4,408
Environmental	57,556	2,107
Spreading Trucks	1,750	-
Fertiliser & Lime	92,492	21,677
Freight Fertilizer	5,851	1,189
Freight	8,777	1,555
Haymaking & Silage	13,572	24,300
Nitrogen Fertilizer	6,615	3,479
Pregnancy Tests	4,347	3,967
Regrassing	38,895	29,559
Rations	4,097	4,544
Shearing, Woolshed	2,688	3,298
Soil Test	1,015	184
Shelter Trees	-	4,118
Stockfood	63,989	86,699
Veterinary	86,697	57,449
Wages	431,859	388,804
Wages - Other	-	7,500
Weed & Pest	28,467	11,542
Weed & Pest - Aerial	9,600	-
	<b>1,151,365</b>	<b>872,423</b>
<b>Vehicle Expenses</b>		
Fuel & Oil	23,926	19,289
Excavator	478	1,107
Motor Bikes	20,408	27,533
Tractors	16,316	6,565
Utility	6,643	8,624
	<b>67,771</b>	<b>63,118</b>
<b>Repairs &amp; Maintenance</b>		
Buildings	13,922	60,579
Drain & Dams	1,508	2,748
Fencing, Gates & Yards	110,201	23,727
Houses - Workers	16,846	17,597
House - Rental	4,231	2,082
Plant & Machinery	7,112	7,411
Protective Clothing	3,699	1,432
Tracks, Roads & Bridges	1,318	3,310
Tools & Hardware	2,762	2,089
Water Supply	8,121	7,359
	<b>169,720</b>	<b>128,334</b>

*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.*

**Otakanini Topu Inc**  
**Farm Working Account**  
**For the Year Ended 30 June 2019**



WITHERS & CO LTD



	2019 \$	2018 \$
<b>Administration</b>		
Audit	10,135	11,250
Accountancy	14,048	15,130
AGM Costs	14,804	8,369
Ahuwhenua Trophy	3,501	-
Computer	1,708	552
Community Grants	2,608	-
Farm Advisory	39,484	10,134
General & Bank Charges	1,239	218
Koha, Tangihana	1,454	474
Licenses, Levies & Subscriptions	4,586	1,748
Secretarial	23,098	11,876
Stationery & Postage	1,149	835
Travel & Accommodation	7,591	6,645
Telephone & Tolls	9,421	8,154
Property Management Fees	2,508	3,651
Share Register Audit	-	2,280
Stock Audit	1,000	1,200
Management Committee Fees	10,040	7,000
Mini Storage Costs	2,212	2,157
Management Committee Costs - Other	4,980	10,431
Customary Marine Title	-	3,714
	<b>155,566</b>	<b>105,818</b>
<b>Standing Charges</b>		
ACC Levies	9,917	20,124
Insurance - Forestry	22,000	-
Insurance	34,157	25,227
Rates	28,288	27,797
Lease - Makarau	43,182	42,449
	<b>137,544</b>	<b>115,597</b>
<b>Interest</b>		
Interest - Farmlands/ PGG Wrightson	982	-
Interest - IRD	6,468	-
	<b>7,450</b>	<b>-</b>
<b>Total Cash Expenses</b>	<b>1,689,416</b>	<b>1,285,290</b>
<b>Depreciation</b>		
Depreciation as per Schedule	56,894	49,034
Depreciation - Loss on Sale	-	495
Depreciation Recovered	(3,781)	-
	<b>53,113</b>	<b>49,529</b>
<b>Total Expenses</b>	<b>1,742,529</b>	<b>1,334,819</b>
<b>Net Farming Income</b>	<b>128,999</b>	<b>658,849</b>

*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.*

**Otakanini Topu Inc**  
**Statement of Financial Performance**  
**For the Year Ended 30 June 2019**



WITHERS & CO LTD



	2019 \$	2018 \$
<b>Revenue Was Received From</b>		
Net Farming Income	128,999	658,849
<b>Sundry Income</b>		
Interest - BNZ	57,518	48,508
Interest - ASB	-	17,642
	<u>57,518</u>	<u>66,150</u>
<b>Total Income</b>	<u>186,517</u>	<u>724,999</u>
Non-Deductible Penalties	1,096	-
Provision for Taxation	32,641	126,874
<b>Net Income</b>	<u><u>152,780</u></u>	<u><u>598,125</u></u>

*The accompanying notes form part of these Special Purpose Financial Statements. These Special Purpose Financial Statements should be read in conjunction with the attached.*

**Otakanini Topu Inc**  
**Beef Cattle Trading Account**  
**For the Year Ended 30 June 2019**



WITHERS & CO LTD



	2019 No.	Ave Price	2019 \$	2018 \$
<b>Sales</b>				
Cows	87	775.01	67,426	39,222
Heifers	-	-	-	73,046
R2yr Heifers	102	1,219.41	124,380	93,578
Calves	-	-	-	1,540
R2, R3yr Bulls	461	1,673.31	771,394	751,158
	<b>650</b>	<b>1,481.85</b>	<b>963,200</b>	<b>958,544</b>
<b>Purchases</b>				
R1yr Bulls	313	308.67	96,613	2,768
Calves	-	-	-	44,686
Bulls	2	8,000.00	16,000	12,900
	<b>315</b>	<b>357.50</b>	<b>112,613</b>	<b>60,354</b>
Deaths & Missing	(30)		-	-
<b>Net Cash Surplus</b>	<b>365</b>		<b>850,587</b>	<b>898,190</b>
<b>Less Opening Stock</b>				
R2yr Heifers (HS)	180	1,097.00	197,460	197,838
MA Cows (HS)	202	1,355.00	273,710	300,897
R1yr Heifers (NSC)	116	362.49	42,049	56,034
R3yr Heifers (HS)	-	-	-	64,371
R1yr Bulls (NSC)	479	338.44	162,113	185,480
Breeding Bulls (HS)	7	3,407.00	23,849	15,020
R2yr Bulls (NSC)	448	492.31	220,555	176,116
	<b>1,432</b>	<b>642.27</b>	<b>919,736</b>	<b>995,756</b>
<b>Plus Closing Stock</b>				
R2yr Heifers (HS)	179	1,097.00	196,363	204,660
MA Cows (HS)	129	1,355.00	174,795	302,394
R1yr Heifers (NSC)	100	368.10	36,810	42,049
R2yr Bulls (NSC)	425	542.04	230,367	220,555
R1yr Bulls (NSC)	444	428.91	190,434	162,113
Breeding Bulls (HS)	9	3,407.00	30,663	21,028
R3yr Bulls (NSC)	8	695.88	5,567	-
	<b>1,294</b>	<b>668.47</b>	<b>864,999</b>	<b>952,799</b>
<b>Gross Profit From Cattle Trading</b>	<b>227</b>		<b>795,850</b>	<b>855,233</b>

*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.*



**Otakanini Topu Inc**  
**Sheep Trading Account**  
**For the Year Ended 30 June 2019**



WITHERS & CO LTD



	2019 No.	Ave Price	2019 \$	2018 \$
<b>Sales</b>				
Ewe Hoggets	114	149.63	17,058	9,036
Mixed Age Ewes	1,179	106.76	125,870	107,761
Store Lambs	876	89.48	78,383	-
Lambs	5,981	124.50	744,642	806,433
Ram & Wether Hoggets	41	151.29	6,203	-
Wethers	-	-	-	120
	<b>8,191</b>	<b>118.69</b>	<b>972,156</b>	<b>923,350</b>
<b>Purchases</b>				
Rams	20	500.00	10,000	13,750
Deaths & Missing	(1,551)	-	-	-
<b>Net Cash Surplus</b>	<b>9,722</b>		<b>962,156</b>	<b>909,600</b>
<b>Less Opening Stock</b>				
Ewe Lambs (NSC)	1,999	34.60	69,165	55,126
Ewe Hoggets (NSC)	244	34.60	8,442	-
2th Ewes (HS)	1,469	214.00	314,366	342,785
Ewes 3 & 4 yr (HS)	1,662	190.00	315,780	448,000
Ewes - 5 & 6 yr (HS)	3,604	164.00	591,056	265,114
M A Wethers (NSC)	68	56.29	3,828	2,470
Breeding Rams (HS)	102	338.00	34,476	26,299
	<b>9,148</b>	<b>146.16</b>	<b>1,337,113</b>	<b>1,139,794</b>
<b>Plus Closing Stock</b>				
Ewe Lambs (NSC)	1,703	34.20	58,243	69,165
MS Lambs (NSC)	-	-	-	8,442
2th Ewes (HS)	1,781	214.00	381,134	262,951
Ewes 3 & 4 yr (HS)	1,558	190.00	296,020	265,920
Ewes - 5 & 6 yr (HS)	2,919	164.00	478,716	511,768
MA Wethers (NSC)	18	58.72	1,057	3,828
Breeding Rams (HS)	83	338.00	28,054	29,478
	<b>8,062</b>	<b>154.21</b>	<b>1,243,224</b>	<b>1,151,552</b>
<b>Gross Profit From Sheep Trading</b>	<b>8,636</b>		<b>868,267</b>	<b>921,358</b>

*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.*

**Otakanini Topu Inc**  
**Trend Statement**  
**For the Year Ended 30 June 2019**



WITHERS & CO LTD



	2019	2018	2017	2016
<b>Statistics</b>				
Livestock Owned - Sheep	8062	9148	8431	8422
Livestock Owned - Beef Cattle	1294	1432	1605	1647
Wool Sold - Kilos	30765	49127	31807	40755
Natural Increase - Beef	197	189	358	364
Natural Increase - Sheep	9617	9285	8268	7950
Livestock Units - Beef	13803	15487	15525	16361
	\$	\$	\$	\$
<b>Sales</b>				
Sheep	972,156	923,350	575,035	525,784
Beef Cattle	963,200	958,544	1,057,972	1,233,581
Wool Sales	75,780	107,520	89,185	169,424
Sundry Farm Income	131,631	109,557	185,910	156,523
<b>Total Turnover</b>	<b>2,142,767</b>	<b>2,098,971</b>	<b>1,908,102</b>	<b>2,085,312</b>
<b>Farm Expenses</b>				
Beef Cattle Purchases	112,613	60,354	242,942	288,011
Sheep	10,000	13,750	17,300	14,250
Farm Running Costs	1,681,966	1,285,290	1,303,309	1,649,305
Interest	7,450	-	-	-
Depreciation	53,113	49,529	52,296	59,445
<b>Net Profit(Loss)</b>	<b>128,999</b>	<b>658,849</b>	<b>151,533</b>	<b>(109,435)</b>
Interest & Dividends	57,518	66,150	35,683	46,131
Dividends Paid	38,284	35,750	35,514	25,885
<b>Average Prices - Sales</b>				
Wool Produce	2.46	2.19	2.80	4.16
Lambs	124.5	119.83	74.40	79.59
Ewe Hoggets	149.63	130.96	-	-
Ram & Wether Hoggets	151.29	-	116.60	93.93
Heifers	-	1,281.51	1,199.32	1,146.64
R2yr Heifers	1219.41	1,215.30	-	-
R2, R3yr Bulls	1673.31	1,629.41	1,528.25	1,496.57
Bulls	-	-	-	2,328.00

*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.*

**Otakanini Topu Inc**  
**Statement of Financial Position**  
**As at 30 June 2019**



WITHERS & CO LTD



	<u>Note</u>	<u>2019</u> \$	<u>2018</u> \$
<b>Current Assets</b>			
Bank of New Zealand		239,618	390,261
ASB		15	19
Taxation	7	56,837	-
Cattle Proceeds Due		105,360	211,150
Accounts Receivable		17,429	2,840
Sheep Proceeds Due		198,220	109,726
Wool on Hand		28,000	19,084
		<b>645,479</b>	<b>733,080</b>
<b>Livestock</b>			
Sheep		1,243,224	1,151,552
Beef Cattle		864,999	952,799
		<b>2,108,223</b>	<b>2,104,351</b>
<b>Investments</b>			
Shares - Ballance Fertilizer (8250)		66,825	66,825
Shares - Ravensdown (9867)		9,867	9,867
Shares - Farmlands Trading Society Ltd (8823)		8,823	7,810
Term Deposit - BNZ		2,561,565	2,358,376
		<b>2,647,080</b>	<b>2,442,878</b>
<b>Fixed Assets</b>			
Land		16,416,193	16,416,193
Buildings - Southhead		137,476	139,811
Motor Vehicles - Southhead		154,646	124,634
Development -Southhead		102,901	109,538
Furniture & Fittings		6,939	2,110
Plant & Equipment - Southhead		63,992	65,512
Vehicles - Makarau		16,688	19,182
Plant & Equipment - Makarau		6,958	7,742
Development - Makarau		498	607
Buildings - Makarau		9,515	10,775
		<b>16,915,806</b>	<b>16,896,104</b>
<b>Total Assets</b>		<b>22,316,588</b>	<b>22,176,413</b>
<b>Current Liabilities</b>			
GST Due for Payment		32,703	46,235
Taxation	7	-	113,445
Accounts Payable		158,174	140,975
Undrawn Dividends		645,846	565,604
		<b>836,723</b>	<b>866,259</b>
<b>Total Liabilities</b>		<b>836,723</b>	<b>866,259</b>
<b>Excess Assets Over Liabilities</b>		<b>21,479,865</b>	<b>21,310,154</b>

*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.*

**Otakanini Topu Inc**  
**Statement of Financial Position**  
**As at 30 June 2019**



WITHERS & CO LTD



	2019 \$	2018 \$
Represented by;		
<b>Equity</b>		
Issued Capital	190,507	190,507
Land Revaluation Reserve	16,200,000	16,200,000
Realised Capital Reserves	127,309	127,309
Livestock Revaluation Reserve	2,400,111	2,247,613
Capital Distribution - Tuku Rawa	(12,900)	-
Revenue Reserves	2,574,838	2,544,725
<b>Total Equity</b>	<b>21,479,865</b>	<b>21,310,154</b>

**For And On Behalf Of The Committee**

\_\_\_\_\_ Date \_\_\_\_\_

Glenn Wilcox - Chair

\_\_\_\_\_ Date \_\_\_\_\_

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.*

**Otakanini Topu Inc**  
**Statement of Movements in Equity**  
**For the Year Ended 30 June 2019**



WITHERS & CO LTD



	<i>2019</i>	<i>2018</i>
	\$	\$
<b>Equity At 1 July 2018</b>	<b>21,310,154</b>	<b>17,833,944</b>
<b>Surplus &amp; Revaluations</b>		
Net Surplus After Tax	152,780	598,125
Land Revaluation Reserve	-	2,800,000
Livestock Revaluation Reserve	152,498	200,752
<b>Total Recognised Revenues &amp; Expenses</b>	<b>305,278</b>	<b>3,598,877</b>
<b>Other Movements</b>		
Distribution to Owners	(135,567)	(122,667)
<b>Equity At 30 June 2019</b>	<b>21,479,865</b>	<b>21,310,154</b>

*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.*

**Otakanini Topu Inc**  
**Cashflow Statement**  
**For the Year Ended 30 June 2019**



WITHERS & CO LTD



	2019 \$	2018 \$
<b><u>Cash Receipts From</u></b>		
Sheep	972,156	923,350
Beef Cattle	963,200	958,544
Wool Sales	75,780	107,520
Auckland Council Grant - Southhead	47,334	-
Sale of Timber	14,509	31,039
Rent - Houses	66,156	73,230
Rebates	3,632	591
Sundry Income	-	4,697
<b>Total Turnover</b>	<b>2,142,767</b>	<b>2,098,971</b>
<b><u>Produced By Expenditure On</u></b>		
Non-Deductible Penalties	1,096	-
Interest	7,450	-
Cattle Purchases	112,613	60,354
Sheep Purchases	10,000	13,750
Farm Running Costs	1,681,966	1,285,290
<b>Total Expenditure</b>	<b>1,813,125</b>	<b>1,359,394</b>
<b>Cash Surplus From Farming Forestry</b>	<b>329,642</b>	<b>739,577</b>
<b><u>Plus Other Cash Received</u></b>		
Interest Received	57,518	66,150
ASB Savings	4	(19)
ASB Term Deposit Decrease	-	1,006,220
Asset Sales	12,174	-
	<b>69,696</b>	<b>1,072,351</b>
<b>Making Total Cash Available</b>	<b>399,338</b>	<b>1,811,928</b>
<b><u>Capital Purchases &amp; Repayments, Dividends Paid</u></b>		
GST	13,532	(51,975)
Dividend Paid Current & Prior Years	55,325	40,502
Taxation	202,923	15,410
Shares - Farmlands Trading Society Ltd (8823)	1,013	-
Term Deposit - BNZ	203,189	1,758,376
Asset Purchases	84,989	16,503
	<b>560,971</b>	<b>1,778,816</b>
<b>Cash Surplus</b>	<b>(161,633)</b>	<b>33,112</b>
<b><u>Represented By Working Capital Changes</u></b>		
Bank (Decrease)/Increase	(150,643)	(263,664)
Current Assets - Debtors Decrease/(Increase)	6,209	303,965
Current Liabilities - Creditors Decrease/(Increase)	(17,199)	(7,189)
	<b>(161,633)</b>	<b>33,112</b>

*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.*



# Otakanini Topu Inc

## Fixed Assets and Depreciation Schedule

### For the Year Ended 30 June 2019

Asset	Cost Price	Book Value 01/07/18	Additions Disposals	Gain/Loss on Disposal	Capital Profit	-- Depreciation -- Mth Rate \$	Accum Deprec 30/06/19	Book Value 30/06/19
<b>Assets</b>								
<b>Vehicles - Southhead</b>								
Tractor - New Holland T6070	128,460	49,066				12 13.0% DV 6,379	85,773	42,687
Excavator Hyundai	137,533	29,664				12 --	107,869	29,664
Utility - Toyota Hilux 3.0	30,778	786				12 21.6% DV 170	30,162	616
Toyota Hilux FKY956	45,603	5,937	(9,565)	3,628		12 20.0% DV		0
Quad - Can Am Outlander 500 XT 2012	13,400	1,576				12 30.0% DV 473	12,297	1,103
Quad - Can Am Outlander 500XT 2013	14,609	2,456	(2,609)	153		30.0% DV		0
2014 Can Am Outlander 500EFI	13,739	3,417				12 30.0% DV 1,025	11,347	2,392
2015 Can Am Outlander 500	12,870	4,304				12 30.0% DV 1,291	9,857	3,013
Front End Loader MXT12	16,460	6,519				12 13.0% DV 847	10,788	5,672
2016 Can Am Defender 800	19,956	9,778				12 30.0% DV 2,933	13,111	6,845
Suzuki LTA500 Quad	14,362	11,131				12 30.0% DV 3,339	6,570	7,792
Quad - Honda 450				4,782		7 30.0% DV 837		837
Toyota Hilux				45,700		9 30.0% DV 10,283	10,283	35,417
2018 Can Am Defender				20,000		9 30.0% DV 4,500	4,500	15,500
<b>Sub-Total</b>	<b>447,770</b>	<b>124,634</b>	<b>58,308</b>	<b>3,781</b>			<b>32,077</b>	<b>154,646</b>
<b>Vehicles - Makarau</b>								
Tractor - McCormick CX95	35,000	19,182				12 13.0% DV 2,494	18,312	16,688
<b>Sub-Total</b>	<b>35,000</b>	<b>19,182</b>	<b>0</b>				<b>2,494</b>	<b>16,688</b>
<b>Plant And Machinery - Southhead</b>								
Weather Station	2,802	1,275				12 13.0% DV 166	1,693	1,109
Calf Puller	600	273				12 13.0% DV 35	362	238
Hing Hit Post Driver	16,355	6,110				12 16.0% DV 978	11,223	5,132
Fertilizer Spreader	2,767	1,142				12 16.0% DV 183	1,808	959
Fence Stapler	1,140	80				12 14.4% DV 12	1,072	68
B/500 Solar Fence Unit	976	54				12 10.0% DV 5	927	49
Solar Electric Fence System	1,425	68				12 10.0% DV 7	1,364	61
Compressor Trailblazer	1,500	105				12 14.4% DV 15	1,410	90
Fuel Tanks	1,280	23				12 10.0% DV 2	1,259	21
Croplands 1000L Sprayer	15,964	4,860				12 16.0% DV 778	11,882	4,082
Digger Spade Bucket	783	322				12 13.0% DV 42	503	280
Water Tank	2,848	960				12 16.0% DV 154	2,042	806
Fridge - Shearers Quarters	356	27				12 12.0% DV 3	332	24
Fire Extinguishers	867	43				12 10.0% DV 4	828	39
Waste Not Feeder	872	187				12 15.6% DV 29	714	158
Waste Not Feeder	872	187				12 15.6% DV 29	714	158
Grass Trimmer	427	23				12 10.0% DV 2	406	21
Slasher Vogel 3000	7,991	401				12 18.0% DV 72	7,662	329
Sheep Weigher	1,511	103				12 14.4% DV 15	1,423	88
13 Hp Motor	995	140				12 15.6% DV 22	877	118
Pump	2,549	61				12 10.0% DV 6	2,494	55
Homelite Pump, Hoses	1,188	52				12 18.0% DV 9	1,145	43
Silage Wagon - Uni Side Feed	29,000	4,974				12 15.6% DV 776	24,802	4,198
Anderson 605 Pump and Motor	13,665	1,978				12 15.6% DV 309	11,996	1,669
Pump & Motor	1,767	103				12 14.4% DV 15	1,679	88
Cattle Weigh Platform	667	45				12 14.4% DV 6	628	39
Bike Trailer	2,176	149				12 14.4% DV 21	2,048	128
Autodraft Cattel Scales	23,750	10,075				12 13.0% DV 1,310	14,985	8,765
Loadbars 3000 Kg HD1010	1,735	744				12 13.0% DV 97	1,088	647
Shearing Gear	8,345	161				12 10.0% DV 16	8,200	145
Mobile Sheep Yards, Prattley	9,268	257				12 10.0% DV 26	9,037	231
Prattley Sheep Race	814	31				12 10.0% DV 3	786	28
Spray Tank & Boom	13,472	563				12 18.0% DV 101	13,010	462
Quick Hitch, Foam Markers	3,382	141				12 18.0% DV 25	3,266	116
500 L Mounted Spray Tank	685	38				12 10.0% DV 4	651	34
Scales	1,149	68				12 10.0% DV 7	1,088	61
Post Hole Borer	1,021	33				12 21.6% DV 7	995	26
Grader Blade	1,500	158				12 12.0% DV 19	1,361	139
Cell Phones (3)	1,016	14				12 67.0% DV 9	1,011	5
Weigh Scale Indicator	1,735	1,006				12 13.0% DV 131	860	875
Harrows	3,712	273				12 14.0% DV 38	3,477	235
Cambridge Roller	1,500	187				12 12.0% DV 22	1,335	165
Sprayer	3,758	282				12 14.4% DV 41	3,517	241
Scales & Load Bars	3,387	861				12 15.6% DV 134	2,660	727
Prattley 3 Way Crate	9,355	2,377				12 15.6% DV 371	7,349	2,006
Hay Feeder	9,055	654				12 14.4% DV 94	8,495	560
EID Panel Reader	1,995	856				12 13.0% DV 111	1,250	745
Big Bale Grab	2,140	91				12 10.0% DV 9	2,058	82

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.

# Otakanini Topu Inc

## Fixed Assets and Depreciation Schedule

### For the Year Ended 30 June 2019



WITHERS & CO LTD



Asset	Cost Price	Book Value 01/07/18	Additions Disposals	Gain/Loss on Disposal	Capital Profit	-- Depreciation -- Mth Rate \$	Accum Deprec 30/06/19	Book Value 30/06/19	
3 Sets Harrows	4,122	323				12 14.4% DV 47	3,846	276	
EID Stick Reader	1,056	474				12 13.0% DV 62	644	412	
Slasher	8,250	182				12 18.0% DV 33	8,101	149	
Bandsaw	675	36				12 10.0% DV 4	643	32	
Water Blaster	3,300	107				12 14.4% DV 15	3,208	92	
Website Design	1,090	204				12 50.0% DV 102	988	102	
Staff Computer	1,015	232				12 50.0% DV 116	899	116	
2 Spray Units, Boom	6,490	276				12 18.0% DV 50	6,264	226	
Quick Hitch frame for Spray Boom	3,473	151				12 18.0% DV 27	3,349	124	
Cordless Drill	259	10				12 10.0% DV 1	250	9	
Stove	1,067	61				12 10.0% DV 6	1,012	55	
MX BR200 DGS Bucket	2,540	982				12 13.0% DV 128	1,686	854	
1 Pearson Silage Grab	2,885	92				12 14.4% DV 13	2,806	79	
Trailer	1,423	55				12 14.4% DV 8	1,376	47	
Computer	1,739	81				12 50.0% DV 41	1,699	40	
Garmin GP5	661	3				12 48.0% DV 1	659	2	
10T Trailer	14,300	1,871				12 14.4% DV 269	12,698	1,602	
Grease Gun Trolley Kit	1,046	230				12 15.6% DV 36	852	194	
Compressor	1,017	432				12 16.0% DV 69	654	363	
Grundfos Pump	4,609	1,896				12 18.0% DV 341	3,054	1,555	
Brother MFC Printer	521	28				12 50.0% DV 14	507	14	
Trailer Cages (2)	822	465				12 13.0% DV 60	417	405	
Water Tank 30000 Ltr	3,229	1,119				12 16.0% DV 179	2,289	940	
Stove - Workers Dwelling	1,000	186				12 20.0% DV 37	851	149	
Silage Wagon Scales	13,893	10,908				12 13.0% DV 1,418	4,403	9,490	
Plate Meter	838	666				12 13.0% DV 87	259	579	
Belt Drive Compressor	2,141	1,827				12 16.0% DV 292	606	1,535	
Docking Iron			713			9 13.0% DV 70	70	643	
Handpiece			600			7 25.0% DV 88	88	512	
Chainsaw			800			2 67.0% DV 89	89	711	
Dog Kennel & Run (4)			6,793			2 40.0% DV 453	453	6,340	
<b>Sub-Total</b>	<b>299,578</b>	<b>65,512</b>	<b>8,906</b>				<b>10,426</b>	<b>244,492</b>	<b>63,992</b>
<b>Development - Southhead</b>									
Silage Pit	11,528	739				12 12.5% DV 92	10,881	647	
Water Bore	16,693	5,480				12 6.0% DV 329	11,542	5,151	
Power Supply	918	82				12 12.5% DV 10	846	72	
Water Tank	2,000	65				12 18.0% DV 12	1,947	53	
Water Tank	3,300	130				12 18.0% DV 23	3,193	107	
Water Supply	29,948	19,420				12 6.0% DV 1,165	11,693	18,255	
Water Supply	8,810	6,077				12 6.0% DV 365	3,098	5,712	
Water Supply	36,718	28,412				12 5.0% DV 1,421	9,727	26,991	
Water Supply	5,847	4,762				12 5.0% DV 238	1,323	4,524	
Water Supply	59,683	36,382				12 6.0% DV 2,183	25,484	34,199	
Cattle Yards	9,863	7,989				12 10.0% DV 799	2,673	7,190	
<b>Sub-Total</b>	<b>185,308</b>	<b>109,538</b>	<b>0</b>				<b>6,637</b>	<b>82,407</b>	<b>102,901</b>
<b>Development - Makarau</b>									
Pump System	1,638	607				12 18.0% DV 109	1,140	498	
<b>Sub-Total</b>	<b>1,638</b>	<b>607</b>	<b>0</b>				<b>109</b>	<b>1,140</b>	<b>498</b>
<b>Furniture &amp; Fittings</b>									
Fire Place - Managers House	4,005	2,110				12 10.0% DV 211	2,106	1,899	
Carpet - Stock Managers House			5,600			3 40.0% DV 560	560	5,040	
<b>Sub-Total</b>	<b>4,005</b>	<b>2,110</b>	<b>5,600</b>				<b>771</b>	<b>2,666</b>	<b>6,939</b>
<b>Plant And Machinery - Makarau</b>									
Calf Feeder	1,739	820				12 16.0% DV 131	1,050	689	
Trailer	4,208	2,307				12 13.0% DV 300	2,201	2,007	
Calf Feeders	998	477				12 16.0% DV 76	597	401	
Colostrum Tank	1,518	880				12 13.0% DV 114	752	766	
Sewerage System	4,000	3,258				12 5.0% DV 163	905	3,095	
<b>Sub-Total</b>	<b>12,463</b>	<b>7,742</b>	<b>0</b>				<b>784</b>	<b>5,505</b>	<b>6,958</b>
<b>Buildings - Southhead</b>									
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	1,655				12 2.5% SL%	158	4,827	
Haybarn No 1	8,355	1,179				12 2.5% SL%	209	7,385	

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.





WITHERS & CO LTD



CHARTERED ACCOUNTANTS  
AUSTALIA & NEW ZEALAND

## Otakanini Topu Inc

### Fixed Assets and Depreciation Schedule For the Year Ended 30 June 2019

Asset	Cost Price	Book Value 01/07/18	Additions Disposals	Gain/Loss on Disposal	Capital Profit	-- Depreciation -- Mth Rate \$	Accum Deprcc 30/06/19	Book Value 30/06/19
Woolshed	62,915	18,827				12 SL%	44,088	18,827
Workshop	30,359	12,899				12 2.5% SL%	18,219	12,140
Shearers Quarters	18,625	2,549				12 2.5% SL%	16,542	2,083
Garage & Implement Shed	9,353					12 2.5% SL%	9,353	0
Storage Shed	17,468	1,844				12 2.5% SL%	16,061	1,407
Fertilizer Bin	5,582					12 2.5% SL%	5,582	0
Killing House	3,161	241				12 2.5% SL%	2,999	162
Roof - Cattle Crush	4,534	4,080				12 5.0% SL%	681	3,853
<b>Sub-Total</b>	<b>348,983</b>	<b>139,811</b>	<b>0</b>				<b>2,335</b>	<b>211,507</b>
<b>Buildings - Makarau</b>								
Portacom	13,913	9,275				12 8.0% SL%	5,751	8,162
Container	2,100	1,500				12 7.0% SL%	747	1,353
<b>Buildings - Makarau</b>	<b>16,013</b>	<b>10,775</b>	<b>0</b>				<b>1,260</b>	<b>9,515</b>
<b>Land</b>								
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						2,800,000
Pine Trees	64,900	64,900				12 SL%		64,900
<b>Sub-Total</b>	<b>16,416,193</b>	<b>16,416,193</b>	<b>0</b>					<b>16,416,193</b>
<b>Total Assets</b>	<b>17,766,951</b>	<b>16,896,104</b>	<b>72,814</b>	<b>3,781</b>			<b>56,893</b>	<b>16,915,806</b>

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.

# Otakanini Topu Inc

## Notes to the Special Purpose Financial Statements

### For the Year Ended 30 June 2019



WITHERS & CO LTD



#### 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

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.

#### (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.

**Otakanini Topu Inc**  
**Notes to the Special Purpose Financial Statements**  
**For the Year Ended 30 June 2019**



WITHERS & CO LTD



(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 unpresented cheques, which have been written off. The total value of unpresented cheques identified was \$41,362 but the review could result in amendment to this amount. Since 2002 a further \$59,464 unpresented 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.

**Otakanini Topu Inc**  
**Notes to the Special Purpose Financial Statements**  
**For the Year Ended 30 June 2019**



WITHERS & CO LTD



	2019 \$	2018 \$
<b>6. Maori Authority Credit Account</b>		
Balance as at 1 July	28,980	21,153
<b>Credits</b>	-	-
RWT On Interest	10,065	13,429
Income Tax Paid	79,412	1,981
<b>Debits</b>		
Maori Authority Credits on Dividends Paid	8,120	7,583
<b>Closing Balance 30 June</b>	<u><u>110,337</u></u>	<u><u>28,980</u></u>
<b>7. Taxation Summary</b>		
<b>Income</b>		
Farming	128,999	658,849
Interest	57,518	66,150
<b>NET TAXABLE INCOME</b>	<u><u>186,517</u></u>	<u><u>724,999</u></u>
2019 Tax Payable @ 17.5%	32,641	126,874
RWT Paid	(10,065)	(13,429)
Provisional Tax Paid	(79,413)	-
	(56,837)	113,445
Provisional Tax Paid 7 July 2019	39,705	-
<b>Terminal Tax Payable (Refund)</b>	<u><u>96,542</u></u>	<u><u>(113,445)</u></u>

*These 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.*

**Otakanini Topu Inc**  
**Notes to the Special Purpose Financial Statements**  
**For the Year Ended 30 June 2019**

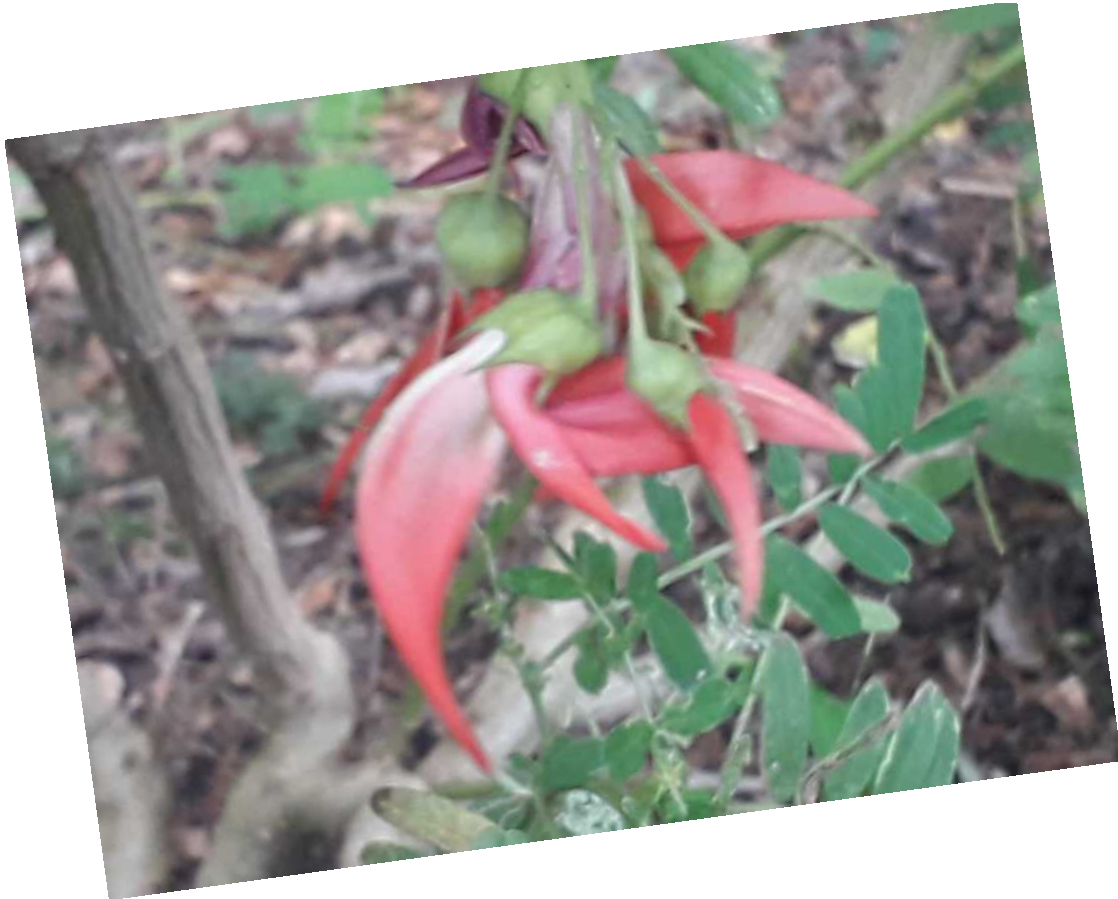


	2019 QTY	2019 \$
<b>8. Undrawn Dividends</b>		
This represents dividends accrued for the years listed to those shareholders who cannot be located due to changed addresses or uncompleted succession.		
December 2005 @ \$1.00	32,734	32,734
December 2006 @ \$1.00	38,331	38,331
December 2010 (Net MAC) @ \$1.00	33,741	33,741
December 2011 (Net MAC) @ \$1.30	36,772	39,438
December 2012 (Net MAC) @ \$1.30	41,139	44,115
December 2013 (Net MAC) @ \$1.30	56,029	60,091
December 2014 (Net MAC) @ \$1.00	56,260	46,415
Unpresented Cheques		
Written Off (Now undrawn)	-	59,464
December 2015 (Net MAC) @ \$1.00	64,749	53,418
December 2016 (Net MAC) @ \$1.50	70,427	87,153
December 2017 (Net MAC) @ \$1.50	86,917	86,917
December 2018 (Net MAC) @ \$1.50	68,188	84,383
Less Prior Year Dividends Paid	-	(20,344)
	<u>585,287</u>	<u>645,856</u>

*These 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.*



**OTAKANINI TOPU INCORPORATION**



## **Attachment 2**

**Auditors report for the year ended June 2019  
2018-2019**

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders of Otakanini Topu Incorporation**

#### **Opinion**

We have audited the special purpose financial statements of Otakanini Topu Incorporation, which comprise the statement of financial position as at 30 June 2019, 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 19, present fairly, in all material respects the financial position of the entity as at 30 June 2019, 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 Otakanini Topu Incorporation'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 Otakanini Topu Incorporation'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 Otakanini Topu Incorporation and its 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 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**

**25 November 2019**



26 November 2019

The Committee of Management  
Otakanini Topu Incorporation  
PO Box 183  
Hellensville 0840

Dear Committee of Management

**Re: Audit of Special Purpose Financial Statements of Otakanini Topu Incorporation**

We have completed the audit of your special purpose financial statements for the year ended 30 June 2019.

The primary aim of our audit is to form an opinion as to whether your special purpose financial statements fairly reflect the results of your organisation's activities for the reporting period and its financial position at balance date. The audit report will express this opinion.

In forming our audit opinion, we conduct detailed tests of selected transactions and review the key controls in place to ensure the effective operation of your accounting systems and internal controls. As a service to ensure you receive maximum benefit from our audit we note our evaluation of your systems and highlight areas of possible weakness or where we believe improvements can be made. Our motive is to offer objective and constructive advice so that the accounting function and related control issues can be improved in the future.

**Required communications**

We are required by International Standards on Auditing to report specific matters to you as follows:

- We have had no disagreements with management during our audit nor any serious difficulties in dealing with management.
- We have not identified any instances of fraud involving senior management, or any other frauds that caused a material misstatement of the special purpose financial statements.
- We have not noted any significant risks or exposures that are required to be separately disclosed in the special purpose financial statements.

We reaffirm we are independent of your organisation, and that we have no relationship with your organisation that impairs our independence.

There are few matters arising and observations from our audit visit which we now bring to your attention.

**Areas of Significant Audit Focus**

We believe it is best practice to communicate with you as the governing body regarding matters which form an important part of our audit process. However, ultimately it is you, the governing body that remains responsible for your financial systems, internal controls and special purpose financial statements.

While our audit necessarily involves testing of your overall system of financial controls and reporting, we assessed some risk areas in relation to your organisation. Accordingly, we believe that they are important issues that should be of interest to you in your governance capacity.

In the case of your organisation we assessed Completeness of Revenue as a risk area in the current year.

We are pleased to advise that our audit testing of these assessed risk areas did not identify any significant issues or concerns other than the matters detailed below.

## **Audit adjustments**

No adjustments were made to the reported current year profit. There were no material unadjusted differences impacting on the special purpose financial statements.

## **Accounting system and controls**

### **1. Shareholder Register audit**

We note that a shareholder audit has been completed and that the Maori Land Court issued a decision that differs from that of the Topu. From Discussions with Glenn Wilcock we understand that the Topu appealed the Maori Land Court decision and that a final decision has not been made. We will address the shareholder register audit as a Matter of Emphasis in the audit report.

### **2. Segregation of duties**

We observed limited segregation of duties in payroll procedures. Timesheets for casual staff are completed by the farm manager and forwarded to the accountant who processes payroll. Our testing did not indicate any separation of duties such as committee approval or authorisation of payments nor any evidence that the payroll is approved by a committee member.

We recommend timesheets, payroll payments and monthly reconciliations should be reviewed by a member of the Executive Committee on a regular basis, at least once every quarter.

### **3. Livestock**

Audit did not plan to attend the livestock stocktake for the year ended 30 June 2019. Audit procedure for confirming the existence of livestock relied on confirming closing stock to the Stock Audit completed by Kelly Graham (AFFCO NZ Ltd Livestock Buyer) on 3rd July 2019. We confirmed the numerical accuracy of stock numbers and values through the stock reconciliations and herd scheme calculations.

No changes to these procedures are required, however we recommend in future years we should attend the stock take and observe the instructed livestock buyer's procedures.

### **4. Valuation policy land and pine forest**

We note that the organisation adopted a policy for revaluation of land that states what basis of valuation is used from the year ended 30 June 2017 in line with Special Purpose Financial Reporting ("SPFR") for For Profit Entities ("FPE's").

Included in the balance for land is a pine forest at a cost of \$64,900 being the original cost recognised. The forest qualifies as a biological asset as forestry activities falls into the scope of Section 12 Agriculture of SPFR for FPEs. The organisation is required to measure biological assets at initial recognition and at each subsequent balance date, at fair value less costs to sell, or in accordance with any treatment permitted under the Income Tax Act 2007. Where market-determined prices or values are not available for a biological asset in its present condition the organisation may use the present value of expected cash flows from the biological asset, discounted at a current market-determined rate to determine fair value. At a minimum this value must be disclosed in the notes.

The values noted above have been disclosed in notes to the special purpose financial statements after discussion.

### **5. Leave Pay Liability**

We note that although the farm has permanent employees no accrual has been made for annual leave entitlement (4 weeks) owing to them at year end.

As per our prior year recommendation, we recommend that management considers this going forward since leave owing to senior staff could result in a substantial unbudgeted amount to pay should the staff leave employment. It should also be noted that this is required under Employment Law.

#### **6. Tuku Rawa Distribution.**

During the year a distribution of the same amount to each shareholder irrespective of number of shares held if registered for Tuku Rawa before cut-off date. No MAC's attached.

ITA 2007 definition of dividends could class this payment as a dividend. If IRD query payment this has a high chance of attracting penalties and interest.

#### **7. Financial Statement Presentation**

Under "SPFR for FPEs", it is required to retain the presentation and classification of items in the financial statements from one period to the next, unless a change is deemed appropriate due to a change in operations, events or conditions. Management decided to cease separating Southhead and Makarau trading results, as a result the presentation of comparatives changed to reflect this decision. Net results are the same.

#### **8. Minutes**

We note that the Minutes of Executive Committee meetings are not signed and that the committee approves the prior meeting minutes at the next meeting. It is best practice to sign minutes as true and correct once approved as proof of any decisions made.

#### **Executive Committee's Responsibility for Prevention and Detection of Fraud**

The Executive Committee acknowledge their responsibility for the design and implementation of internal controls to safeguard assets, and to prevent and detect error, fraud and non-compliance with laws and regulations. To assist the Executive Committee in this role, it is recommended that the Executive Committee regularly review the policies and procedures in place and that where relevant these are amended and updated to include credit card usage, delegations, financial management, fraud and theft, internal controls, sensitive expenditure and whistle-blower protection amongst others.

All the points made in this report have been discussed with Glenn Wilcox and we have taken account of his comments in drafting the report. These points arose during our audit which is designed primarily to enable us to form an opinion on the special purpose financial statements. Our report cannot, therefore, be expected to include all possible comments and recommendations which a more extensive special examination might indicate. This report has been prepared solely for the use of the Executive Committee and senior management of your organisation. It may not be provided to third parties without our prior written consent.

May we take this opportunity to express our thanks to you all for your professionalism and assistance which we received during the course of our audit procedures.

Yours Sincerely,

**JSA Audit Limited**  
**Mark Bezuidenhout**



**26 November 2019**

**Mark Bezuidenhout**

**JSA Audit Limited  
P O Box 136  
Shortland Street  
Auckland 1140**

**Tena koe Mark,**

This representation letter is provided in connection with your audit of the special purpose financial statements of Otakanini Topu Incorporated for the year ended 30 June 2019 for the purpose of expressing an opinion as to whether the financial statements comply with the Special Purpose Financial Reporting Framework for For-Profit Entities (the Framework) published by Chartered Accountants Australia and New Zealand (CAANZ) and the requirements of Te Ture Whenua Maori Act 1993 and fairly present the financial position of Otakanini Topu Incorporated as at 30 June 2019 and of the results of its operations for the year then ended.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

**Special Purpose Financial Statements**

- We have fulfilled our responsibilities on behalf of the entity, as set out in the terms of the audit engagement dated 11 November 2018, for the preparation of the financial statements in accordance with the Special Purpose Financial Reporting Framework for For-Profit Entities (the Framework) published by Chartered Accountants Australia and New Zealand (CAANZ) and the requirements of Te Ture Whenua Maori Act 1993; in particular the special purpose financial statements are fairly presented in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in the special purpose financial statements in accordance with the requirements of the applicable financial reporting framework.
- All events subsequent to the date of the special purpose financial statements which require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the special purpose financial statements as a whole.

### **Information Provided**

- We have provided you with:
  - o Access to all information of which we are aware that is relevant to the preparation of the special purpose financial statements such as records, documentation and other matters;
  - o Additional information that you have requested from us for the purpose of the audit; and
  - o Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the special purpose financial statements.
- We have disclosed to you the results of our assessment of the risk that the special purpose financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - o Management;
  - o Employees who have significant roles in internal control; or
  - o Others where the fraud could have a material effect on the special purpose financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's special purpose financial statements communicated by employees, former employees, analysts, regulators or others.
- We have disclosed to you all known instances of non-compliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing special purpose financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- We will provide the final version of the documents determined to comprise the annual report to the auditor when available, and prior to its issuance by the entity.
- We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the special purpose financial statements.
- We confirm that the shareholder register is complete and the up to date information has been used in preparing the special purpose financial statements.



- We confirm that inventory is complete, and the special purpose financial statements prepared based on the Stock Audit completed by Kelly Graham (Livestock Buyer) from AFFCO NZ Ltd Livestock Division on 3rd July 2019.

Ka nui te ora, tihei mauri ora!

A handwritten signature in blue ink, appearing to read "Glenn Wilcox", is positioned below the Māori greeting. The signature is fluid and cursive.

Glenn Wilcox 26/11/2019

Chairman Committee of Management Otakanini Topu

Hemi Rau 26/11/2019

Member Committee of Management Otakanini Topu



# OTAKANINI TOPU INCORPORATION





# OTAKANINI TOPU INCORPORATION



**Otakanini Topu Incorporation**

**PO Box 183, Helensville 0840,  
New Zealand :**

[www.otakaninitopu.co.nz](http://www.otakaninitopu.co.nz)