

WAIONE 3B8 INCORPORATION



**Annual Reports
To 31 March 2024**

WAIONE 3B8 INCORPORATION

DIRECTORY

COMMITTEE OF MANAGEMENT

Wiremu Emery (Chairman)
Raymond Pou Poasa
Wairangi Whata

SECRETARY

Murray Patchell

OFFICE AND SHARE REGISTRY

C/- Awhi Roopu Consultants
1227 Ranolf St
Rotorua

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WAIONE 3B8 INCORPORATION

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Waione 3B8 Incorporation

General Meeting of Shareholders at Ruato Marae

on Saturday 27th July 2024 at 10.00am.

AGENDA

1. Apologies.
2. Minutes.
3. Annual Reports & Financial Statements.
4. Election of 5 members to the committee of management for 3 year terms. Current committee members Wiremu Emery, Wairangi Whata and Raymond Pou Poasa retire by rotation and are available for re-election and do not require renomination.
5. Strategic Plan
6. General Business.

PLEASE NOTE THAT SPEAKING AND VOTING RIGHTS AT THE MEETING ARE RESTRICTED TO REGISTERED SHAREHOLDERS OF THE INCORPORATION.

Shareholders that have not supplied their email addresses are invited to send their email address to the share registry office for future communications

WAIONE 3B8 INCORPORATION

MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD AT TAPUAEKURA MARAE, ROTOITI, ON SUNDAY, 9 JUNE 2019 AT 10:00 A.M.

PRESENT: Taira Wichman (Chair), Wairangi Whata, Raymond Pou Poasa, Wiremu Emery Jnr, Nepia Te Rangi, Sarah Pauli (Minute taker)

In Attendance: Joe Brown, Deloitte (Secretary)
Sita Huta, Deloitte

APOLOGIES

Apologies for lateness – Taa Toby Curtis
Christine Clayton
Ngawhakawairangi Hohepa
Hiria Cecilia Whata

For a full list, refer to the apologies register.

KARAKIA:

The hui was opened with a Karakia by Kaiawhiti Tahana

1. MINUTES AND MATTERS ARISING – AGM, SUNDAY, 8 APRIL 2018:

The Chairman read out the minutes to the shareholders.

Willie Emery asked for clarity on the AGM meeting dates.

The Chair advised that there was a transition period from the previous Committee of Management, (CoM) 2016 to CoM 2017 – two new members were elected during this time.

The AGM from April 2018 covered the period 25 September 2016 to 8 April 2018. There was no AGM in 2017.

The period between the 2016 and 2018 AGMs was within the timeframe, as per the Maori Incorporations Constitution Regulations.

Taa Toby Curtis acknowledged the committee and the Chair on the accuracy of the minutes.

RESOLVED “That the minutes of the previous AGM held on 8 April 2018 be accepted as a true and accurate record.”

(Willie Emery/Veronica Butterworth)Carried

2. CHAIRMAN’S REPORT:

The Chairman read through his report.

The Chair thanked the following people for their efforts over the last year.

Wairangi Whata, for her involvement with the wastewater treatment scheme and Wiremu Emery, for the management of the Hauparu Bay rental property and his efforts towards resolving the John Edwards lease.

Additional thanks goes to Mr William Emery and Taa Toby Curtis for their assistance with the Edwards lease.

Joe Brown (Deloitte) for giving his time today out of aroha. Joe is assisting us in finding areas for reducing costs and streamlining Deloitte services.

The Chair welcomed Sita Huta (Deloitte) who has joined Waione 3B8 Inc. with secretarial and accounting services. The Chair also welcomed Sarah Pauli from Rotorua Lakes Council, brought on recently to record meeting minutes and attend to some of the Incorporation's administrative tasks.

(i) Rental Property

The tenant has missed many of her rent payments and is currently around \$3.5K in arrears. Wiremu Emery recently served notice to terminate the tenancy (with the last day of tenancy being 1 September 2019.) He has informed the tenant that the termination decision can be reviewed if she catches up on arrears before the end of June. Currently she is making full payments every week.

To keep track of payment, Wiremu now has access to the Incorporations accounts through Deloitte to track all payments.

Wiremu and the tenant are working with WINZ to try and address both the payment of arrears and potential for direct payment to the Incorporation.

The CoM has also given notice to increase the rent to \$285 effective from 1 July 2019, to ensure rent is aligned with current market rates.

There are some upcoming costs for the property, as follows:

- The house will require floor and ceiling insulation – insulation is compulsory in all rental homes from 1 July 2019.
- When the sewerage scheme is complete, we will be up for a one-off payment of around \$14,000 to connect. There is also the option of paying this off slowly over time.

(ii) Lease Property

Over the last year, there have been a lot of challenges with John Edwards lease.

An update from our Lawyer is expected within the next week regarding a decision to proceed with cancelling the lease or confirmation that John has signed an agreement that was put together by both parties in early March 2019.

Three times over the last year, we reached a gentlemen's agreement with John and each time he has procrastinated and turned his back on his promises. The first two times were with the help of Taa Toby Curtis, and Willie Emery.

Our Lawyer, Terena Wara, has assisted and guided the CoM. She has taken a cautious approach and encouraged us to focus on getting a deal with John (i.e. avoid cancelling the lease.) Cancelling the lease is not a good option for John. It can also cause problems for the incorporation especially if it leads to court action.

If John signs the agreement that was drafted in March, then a new lease will be put in place with less room for debate, especially around the matter of rent reviews. The Chair's final comment was that John may be misguided by the significant rise in value of residential property. He seems to believe that he deserves to profit from the sale of the lease.

Willie Emery feels sorry for John's wife and went on to remind everyone that John has done a great job developing and beautifying the property.

For any future property leases, Taa Tony Curtis advised the committee to look at some kind of criteria on who the properties are leased to. Guidelines are required even if they are family.

(Hariata Kohunui/Toby Curtis) Carried

(iii) Consulting and Administration Services

Since the 2018 AGM we have required the continued services of Deloitte, Rotorua and Tu Pono Legal.

The legal services has focused entirely on the lease with John Edwards, as explained above. Our Lawyer, Terena Wara, has been incredibly diligent and patient with her advice but has been mindful that the incorporation is not cash-rich. This did not affect her willingness to maintain a high level of professionalism and with our absolute gratitude; she extended her services at a highly discounted rate. Since her departure at the beginning of March to take up a new role as a Maori Land Court Judge, she has been replaced by her legal partner and husband, Jason Pou.

(iv) Management Committee Re-election

Raymond Pou Poasa's position on the CoM was recently up for re-election. With no nominations submitted prior to the Thursday cut-off date there are no replacements for Ray. Ray agreed to stay on in his position with the CoM.

(v) Deloitte

Joe Brown is assisting with initiatives to find areas for reducing costs and streamlining Deloitte's services. One of those initiatives is appointing Sita Huta to assist with secretarial and accounting services.

(vi) Te Ngahere o Waione – Forestry Report

A representative of Interpine was not available to present their report of 21 March 2019.

The Chair gave a brief summary, as follows:

- trees are in good health and there is no sign of significant damage from pests such as wallabies
- people have been accessing the block without permission and the forest manager has reason to believe that once again, cannabis is being cultivated within the forest
- Damaged road – repair work required
- Apart from road maintenance, there is no major operations planned for 2019

We have only recently been paid the last \$87K from Te Ngahere o Waione. \$37K has gone to covering an outstanding invoice from Interpine and the remaining \$50K has been deposited into our accounts.

Going forward, our main focus over the coming years is to ensure we are in a position to meet our financial commitments to the forestry venture. The expectation has been that a large part of our future financial contributions will come from income derived from carbon leasing.

(vii) Block Security

Block security remains an issue. The Chair asked those present that if they are aware of unauthorised access to the block, to inform the forest manager or the CoM.

The Chair thanked everyone for their attendance at today's Hui and Tapuaekura Marae for having us here once again.

3. FINANCIAL REPORT: YEAR ENDED 31 MARCH 2018

Sita addressed the owners and took them through the 2018 financial statements and summary report.

- Total income for the year - \$78,075 (increase of \$63,000 from last year)
- Back pay in the John Edwards lease which contributed towards the increase.
- \$34,500 contribution (lease income – forestry) - this is a paper number, this is not physical cash in the bank (accounting policies)
- Expenses for the year - administration \$40,000 (a significant decrease from last year) by \$47,000

After total income and expenses, net loss for the year of \$33,000 compared to \$83,000 last year.

In summary:

Everything in assets has increased.

Total assets have increased from \$1.9M to \$2.5M.

Term loan – decreased by \$2,000

Unclaimed Dividends – stayed the same

Overall, total equity of \$2.1M after total assets and liabilities

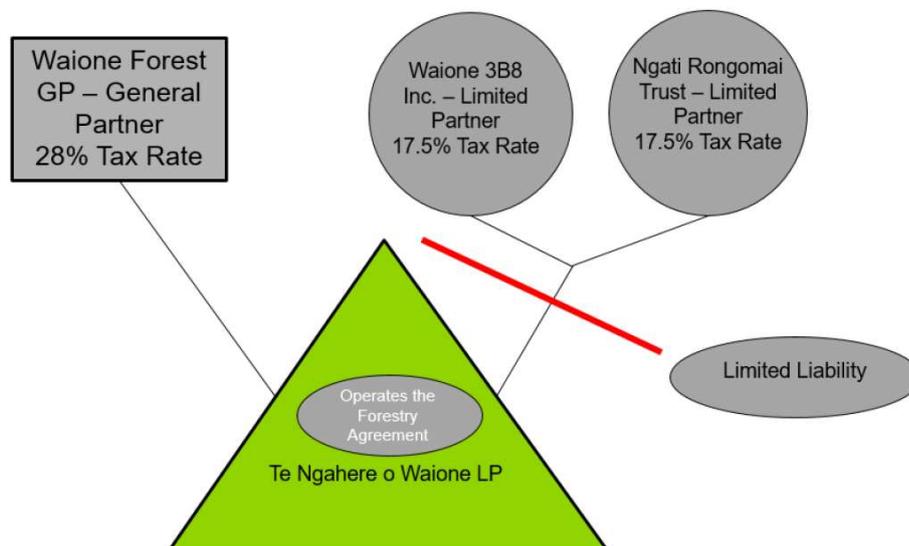
Looking very healthy.

3.1 Structure of Te Ngahere o Waione Partnership

Joe gave an update to shareholders on how the Te Ngahere O Waione partnership with Ngāti Rongomai Iwi Trust is structured.

It is structured in such a way that gives maximum tax benefit and also protects the assets of both Waione 3B8 Incorporation and Ngāti Rongomai Iwi Trust." (diagram 1)

The following diagram shows the way the partnership with Ngāti Rongomai relates to the Forestry.



Waione 3B8 Inc. obligations and expected returns on the Forestry are:

- Targeting an 8% compounding return on investment year on year. This will amount to a forecasted cash return of \$4.5 million in 2042 for Waione after accumulated investment in the LPT (Limited Partnership) of \$1.4million over the 27 years.
- In the meantime, we are eligible for carbon credit leasing as the land owner of the forest, which returns an income that increases over time as the trees grow.
- Waione paid \$19K in forest establishment costs initially (GST incl.) which has now been returned.
- Our financial contribution to the partnership is primarily a flat lease forgiveness arrangement over the 27 years @ \$34,500/year.
- At year 6 (2022) we are required to start topping up our contribution with additional cash, it is planned that the cash income from the carbon credit leasing will pay for these contributions.

3.2 Looking Forward

Sita gave an update to Shareholders.

The report provides a summary forecast over the next 9 year plan for Waione 3B8 moving forward.

There is a requirement to look at ways to increase the revenue and decrease the cost.

The Chair advised that the original numbers on the spread sheet were put together with the expectation that there be income from carbon leasing. It is essential to go through this process in a way that manages the risk to the incorporation.

Admin costs are significant – including \$9000 per year associated with managing the share registry.

Action: The Chair to meet with Joe Brown and Lee Grey of Deloitte to discuss services and costs.

The Chair advised that one of our costs has been the legal requirement to have our accounts audited. This is no longer compulsory and we can choose to not have our accounts audited next year. The cost for BDO to audit our accounts is roughly \$4,000. There are also indirect costs from Deloitte in terms of their contribution to the audit.

After much discussion the shareholders agreed on the following Resolution.

RESOLUTION “The shareholders agreed not to do the audit for this current financial year and re-address at the next AGM and vote on it again.”

(Veronica Butterworth / Hariata Kohunui) CARRIED

4. GENERAL BUSINESS

4.1 Potential for use of land

- (i) Wiremu Emery advised that Rongomai kura are looking for land for the construction of a new school.

Action: Committee and Management will follow through with an enquiry

(ii) Growing of Cannabis

Wairangi Whata advised that she had been approached by a group that spoke with landowners in Rotomā and were exploring the idea of growing medicinal cannabis. They were looking for

investors and presented the opportunity to partner with our Maori land entities. A series of hui were held last year inviting many land trusts. No one decided to invest.

Willie Emery advised that they weren't looking for more land they were looking for investment.

The Chair asked the committee if there was any interest in being involved in some commercial enterprise related to medicinal cannabis for potential use of land and income.

Nepia offered to approach the above group to see if they were willing to talk with the committee of management.

In regard to use of the land, the Chair sensed some concern within the committee on the suggestion of growing cannabis. There is significant stigma and the risk that it will attract the wrong people and activity.

4.2 Carbon Leasing

Interpine has recently offered to manage our carbon.

Carbon leasing seems to be one of the grey areas of forestry. Enquiries into these matters have been met with talk of uncertainty, risk around future value and that this is an aspect of forestry that should be approached with caution.

The Chair advised that it is essential that in the near term, independent expert advice be sought to help put a plan in place and start generating carbon-related income.

Expert advice is required in relation to most forestry matters

Action: The CoM to get a short list of names and look at the merits of each. Consideration to be given to working with other Trusts.

4.3 Koha for the Marae

The committee agreed that \$2,500 koha be paid to Tapuaekura Marae.

(Willie Emery / Wiremu Kawiti) CARRIED

The Chairman thanked everyone for attending the AGM.

The hui closed with a Karakia by Taa Toby Curtis at 11:55 a.m.

Chairmans report

Kia ora koutou and welcome to today's AGM, It has been five years, 2019 since our last Waione 3B8 AGM.

Through that time we have faced covid, disputes over lease and rental agreements, Issues with our accountant firm Deloitte, our forest costs and how to pay, condition of our rental home and two of our trustees resigning.

We as a committee were pohara and the future looked very alarming and daunting on how we would pay for all of our obligations.

Committee Resignations We have had two committee members resign during the five years, Nepia Te Rangi and Taira Wichman, this left only myself, Wairangi Whata and Raymond Pou Poasa to deal with the day to day business. Our election today will bring on board new committee members to share our workload.

John Edwards has leased a block of land at Hauparu bay since early 2000 which he has put a house on, his lease is for 25 years and he has a right of renewal for another 25 years from 2029. We have had our fair share of challenges dealing with John over these years, so when it came to our five yearly rent review, Waione were forced into arbitration as John chose this course of action. This was a very costly exercise for both parties and in the end Waione received a new rental rate, where John was given a variation clause to sell on the lease with a new rent review in 2029. At this stage in time the lease has not been sold.

Deloitte have been a very challenging company not only to deal with, but very costly on Waione. Our trustees decided to cut costs by chairing our own Hui without Deloitte involved, this has cut costs dramatically.

At stages whenever we required information for our lawyers or in general, contact was made with no initial response sometimes, when we received an invoice of services, there wouldn't be a clear breakdown of these services and we felt they were extremely overpriced.

I am happy to say, we have moved our business away from Deloitte and gone over to Murray Patchell and his team at Awhi Roopu Consultants.

Murray was an ex-contractor for Deloitte and was part of Hulton and Patchell before the transition to Deloitte, with him he brings a wealth of knowledge of dealing with Waione and the Committee are extremely happy to welcome Murray to our team.

Forestry we have a joint partner with Ngati Rongomai Iwi Trust [**NRIT**] and our forest is called Te Ngahere o Waione LP.

Our partnership is strictly to do with the logistics of taking the trees to full term and halving the cost to do that, currently **NRIT** has almost fulfilled their obligation and Waione are to start our contribution to the end and the sale of the trees.

There are two parts to our forestry, **ETS** also known as **Carbon credits**.

This part of the forestry solely belongs to Waione 3B8, when we signed into the deal with **NRIT**, this would be the only way for us to pay our share.

We as a Committee signed on and now have 45878units and at today's prices of \$53 a unit, the total value is worth \$2.4m which gives the incorporation a great kick start into other possible avenues.

We will be looking at a strategic plan to determine our best long term approach to managing and growing our resources to the best advantage of our shareholders. We welcome shareholder input into this process.

We have a number of reports to present today that will bring everyone up to date.

As I said we have had a number of challenges to work through but we are on a good pathway now and look forward to a prosperous future.

I thank my fellow committee members and our new admin team for all their work in sorting our issues and moving us forward.

I also thank everyone for joining us today and supporting your committee.

Nga mihi nui

Wiremu Emery
Chairman

WAIONE 3B8 INCORPORATION

SUMMARY OF FINANCIAL RESULTS

The Incorporations financial statements were prepared by Deloitte for 2021 and 2022 and PKF Tauranga for 2023 and 2024. As per s276A of Te Ture Whenua Maori Act 1993 as Secretary I certify that the financial statements give a reasonable representation of the financial position and financial performance of the Incorporation. The financial year end balance date is 31 March 2024. Here is a summary of the key financial points for the last four years.

NET OPERATING SURPLUS:

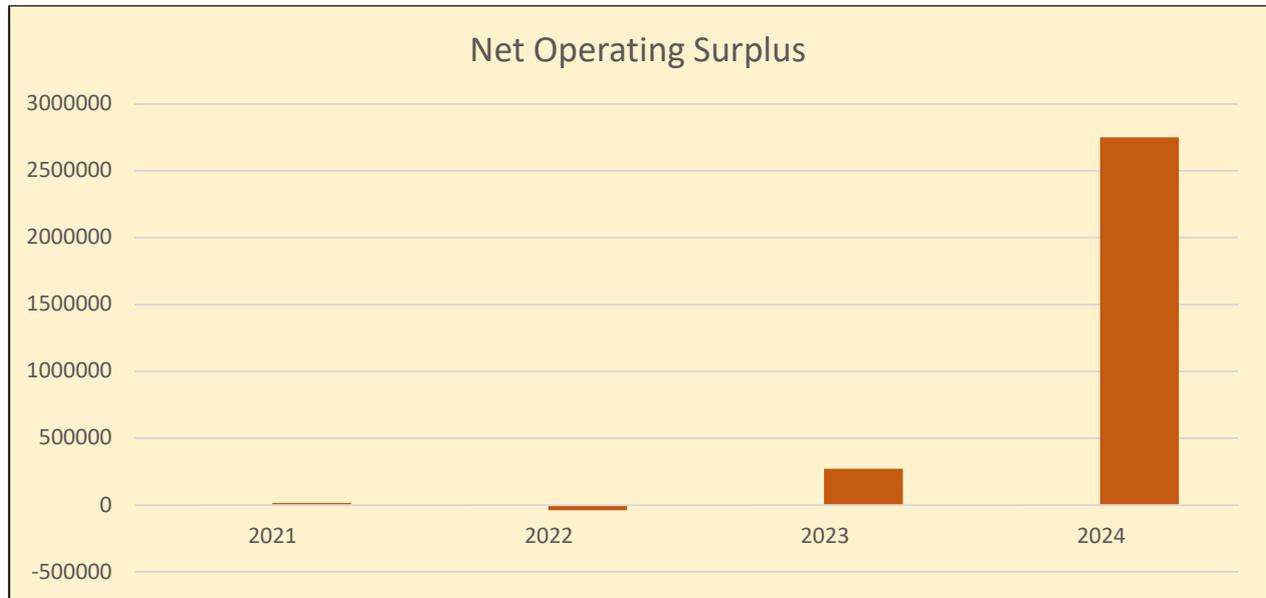
	2021	2022	2023	2024
INCOME				
Forestry Lease Rental	34,500	34,500	34,500	34,500
Residential Rental	17,670	19,760	19,760	19,760
Ground Rent	13,000	9,347	13,169	18,000
Interest received	148	119	3975	1,733
NZ Units sold				50,760
Share of Loss from Forestry LP	(24,726)	(27,520)	(27,396)	(51,000)
TOTAL INCOME	40,592	\$36,206	\$44,008	\$73,753
LESS EXPENDITURE				
Accounting & Secretarial	3,474	11,240	17,292	17,924
Bank Charges	515	516	498	645
Committee fees	1,388	13,748	630	1,568
Consultancy		2,000		37,503
General Expenses	264	1,016	11	8
Interest Paid	1,904	1,825	2,496	2,938
Legal Costs	713	9,119	24,516	2,257
Property Management		750		
Rates	8,263	8,026	8,793	9,579
Repairs & Maintenance	662	504		7,910
Share Registry costs	3,367	9,310	6,740	1,464
Subscriptions	85	1517	904	1,540
TOTAL EXPENDITURE	\$20,635	\$59,571	\$61,880	\$83,336
OPERATING PROFIT (LOSS)	\$19,957	(\$23,365)	(\$17,872)	(\$9,583)
PLUS GAIN (LOSS) ON INVESTMENT	(\$3,197)	(\$16,767)	\$289,770	\$84,569
NZ Units Received				2,913,916
Revaluation of NZunits				(\$236,935)
NET SURPLUS (LOSS)	\$16,760	(\$40,131)	\$271,898	\$2,751,967

The Tree crop in the LP was revalued in 2023 and 2024 resulting in non taxable gains of \$289,770 and \$84,569 respectively.

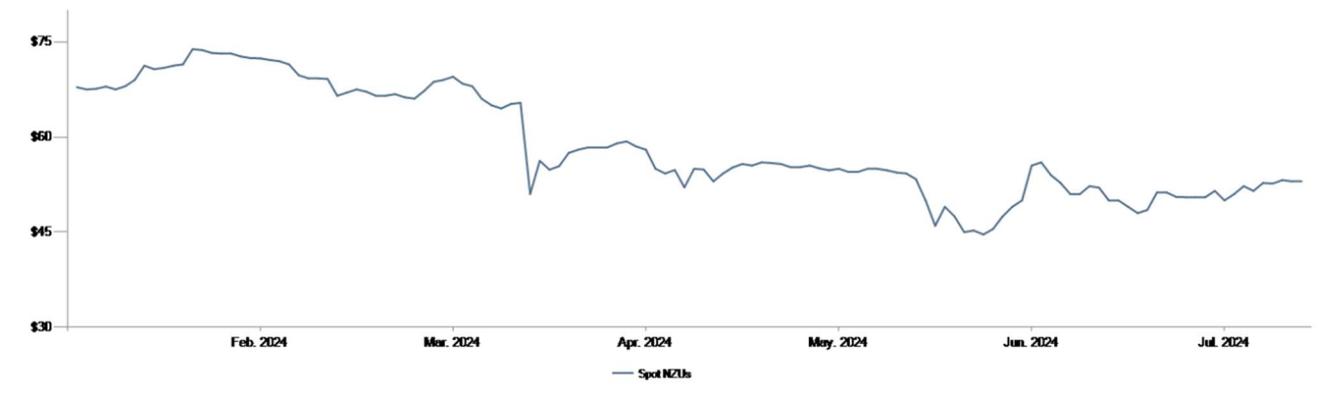
NZunits were allocated in August 2023 and January 2024 and were revalued at 31 March 2024. These are non taxable when received but are taxable on sale. 781 Units were sold in August 2023 to meet costs.

The Incorporation has historical tax losses so no tax is payable. Losses to carry forward total \$536,025.

NET OPERATING SURPLUS/DEFICIT

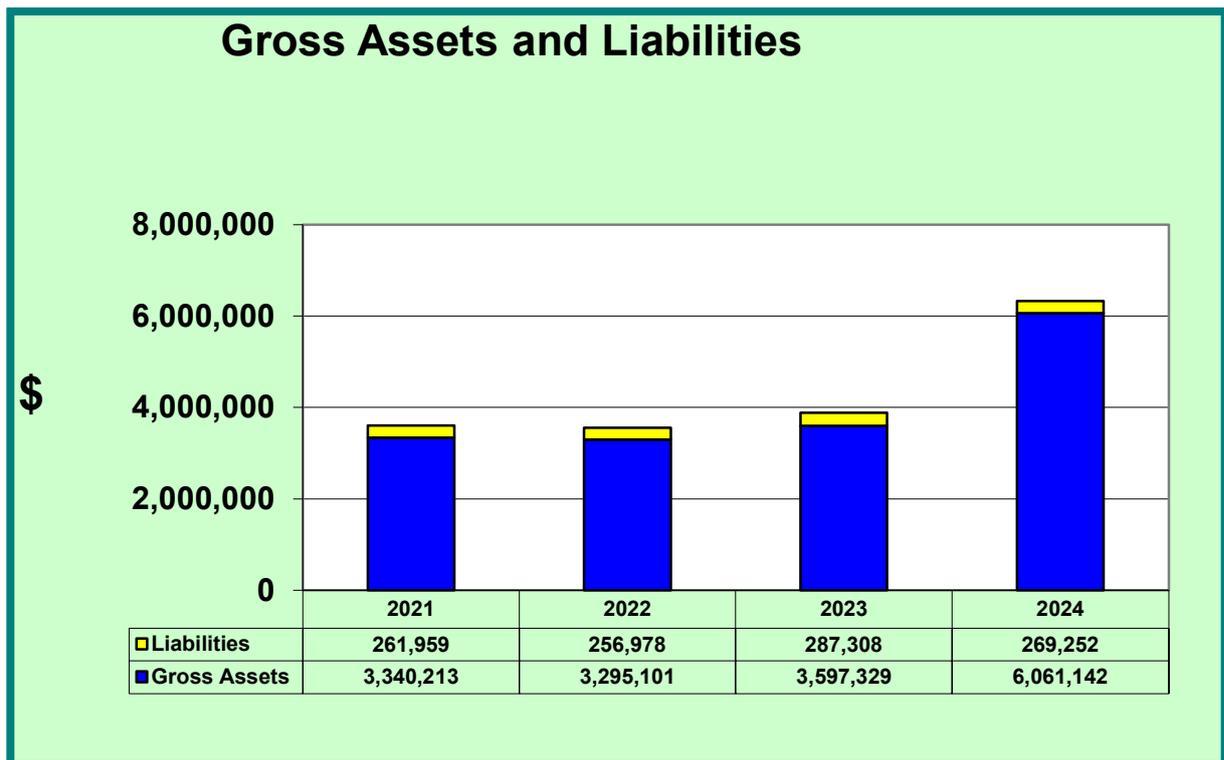


2024 reflects the allocation of NZ carbon credits recorded as non assessable income but these are added to the Balance Sheet. Here is a chart of the NZ Carbon units market price this year:



Assets and Liabilities:

	2021	2022	2023	2024
Assets				
Cash at Bank	97,456	60,597	46,454	63,984
Current Assets (Receivables, Prepayments)	20,731	22,273	41,837	13,308
Land & Buildings	2,624,100	2,624,100	2,624,100	2,244,000
Investment Property	400,000	400,000	400,000	510,000
Investment- Te Ngahere o Waione LP	197,926	188,131	484,938	552,869
NZ Units (Carbon)				2,676,981
TOTAL ASSETS	\$3,340,213	\$3,295,101	\$3,597,329	\$6,061,142
Less Liabilities				
Current Liabilities (Accounts payable)	4,885	3024	37,197	21,971
Bank Mortgage	41,514	38,529	35,671	32,912
Loan – Waione 3B8 Education Trust	110,000	110,000	110,000	110,000
Unclaimed Dividends	105,560	105,425	104,440	104,369
TOTAL LIABILITIES	\$261,959	\$256,978	\$287,308	\$269,252
NET ASSETS (EQUITY)	\$3,078,254	\$3,038,123	\$3,310,021	\$5,791,890



Waione 3B8 Education Trust

The education Trust is currently passive. The Fund of \$110,000 was loaned to the Waione 3B8 Incorporation many years ago. While financial statements are prepared for filing with the Charities commission to retain charitable status there have been no significant transactions to report.

Shareholders:

The Incorporation share registry contains 162360 shares held by 2245 shareholders. Share parcels range from less than 1 share to the largest holding of 4979 shares. Contact details are held for 890 shareholders holding 50094 shares (31% of the shares).

The net equity for 1 share is \$35.67

Shareholders are encouraged to do successions to increase the level of engagement with the Incorporation. Information on successions can be located on the Maori Land Court website located at this address - <https://maorilandcourt.govt.nz/your-maori-land/succession/>



Murray Patchell, CA
Secretary

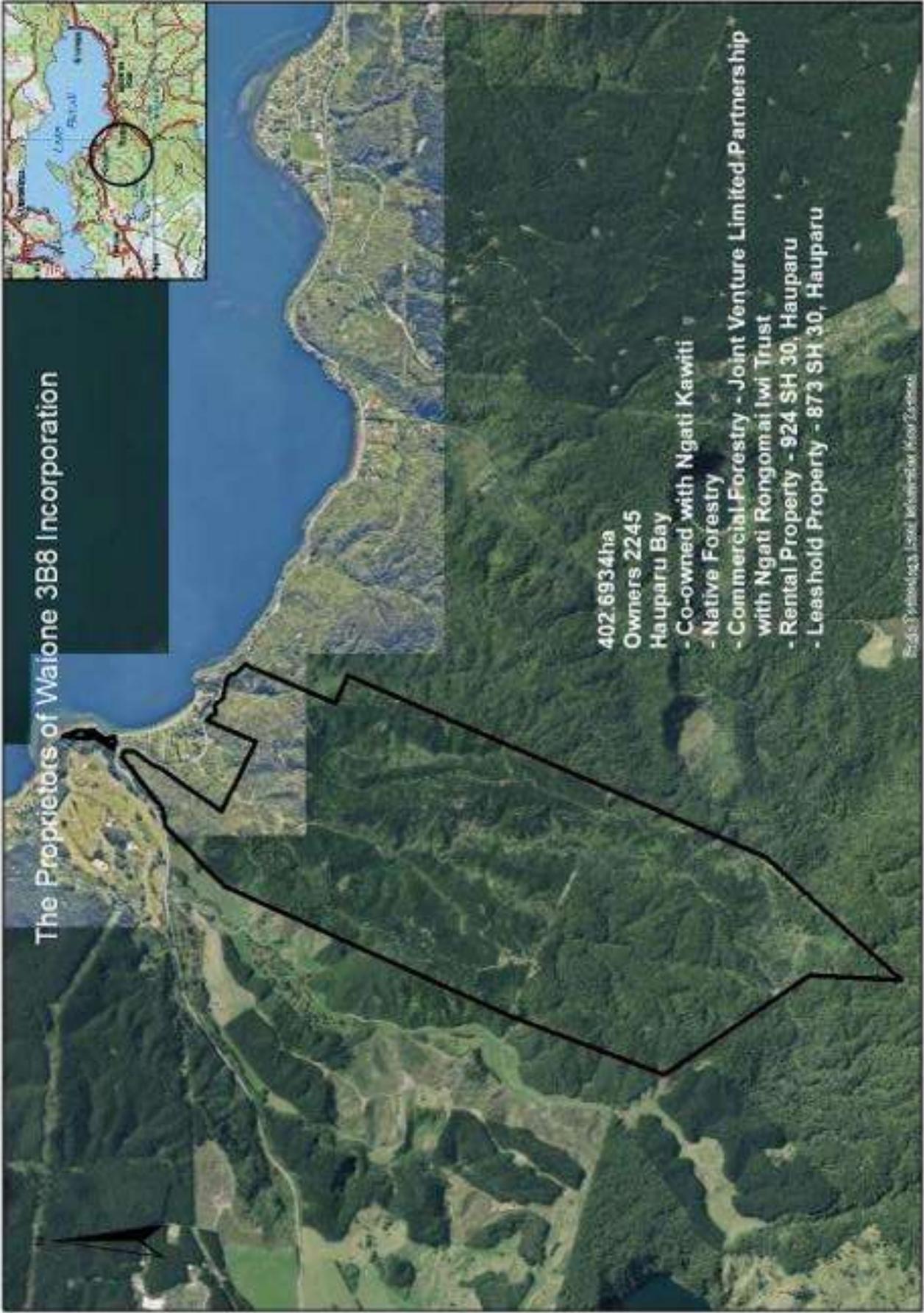
FORESTRY KEY POINTS

- The Forest is held in Te Ngahere o Waione Limited Partnership as a joint venture partnership with Ngati Rongomai Iwi Trust
- The partnership shares are Waione 3B8 Inc 51.42% and Ngati Rongomai Iwi Trust 48.58%
- The 4 Directors on the Limited Partnership are:
 - Wairangi Whata and Michael Wilson (appointed by Waione 3B8 Incorporation)
 - Merehira Savage and Frances Teinakore-Curtis (appointed by Ngati Rongomai Iwi Trust)
- Total planted are is 234ha – 120ha planted in 2015 and 114ha planted in 2016.
- As at 31 March 2024 the value of the tree crop was \$1,015,279 as per Interpine valuation.
- The Partners capital contributions as at 31 March 2024 were:
 - Waione 3B8 Incorporation \$552,869
 - Ngati Rongomai Iwi Trust \$424,550.
- The Limited Partnership incurred net expenditure of \$99,184 in the year ended 31 March 2024 made up as follows:

Statement of Profit or Loss

Te Ngahere o Waione Limited Partnership For the year ended 31 March 2024

	NOTES	2024	2023
Other Income			
Interest Income		595	293
Total Other Income		595	293
Expenses			
Consulting & Accounting		9,525	5,131
General Expenses		80	-
Lease Expense		34,500	34,500
Subscriptions		293	690
Forestry Insurance		1,738	1,552
Forestry Management		19,588	11,700
Forestry Spraying		34,054	-
Total Expenses		99,778	53,573
Net Surplus (Loss) Before Depreciation		(99,184)	(53,280)
Surplus Before Distributions/Remuneration		(99,184)	(53,280)
Surplus Before Tax		(99,184)	(53,280)
Net Surplus (Loss) for the Year		(99,184)	(53,280)



Financial Statements

Waione 3B8 Incorporation
For the year ended 31 March 2024

Prepared by PKF Tauranga Limited

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Compilation Report

Waione 3B8 Incorporation For the year ended 31 March 2024

Compilation Report to the Committee of Management of Waione 3B8 Incorporation.

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, the special purpose statements of Waione 3B8 Incorporation for the year ended 31 March 2024.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

The Committee of Management is solely responsible for the information contained in the financial statements and have determined that the Special Purpose Reporting Framework used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

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

No Audit or Review Engagement Undertaken

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

Independence

We have no involvement with Waione 3B8 Incorporation other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

Disclaimer

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

PKF New Zealand Ltd is a member of PKF Global, the network of member firms of PKF Tauranga Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

PKF Tauranga

PKF Tauranga Limited
Chartered Accountant
Tauranga

Dated: 09 July 2024

Directory

Waione 3B8 Incorporation For the year ended 31 March 2024

Nature of Business

Leasing

Incorporation Number

67594

Committee Members

Wiremu Emery (Chairperson)
Raymond Pou Poasa
Wairangi Whata

Secretary

Murray Lloyd Patchell

IRD Number

040-548-211

Tax Status

Maori Authority

Chartered Accountant

PKF Tauranga Limited
23 Brown Street, Tauranga

Banker

ANZ Bank

Secretary's Statement

Waione 3B8 Incorporation For the year ended 31 March 2024

I, Murray Lloyd Patchell, Secretary of the Waione 3B8 Incorporation, hereby state in accordance with s 276A (2) (b) of Te Ture Whenua Maori Act 1993 that I am satisfied that these Financial Statements give a reasonable representation of the financial position and financial performance of the Incorporation for the year ended 31 March 2024.

I further state that as per s 276A of the Act as the Incorporation is not large (revenue does not exceed \$10m annually) the Incorporation's financial statements have not been audited and this statement does not constitute an audit certificate.



Murray Lloyd Patchell

Secretary

Date 23 July 2024

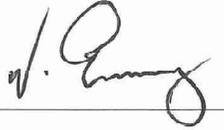
Approval of Financial Report

Waione 3B8 Incorporation For the year ended 31 March 2024

The Committee of Management is pleased to present the approved financial report including the historical financial statements of Waione 3B8 Incorporation for year ended 31 March 2024.

APPROVED

For and on behalf of the Committee of Management;



Committee Member

Date 22/07/24



Committee Member

Date 23.7.24

Statement of Profit or Loss

Waione 3B8 Incorporation For the year ended 31 March 2024

	NOTES	2024	2023
Revenue			
Lease Rental		34,500	34,500
Land Lease - 924 State Highway 30		18,000	13,170
Residential Rental		19,760	19,760
Total Revenue		72,260	67,430
Gross Profit			
		72,260	67,430
Other Income			
NZU Trading		50,760	-
Share of Profit (Loss) from LP	8	(51,000)	(27,396)
Interest Received		1,733	3,975
Total Other Income		1,493	(23,421)
Total Income			
		73,753	44,009
Expenses			
Accountancy & Secretarial Fees		17,924	17,293
Bank Fees & Charges		645	499
Committee Fees & Expenses		1,568	630
Consultancy Fees		37,503	-
Interest Paid - Loans		2,936	2,496
Legal Costs		2,257	24,517
Printing, Stationery & Postage		8	11
Rates - Property		9,579	8,793
Repairs & Maintenance		7,910	-
Share Register		1,464	6,740
Subscriptions		1,540	904
Total Expenses		83,334	61,881
Net Profit (Loss) Before Depreciation			
		(9,581)	(17,872)
Profit Before Distributions/Remuneration			
		(9,581)	(17,872)
Profit Before Tax			
		(9,581)	(17,872)
Taxation and Adjustments			
Non Assessable Income			
Gain / (Loss) on Investment		84,569	289,770
NZU Received		2,913,916	-
Total Non Assessable Income		2,998,485	289,770
Non Deductible Expenses			

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

	NOTES	2024	2023
Fair Value movement of NZUs		236,935	-
Total Non Deductible Expenses		236,935	-
Total Taxation and Adjustments		2,761,550	289,770
Net Profit (Loss) for the Year		2,751,969	271,898

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

Statement of Changes in Equity

Waione 3B8 Incorporation For the year ended 31 March 2024

	2024	2023
Equity		
Retained Earnings (Taxable)		
Opening Balance	438,322	166,424
Profit (loss) for the period	2,751,969	271,898
Total Retained Earnings (Taxable)	3,190,291	438,322
Retained Earnings (Tax-Free)		
Opening Balance	2,546	2,546
Total Retained Earnings (Tax-Free)	2,546	2,546
Original Capital		
Opening Balance	57,488	57,488
Total Original Capital	57,488	57,488
Capital Reserves		
Opening Balance	23,752	23,752
Total Capital Reserves	23,752	23,752
Revaluation Reserve		
Opening Balance	2,787,913	2,787,913
Increase (decrease)	(270,100)	-
Total Revaluation Reserve	2,517,813	2,787,913
Total Equity	5,791,890	3,310,021

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

Balance Sheet

Waione 3B8 Incorporation As at 31 March 2024

	NOTES	31 MAR 2024	31 MAR 2023
Assets			
Current Assets			
Cash and Bank	4	63,984	46,454
Trade and Other Receivables	5	3,560	38,345
GST Receivable		9,311	2,989
Income Tax Receivable	10	437	503
Total Current Assets		77,292	88,292
Non-Current Assets			
Property, Plant and Equipment	6	2,244,000	2,624,100
Investment Property	7	510,000	400,000
Investment in Te Ngahere o Waione LP	8	552,869	484,938
New Zealand Units	12	2,676,981	-
Total Non-Current Assets		5,983,850	3,509,038
Total Assets		6,061,142	3,597,330
Liabilities			
Current Liabilities			
Trade and Other Payables		21,971	37,197
Term Loan - Current Portion	13	3,230	3,069
Total Current Liabilities		25,201	40,266
Non-Current Liabilities			
Loan - Waione 3B8 Education Trust	9	110,000	110,000
Term Loan - Non Current Portion	13	29,682	32,603
Unclaimed Dividends		104,369	104,440
Total Non-Current Liabilities		244,051	247,043
Total Liabilities		269,252	287,309
Net Assets		5,791,890	3,310,021
Equity			
Original Capital		57,488	57,488
Capital Reserves		23,752	23,752
Revaluation Reserve		2,517,813	2,787,913
Retained Earnings		3,192,837	440,868
Total Equity		5,791,890	3,310,021

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

Notes to the Financial Statements

Waione 3B8 Incorporation For the year ended 31 March 2024

1. Reporting entity

Waione 3B8 Incorporation is a Māori Incorporation which was originally established in New Zealand under Part IV of the Māori Affairs Amendment Act 1967 and now operates under section 357 of Te Ture Whenua Māori Act 1993.

The Incorporation is engaged in the business of Leasing.

2. Statement of accounting policies

Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Financial Reporting Framework for For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia & New Zealand (CAANZ).

The financial statements have been prepared for the purpose of meeting the Incorporation's income tax requirements and internal use.

Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are disclosed where applicable in the relevant notes to the financial statements.

Historical cost

These financial statements have been prepared on a historical cost basis, except as noted otherwise below. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a basis consistent with those of the previous period.

Revenue recognition

Rental Income

Rental Income from investment properties is recognised in the statements of financial performance on a straight line basis over the term of the lease. Contingent rentals are recognised as income in the reporting period in which they are earned.

Finance Income and Expenses

Finance income comprises interest income on funds invested dividend income and gains on the disposal of available for sale financial assets. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Incorporation and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference

to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance expenses comprise impairment losses, losses arising from transactions denominated in currencies other than the Incorporation's functional currency, and interest recognised on financial assets (except for trade payables).

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Incorporation and the amount of income can be measured reliably).

Accounts receivable

Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

Property, plant and equipment

The entity has the following classes of property, plant and equipment:

Account	Method	Rate
Land & Building	No Depreciation	N/A
Investment Property	No Depreciation	N/A
Property Improvements	Straight Line	12.5% - 24%

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Upon derecognition, the asset revaluation reserve relating to the asset disposed shall be transferred to retained earnings.

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

Maori Land Freehold Status

The Incorporation's land is classified as Māori Freehold land as per the Te Ture Whenua Māori Act 1993 and as such there is a restriction on the sale or disposal of this corpus land.

Investment Property

Investment property is property held either to earn rental income or for capital appropriation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at the Rating Valuation which is a departure from NZIAS 40. The last valuation was conducted 1 July 2023.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Comprehensive Income.

When the use of property changes such that it is reclassified as property, plant and equipment, its cost at the date of reclassification become its cost for subsequent accounting.

Impairment of non-financial assets

At each balance date, non-financial assets are classified into four categories: assets measured at fair value; assets currently available that the entity intends to use to the end of its useful life; assets intended to be sold prior to the end of their useful life; and assets damaged or idle at balance date.

Assets measured at fair value or assets the entity intends to use to the end of its useful life, are not reviewed for impairment at balance date.

Assets intended to be sold prior to the end of their useful life or assets damaged or idle at balance date are reviewed to determine if any indicators of impairment exist. If indicators exist the asset is tested for impairment to ensure that the carrying amount of the asset is recoverable.

If the recoverable amount of an asset is determined to exceed its carrying amount then the resulting difference is recognised as an impairment loss in profit or loss for that period.

Associates

The group's associate investment is accounted for using the equity method. An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognized at cost and the carrying amount in the financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

If the share of deficits of an associate equals or exceeds the group's interest in the associate, further deficits are not recognised. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the group transacts with an associate, surplus or deficits are eliminated to the extent of the interest in the associate.

Financial instruments - financial assets

At initial recognition the entity determines the classification of financial assets as either held at fair value, cost or amortised cost. Financial assets are measured initially at fair value, estimated at the transaction price less any associated transaction costs.

Amortised cost

Includes assets where the entity intends to earn contractual cash flows in the nature of principal and interest payments. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, as well as through the amortisation process.

Cost

Equity instruments are classified as held at cost. Assets are stated at cost less any accumulated impairment loss. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired.

Fair value

Financial assets not held at amortised cost or cost are held at fair value and include financial derivatives such as forward contracts and interest rate swaps. Assets are subsequently measured at fair value only when the fair value of the instrument can be reliably measured based on a quoted price for an identical asset in an active market. Where no active market price is available the instrument shall be measured at a prior year's fair value less any accumulated impairment loss.

Gains and losses are recognised in profit or loss for movements in the fair value of the assets and when the assets are derecognised.

Financial instruments - financial liabilities

Financial liabilities, including borrowings and bank overdrafts, are initially measured at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in profit or loss on an effective yield basis.

Income tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue.

Goods and services tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

3. Audit

These financial statements have not been audited.

	2024	2023
4. Cash and Cash Equivalents schedule		
ANZ Cheque Account	63,867	3,964
ANZ Call Account CLOSED	117	41,926
Deloitte Distribution Account CLOSED	-	565
Total Cash and Cash Equivalents schedule	63,984	46,454
	2024	2023
5. Trade and Other Receivables		
Accounts Receivable	3,560	38,345
Total Trade and Other Receivables	3,560	38,345
	2024	2023
6. Property, plant and equipment		
Land & Building		
Fixed assets	2,244,000	2,624,100
Total Land & Building	2,244,000	2,624,100
Total Property, plant and equipment	2,244,000	2,624,100
	2024	2023
7. Investment properties		
Assets		
Investment Property	510,000	400,000
Total Assets	510,000	400,000
Total Investment properties	510,000	400,000

8. Te Ngahere o Waione Limited Partnership

Te Ngahere o Waione Limited Partnership ("the LP") was established through a joint venture agreement between Waione 3B8 Incorporation and Ngati Rongomai Iwi Trust. According to the terms of the partnership agreement, Waione 3B8 Incorporation holds 5,142 out of 10,000 partnership units, representing a 51.42% ownership interest in the LP.

	2024	2023
9. Related Parties		
Balance at the end of the year:		
Payables		
Loan - Waione 3B8 Education Trust	110,000	110,000
Total Payables	110,000	110,000
Committee Payments		
Committee Fees & Expenses	1,568	630
Total Committee Payments	1,568	630
Total Related Parties	111,568	110,630

An unsecured loan of \$110,000 was advanced to the Incorporation by Waione 3B8 Education Trust for the purpose of forestry development. This loan is repayable on demand, on an interest-free basis.

The Incorporation is a limited partner of Ngahere o Waione Limited Partnership ("the LP"). During the reporting year, the Incorporation received a lease income amounting to \$34,500 from the LP (2023: \$34,500). The lease payment is recorded in the financial statements as an investment in the LP, reflecting the Incorporation's contribution to the partnership in lieu of cash investment.

There have been no material related party transactions other than those have already been disclosed above.

	2024	2023
10. Income Tax		
Net Profit (Loss) Before Tax	(9,581)	(17,872)
Deductions from Taxable Profit		
Losses Carried Forward	526,444	508,572
Total Deductions from Taxable Profit	526,444	508,572
Taxable Profit (Loss)	(536,025)	(526,444)
Tax Payable at 17.5%	-	-
Deductions from Tax Payable		
Opening Balance	503	448
Prior period tax paid (refunded)		
Income tax	(66)	54
Total Prior period tax paid (refunded)	(66)	54
Total Deductions from Tax Payable	437	503
Income Tax Payable (Refund Due)	(437)	(503)

11. Māori Authority Credits

As of the balance date, the total Māori Authority Credits held by the Incorporation amount to \$77,119 (2023: \$77,185). These tax credits are available to be attached to distributions made by the Incorporation to its members or shareholders.

	2024	2023
12. New Zealand Units (NZU)		
NZU Trading		
Sales - NZUs (781 units @ \$64.99 per unit)	50,760	-
Total NZU Trading	50,760	-
	2024	2023
NZUs owned		
NZUs - 45,878 units	2,676,981	-
Total NZUs owned	2,676,981	-
	2024	2023
13. Term Loans - Secured		
Term Loan - ANZ Bank (Current Portion)	3,230	3,069
Term Loan - ANZ Bank	29,682	32,603
Total Term Loans - Secured	32,913	35,671

The Incorporation has secured a loan from ANZ Bank for the residential property located at 924 State Highway 30, Lake Rotoiti. The loan, with a term of 25 years, is scheduled to mature on 2 March 2032. The loan is secured by a first charge registered mortgage over the aforementioned property. As at the balance date, the loan carries a floating interest rate of 8.64% p.a. Monthly repayments, including principal and interest, are set at \$476.33. In addition to the loan, the Incorporation has a \$60,000 overdraft facility with the ANZ Bank.

14. Capital Commitments

The Incorporation has a partnership agreement with Ngati Rongomai Iwi Trust to form Te Ngahere o Waione Limited Partnership. As outlined in the partnership agreement, both parties are committed to making contributions to the partnership.

The Incorporation's contribution to the partnership is through providing land by way of a foregone lease. This arrangement values the lease over a 27-year period at a total of \$1,405,860.

The outstanding capital commitment as at 31 March 2024 is \$1,164,360 (2023: \$1,198,860).

15. Contingent Liabilities

There are no known material contingent liabilities at balance date (2023: Nil).

16. Events Subsequent to Balance Date

There have been no material events subsequent to balance date that would affect the fair presentation of these financial statements.

Fixed Assets and Depreciation Schedule

Waione 3B8 Incorporation For the year ended 31 March 2024

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	METHOD	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Investment Property										
924 S Hwy 30 - RDC Revaluation 2020	1 Sept 2020	156,476	156,476	-	156,476	0.00%	SL	-	-	-
924 SH 30 Lake Rotoiti - Residential Dwelling	2 Mar 2007	139,637	117,060	-	-	-	None	-	22,577	117,060
924 SH 30 Lake Rotoiti - Residential Property	2 Mar 2007	126,464	126,464	-	-	-	None	-	-	126,464
924 SH30 Lake Rotoiti - Revaluation 1.07.2023	1 Jul 2023	266,476	-	266,476	-	-	None	-	-	266,476
Total Investment Property		689,053	400,000	266,476	156,476				22,577	510,000
Land and Building										
824 SH 30 Lake Rotoiti - Corpus Land	6 Aug 1964	26,449	26,449	-	-	-	None	-	-	26,449
824 SH30 Lake Rotoiti - Revaluation 1.07.2023	1 Jul 2023	2,217,551	-	2,217,551	-	-	None	-	-	2,217,551
RDC Valuation 2020	1 Sept 2020	766,624	766,624	-	766,624	-	None	-	-	-
RDC Valuations	31 Mar 2015	1,441,266	1,441,266	-	1,441,266	-	None	-	-	-
RDC Valuations - 1 July 2017	1 Jul 2017	389,761	389,761	-	389,761	-	None	-	-	-
Total Land and Building		4,841,651	2,624,100	2,217,551	2,597,651					2,244,000
Property Improvements										
924 SH 30 Lake Rotoiti - Water Pump	7 Apr 2009	5,873	-	-	-	24.00%	SL	-	5,873	-
924 SH 30 Lake Rotoiti - Water Tank and Pump	1 Mar 2012	4,850	-	-	-	24.00%	SL	-	4,850	-
Corpus Land - Water Supply	20 Apr 1994	12,633	-	-	-	12.50%	SL	-	12,633	-
Total Property Improvements		23,356	-	-	-				23,356	-
Total		5,554,060	3,024,100	2,484,027	2,754,127				45,933	2,754,000

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