

Te Urungi O Ngati Kuri Ltd

Financial Statements

For the Year Ended 30 September 2012

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Te Urungi O Ngati Kuri Ltd

Directory

As at 30 September 2012

Nature of Business	Fisheries
Address	5399 Far North Road, Ngataki, RD 4 Kaitaia 0484
Registered Office	5399 Far North Road, Ngataki, RD 4 Kaitaia 0484
Directors	Henri Jacques Burkhardt Andrew Martin Kelleher Graeme Osborne Allan John Wells Walter John Wells
Shareholder	Ngati Kuri Trust Board 1,000 Ordinary Shares
Auditor	PKF Francis Aickin Chartered Accountantss Kaitaia
Company Number	3019602

Te Urungi O Ngati Kuri Ltd

Annual Report

For the Year Ended 30 September 2012

The board of directors submit their annual report including the financial statements for Te Urungi O Ngati Kuri Ltd for the year ended 30 September 2012 , and the auditors report.

The shareholders of Te Urungi O Ngati Kuri Ltd have exercised their right under section 211(3) of the Companies Act 1993 and unanimously agreed that this annual report need not comply with any of paragraphs (a) and (e) - (j) of section 211(1).

Auditor

A unanimous resolution was passed by the company at the last annual meeting that PKF Francis Aickin be appointed.

For and on behalf of the Board



Henri Jacques Burkhardt

Director

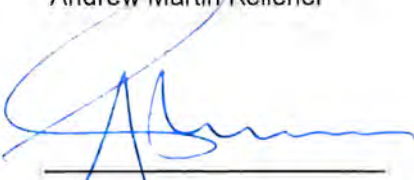
Date _____



Andrew Martin Kelleher

Director

Date _____



Allan John Wells

Director

Date _____



Walter John Wells

Director

Date _____

AUDIT REPORT

TO THE READERS OF THE FINANCIAL STATEMENTS OF

Te Urungi O Ngati Kuri Ltd

FOR THE YEAR ENDED 30 SEPTEMBER 2012

We have audited the financial statements of Te Urungi O Ngati Kuri Ltd on pages 5 to 13, which comprise the Balance Sheet as at 30 September 2012, and the Income Statement and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors Responsibilities

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand).

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in Te Urungi O Ngati Kuri Ltd or any of its subsidiaries.

AUDIT REPORT (CONTINUED)
TO THE READERS OF THE FINANCIAL REPORT OF
Te Urungi O Ngati Kuri Ltd
FOR THE YEAR ENDED 30 SEPTEMBER 2012

Opinion

In our opinion, the financial statements on pages 5 to 13,

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of Te Urungi O Ngati Kuri Ltd as at 30 September 2012, and its financial performance for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the Financial Reporting Act 1993, we report that:

- We have obtained all the information and explanations we have required
- In our opinion proper accounting records have been kept by Te Urungi O Ngati Kuri Ltd as far as appears from our examination of those records.

PKF Francis Aickin

PKF Francis Aickin
Chartered Accountants
Kaitaia
New Zealand

30 January 2013

Income Statement

For the Year Ended 30 September 2012

Note	2012 \$	2011 \$
Operating Income		
ACE Income	212,381	-
Lease Income - Waimarama Orchards Ltd	137,260	-
Dividends Received	64,492	53,481
Interest Received	4,118	-
Interest Received - IRD	-	1,403
Interest Received - Waimarama Orchards Ltd	123,888	-
Management Fees - Waimarama Orchards Ltd	36,000	-
Total Operating Income	578,139	54,884
Less Expenses		
Operating Expenses		
ACE Purchase	28,806	-
Levies	16,959	7,774
	45,765	7,774
Administration Expenses		
Accountancy Fees	3,600	925
Audit Fees	2,150	-
Bank Fees & Interest	8,726	3,375
Legal Fees	1,930	8,600
Meeting Fees	700	-
Travelling Expenses	1,149	-
Valuation Fees	-	4,306
	18,255	17,206
Finance Expenses		
Debt Servicing - Waimarama Orchards Ltd	87,739	28,945
Interest - IRD	55	-
Interest Paid - Ngati Kuri Trust Board	78,979	-
	166,773	28,945
Fixed Costs		
Rates	-	718
Non Cash Expenses		
Depreciation	46,309	15,200
Total Expenses	277,102	69,843
Surplus (Deficit) before Subvention Payments and Income Tax	301,037	(14,959)
Transfer of Losses from Waimarama Orchards Limited	216,770	-
Surplus (Deficit) after Subvention Payments	84,267	(14,959)
Income Tax Expense	12,576	-
Net Surplus (Deficit)	71,691	(14,959)

Statement of Movements in Equity

For the Year Ended 30 September 2012

	2012	2011
	\$	\$
Revenue and Revaluations		
Net Surplus (Deficit)	71,691	(14,959)
Movement in Asset Revaluation Reserve	4,796,706	-
Total Revenue and Revaluations	4,868,397	(14,959)
Distributions		
Loss Conversion from Imputation Credits	(10,429)	-
	(10,429)	-
Equity at the Beginning of the Year	3,041,583	3,056,542
Equity at the End of the Year	7,899,551	3,041,583
Movements in Retained Earnings		
Opening Balance	3,041,583	3,056,542
Plus:		
Net Surplus	71,691	-
Less:		
Net Deficit	-	14,959
Loss Conversion from Imputation Credits	10,429	-
	10,429	14,959
Retained Earnings Closing Balance	3,102,845	3,041,583

Balance Sheet

As at 30 September 2012

	Note	2012 \$	2011 \$
Equity			
Retained Earnings	5	3,102,845	3,041,583
Reserves	6	4,796,706	-
Total Equity		7,899,551	3,041,583
Represented by:			
Current Assets			
Cash at Bank - Westpac 00 A/c		22,570	2,526
Cash at Bank - ANZ 00 A/c		37,704	320,172
Accounts Receivable		4,118	-
Income Tax Receivable	3	-	10,429
GST Receivable		-	2,223
Investments		100,000	-
Total Current Assets		164,392	335,350
Current Liabilities			
Accounts Payable		3,867	-
GST Payable		14,333	-
Total Current Liabilities		18,200	-
Working Capital		146,192	335,350
Non Current Assets			
Fixed Assets as per Schedule		7,204,692	2,384,800
Advance - Waimarama Orchards Ltd		396,750	69,000
Shares - Deep Sea Quota - (15,859,973 shares)		853,709	853,709
Shares - AFL - (713 shares)		2,202,833	2,202,833
Total Non Current Assets		10,657,984	5,510,342
Non Current Liabilities			
Bank Term Loan - ANZ	7	1,509,325	1,300,000
Secured Loan - Ngati Kuri Trust Board	7	1,395,300	1,504,109
Total Non Current Liabilities		2,904,625	2,804,109
Net Assets		7,899,551	3,041,583

Te Urungi O Ngati Kuri Ltd

Balance Sheet (continued)

As at 30 September 2012

Note

2012

\$

2011

\$



Director

Date _____

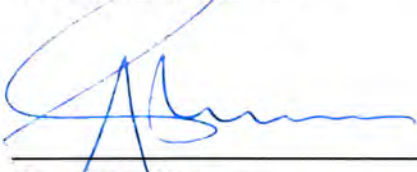
Henri Jacques Burkhardt



Director

Date _____

Andrew Martin Kelleher



Director

Date _____

Allan John Wells



Director

Date _____

Walter John Wells



Depreciation Schedule

For the Year Ended 30 September 2012

	Rate Type	% PVT Use	Cost on Hand	Opening WDV	Additions	Date of Addition	Sale Price	Profit (Loss)	Disposal Date	Cost	Capital Gain/Loss	Depn	Accum Depn	Private Depn	Accum Private	Closing WDV
Land, Improvements & Avocado Trees																
Land - Clearwater Orchard	.0P		1,540,000	1,850,000	(310,000)	11/05/11	-	-	-	-	-	-	-	-	-	1,540,000
Land, Improvements & Avocado Trees Revaluation Reserve 2012	.0P		4,821,664	-	4,821,664	12/04/12	-	-	-	-	-	-	-	-	-	4,821,664
Avocado Trees	4.0D		1,000	-	1,000	01/04/12	-	-	-	-	-	20	20	-	-	980
Crops, Shelters/Shelterbelts	4.0D		2,728	-	2,728	01/05/12	-	-	-	-	-	46	46	-	-	2,682
Fences	10.0D		4,588	-	4,588	01/08/12	-	-	-	-	-	76	76	-	-	4,512
Irrigation Project	13.0D		33,016	-	33,016	01/07/12	-	-	-	-	-	1,079	1,079	-	-	31,937
Land Preparation	4.0D		4,673	-	4,673	28/02/12	-	-	-	-	-	124	124	-	-	4,549
Roading	4.0D		23,490	-	23,490	01/01/12	-	-	-	-	-	703	703	-	-	22,787
			6,431,159	1,850,000	4,581,159							2,048	2,048			6,429,111
Buildings																
Dwelling & Curtilage - Clearwater Orchard	3.0D		350,000	345,627	-	11/05/11	-	-	-	-	-	10,369	14,742	-	-	335,258
Implement Shed	3.0D		270,000	-	270,000	01/10/11	-	-	-	-	-	8,100	8,100	-	-	261,900
Old Implement Shed	3.0D		30,000	-	30,000	01/10/11	-	-	-	-	-	900	900	-	-	29,100
Woolshed	3.0D		10,000	-	10,000	01/10/11	-	-	-	-	-	300	300	-	-	9,700
Buildings Revaluation Reserve 2012	.0P		(24,958)	-	(24,958)	12/04/12	-	-	-	-	-	-	-	-	-	(24,958)
			635,042	345,627	285,042							19,669	24,042			611,000
Plant & Equipment																
Chattels - Clearwater Orchard	13.0D		200,000	189,173	-	01/05/11	-	-	-	-	-	24,592	35,419	-	-	164,581
			200,000	189,173	-							24,592	35,419			164,581
Total Assets			7,266,201	2,384,800	4,866,201							46,309	61,509			7,204,692

1 Statement of Accounting Policies

Reporting Entity

Te Urungi O Ngati Kuri Ltd is a company incorporated in New Zealand registered under the Companies Act 1993.

Statement of Compliance and Basis of Preparation

The Financial Statements of Te Urungi O Ngati Kuri Ltd have been prepared in accordance with the New Zealand general accepted accounting practice.

The accounting principles recognised as appropriate for the measurement and reporting of Income Statement and Balance Sheet on a historical cost basis are followed by the company with the exception that Land and Buildings have been revalued.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of Income Statement and Balance Sheet have been applied.

(a) Differential Reporting

The company qualifies for differential reporting as it is not publicly accountable and there is separation between the owners and the governing body and is not large as defined in the Framework for Differential Reporting.

- (i) total revenue is less than \$20m
- (ii) total assets are less than \$10m in carrying value, and
- (iii) total employees are less than 50 full time employees.

The company has taken advantage of all available differential reporting exemptions.

(b) Accounts Receivables

Accounts receivables are recognised at estimated realisable value.

(c) Fixed Assets

Fixed assets are recognised at cost less aggregate depreciation with the exception that Land and Buildings have been revalued to the most recent market valuation dated 12 April 2012, plus improvements since that valuation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007. Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year.

(d) Income Tax

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

(e) Investments

Investments are valued at the lower of cost or market value.

For the Year Ended 30 September 2012

(f) Goods and Services Taxation (GST)

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

(g) Comparative Figures

The comparative figures in the financial statements relate to a period of twelve months. Comparative figures may have been altered where not consistent with the current years presentation, but such alterations have not affected the previously reported financial position.

(h) Changes in Accounting Policies

Land and Buildings have been revalued to their current market valuation at April 2012. (previously this has been valued at cost.)

There have been no other changes in accounting policies. All other policies have been applied on a basis consistent with those from previous financial statements.

2 Tax Reconciliation

	2012	2011
	\$	\$
Operating Surplus (Deficit) before Income Tax	84,267	(14,959)
Permanent Differences		
Losses from Conversion of ICA Credits	(49,721)	-
Non-Deductible Depreciation	10,369	-
Total Permanent Differences	(39,352)	-
Taxable Income (Loss)	44,915	(14,959)
Tax Expense at 28% (2011 at 30%)	12,576	-
Tax Expense	12,576	-

3 Income Tax

	2012	2011
	\$	\$
Opening Balance	(10,429)	-
Plus:		
Provision for Taxation	12,576	-
Imputation Credits Converted to Loss	10,429	-
	23,005	-
Less:		
Imputation Credits Received	12,576	10,429
Income Tax (Receivable)	-	(10,429)

For the Year Ended 30 September 2012

4 Imputation Credits	2012	2011
	\$	\$
Opening Balance	(10,429)	-
Plus:		
ICA Credits Converted to Loss	10,429	-
Less:		
Imputation Credits on Dividends Received	12,576	10,429
	<u>12,576</u>	<u>10,429</u>
Total Imputation Credits	<u>(12,576)</u>	<u>(10,429)</u>
5 Retained Earnings	2012	2011
	\$	\$
Opening Balance	3,041,583	3,056,542
Plus:		
Net Surplus	288,461	-
Less:		
Net Deficit	-	14,959
Loss Conversion from Imputation Credits	10,429	-
Transfer of Losses from Waimarama Limited	216,770	-
	<u>227,199</u>	<u>14,959</u>
Retained Earnings Closing Balance	<u>3,102,845</u>	<u>3,041,583</u>
6 Reserves	2012	2011
	\$	\$
Asset Revaluation Reserve		
Opening Balance	-	-
Movements for the period	4,796,706	-
Closing Balance	<u>4,796,706</u>	<u>-</u>
An independent market valuation was undertaken by Zane Lucich, B.Appl.Sc (Rural Valuation & Farm Management), Dip,B S (Urban Valuation), Registered Valuer in April 2012.		
The Valuer has used the sales comparison approach to determine the current market value.		
Total Reserves	<u>4,796,706</u>	<u>-</u>

For the Year Ended 30 September 2012

7 Term Loans - Secured	2012	2011
	\$	\$
Bank Term Loan - ANZ		
Total Outstanding	1,509,325	1,300,000
Security held over property at 5681 State Highway 1, Ngataki, Far North.		
Secured Loan - Ngati Kuri Trust Board		
Total Outstanding	1,395,300	1,504,109
The loan from Ngati Kuri Trust Board is secured over the property at 5681 State Highway 1, Ngataki, Far North.		
Total Term Loans - Secured	2,904,625	2,804,109

8 Contingent Liabilities

The Company has no contingent liabilities as at 30 September 2012, (2011 Nil).

9 Capital Commitments

The Company has no capital commitments as at 30 September 2012, (2011 Nil).

10 Events Occurring After Balance Date

There were no events occurring after balance date which require disclosure in these financial statements.

11 Related Party Transactions

Te Urungi O Ngati Kuri is wholly owned by Ngati Kuri Trust Board. The term loan of \$1,395,300 (2011 \$1,504,109) is secured over the property at 5681 State Highway 1, Ngataki, Far North. As at 30 September no repayments had been made.

Waimarama Orchards Ltd is wholly owned by Te Urungi O Ngati Kuri Ltd. The advance given to Waimarama Orchards Ltd of \$396,750 (2011 \$69,000) is unsecured.