

Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Commercial Development

Limited

For the year ended 31 March 2024

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Directory

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

Nature of Business

Kaipara Commercial Development Limited (KCDL) currently oversees the commercial activities and is also tasked with managing the investments on behalf of the Development Trust

Registered Office

71 Restall Road
RD 3, Waimauku 0833

New Zealand Business Number

9429030085299

IRD Number

114-069-116

Directors

Rhys Freeman
Margaret Kawharu
Christopher Cardwell

Shareholders

| | |
|---|--------------------------|
| Trustees in the Nga Maunga Whakahii O Kaipara Development Trust | 20,000,001 |
| Total | 20,000,001 shares |

Bankers

ANZ Bank

Chartered Accountants

VGA Chartered Accountants Ltd
Unit G12, 23 Edwin Street
Mt Eden, Auckland 1024

Auditors

Moore Markhams Auckland
105 Carlton Gore Road
Auckland

Approval of Consolidated Financial Report

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

The Directors are pleased to present the approved consolidated financial statements including the historical financial statements of Nga Maunga Whakahii o Kaipara Commercial Development Limited for year ended 31 March 2024.

Financial Results

A Net Profit/(Loss) after taxation was recorded of (\$7,962,829) (Last Year: \$8,348,728).

Dividends

No dividends were paid during the year.

APPROVED

Dated this : _____ day of _____ for and on behalf of the Board of Directors:

Rhys Freeman

Margaret Kawharu

Christopher Cardwell

Consolidated Statement of Financial Performance

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

| | NOTES | 2024 | 2023 |
|---|-------|--------------------|-------------------|
| Trading Income | | | |
| Sales and Licence Income | | 1,841,710 | 894,969 |
| Joint Venture Partnership Income | 5 | (625,845) | 4,017,631 |
| Fund Management Income | | 678,867 | 871,106 |
| Rent received | | 21,152 | 6,310 |
| Reimbursement Income | | 757 | 9,485 |
| Equity Earnings | | (5,532,812) | 6,013,288 |
| Total Trading Income | | (3,616,171) | 11,812,790 |
| Cost of Sales | | | |
| JV Expenses | 5 | 280,743 | 328,711 |
| Community Project Costs | | 31,780 | - |
| Purchases | | 14,210 | - |
| Total Cost of Sales | | 326,733 | 328,711 |
| Gross Profit | | (3,942,904) | 11,484,080 |
| Other Income | | | |
| Bad Debts Recovered | | 78 | 843 |
| Interest Income | | 45,763 | 37,068 |
| Wages Subsidy received | | - | 1,800 |
| Other Revenue | | 20,106 | 3,708 |
| Total Other Income | | 65,948 | 43,419 |
| Total Income | | (3,876,956) | 11,527,499 |
| Expenses | | | |
| Depreciation of Property, Plant & Equipment | | 33,672 | 31,306 |
| Director Fees | 9 | 183,965 | 206,431 |
| Finance Costs | | 2,219,620 | 1,335,402 |
| Rental, Lease and License Payments | | 11,438 | 13,123 |
| Repairs & Maintenance | | 62,375 | 69,580 |
| Staff and Management Costs | | 1,193,053 | 1,225,054 |
| Professional and Consulting fees | | 196,957 | 181,286 |
| Other Expenses | | 182,304 | 114,413 |
| Total Expenses | | 4,083,382 | 3,176,594 |
| Net Profit (Loss) Before Taxation | | (7,960,338) | 8,350,905 |

Consolidated Statement of Financial Performance

Ngā Maunga Whakahii o Kaipara Commercial Development Limited
For the year ended 31 March 2024

| | NOTES | 2024 | 2023 |
|---------------------------------------|--------------|--------------------|------------------|
| <hr/> | | | |
| Taxation and Adjustments | | | |
| Non Deductible Expenses | | | |
| IRD Penalties | 463 | 1,668 | |
| Non Deductible Entertainment | 2,027 | 510 | |
| Total Non Deductible Expenses | 2,491 | 2,178 | |
| Total Taxation and Adjustments | 2,491 | 2,178 | |
| Net Profit (Loss) for the Year | | (7,962,829) | 8,348,728 |

Consolidated Statement of Changes in Equity

Ngā Maunga Whakahii o Kaipara Commercial Development Limited
For the year ended 31 March 2024

| | Share Capital | Retained Earnings | Asset Revaluation Reserve | Other Reserve | Total |
|---------------------------------|-------------------|-------------------|---------------------------|---------------|-------------------|
| Balance at 1 April 2023 | 20,000,001 | 36,735,367 | (647,188) | - | 56,088,181 |
| Net profit/(loss) | | (7,962,829) | | | (7,962,829) |
| Unrealised Gains/(Losses) | | | 1,108,707 | | 1,108,707 |
| Balance at 31 March 2024 | 20,000,001 | 28,772,538 | 461,519 | - | 49,234,059 |
| | | | | | |

| | Share Capital | Retained Earnings | Asset Revaluation Reserve | Other Reserve | Total |
|---------------------------------|-------------------|-------------------|---------------------------|----------------|-------------------|
| Balance at 1 April 2022 | 20,000,001 | 23,267,835 | 6,850,661 | 250,307 | 50,368,804 |
| Net profit/(loss) | | 8,348,728 | | | 8,348,728 |
| Unrealised Gains/(Losses) | | 5,118,805 | (7,497,849) | | (2,379,044) |
| Deferred Income | | | | (250,307) | (250,307) |
| Balance at 31 March 2023 | 20,000,001 | 36,735,367 | (647,188) | - | 56,088,181 |
| | | | | | |

Consolidated Statement of Financial Position

Ngā Maunga Whakahii o Kaipara Commercial Development Limited As at 31 March 2024

| | NOTES | 2024 | 2023 |
|---|-------|-------------------|-------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 2 | 4,771,305 | 4,863,246 |
| Accounts Receivable | 6 | 348,372 | 329,791 |
| Prepayments | | 202 | 2,141 |
| Shareholder Current Account | 9 | 623,832 | 439,843 |
| Total Current Assets | | 5,743,712 | 5,635,021 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 4 | 10,735,739 | 761,650 |
| Financial Investments | | | |
| Managed Funds Portfolio | 3 | 18,816,164 | 28,375,670 |
| Total Financial Investments | | 18,816,164 | 28,375,670 |
| Investments in JV Businesses | | | |
| Te Rau Manga Joint Ventures | 3 | 7,220,000 | 12,310,000 |
| Whenua Hoko Holdings Joint Ventures | 3 | 39,795,413 | 26,065,694 |
| Total Investments in JV Businesses | | 47,015,413 | 38,375,694 |
| Total Non-Current Assets | | 76,567,316 | 67,513,014 |
| Total Assets | | 82,311,028 | 73,148,035 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 7 | 141,597 | 14,352 |
| Accruals | 11 | 483,010 | 324,164 |
| GST Payable | | 240,846 | 2,105 |
| Employee Entitlements | 8 | 144,737 | 134,167 |
| Total Current Liabilities | | 1,010,190 | 474,788 |
| Non-Current Liabilities | | | |
| Loans | 11 | 32,066,779 | 16,585,066 |
| Total Non-Current Liabilities | | 32,066,779 | 16,585,066 |
| Total Liabilities | | 33,076,969 | 17,059,854 |
| Net Assets | | 49,234,059 | 56,088,181 |

Consolidated Statement of Financial Position

Ngā Maunga Whakahii o Kaipara Commercial Development Limited
As at 31 March 2024

| | NOTES | 2024 | 2023 |
|---------------------|-------|-------------------|-------------------|
| Equity | | | |
| Share Capital | | 20,000,001 | 20,000,001 |
| Retained Earnings | | 28,772,538 | 36,735,367 |
| Reserves & Other | | 461,519 | (647,188) |
| Total Equity | | 49,234,059 | 56,088,181 |

Dated this : _____ day of _____ for and on behalf of the Board of Directors:

Rhys Freeman

Margaret Kawharu

Christopher Cardwell

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

1. Statement of Accounting Policies

Reporting Entity

The financial statements presented here are for Ngā Maunga Whakahii o Kaipara Commercial Development Limited and its subsidiary companies incorporated under the Companies Act 1993. The group comprises of

- Ngā Maunga Whakahii o Kaipara Commercial Development Limited ("KCDL")
- Ngā Maunga Whakahii o Kaipara Ngahere Limited ("Ngahere")
- Ngā Maunga Whakahii o Kaipara Whenua Hoko Holdings Limited ("Whenua Hoko")
- Te Rau Manga Limited ("TRM")
- Te Uru Limited ("Te Uru")
- Pitoitoi Limited (non trading)

This special purpose consolidated financial report was authorised for issue in accordance with a resolution of directors dated _____

Business Activity

KCDL currently oversees the commercial activities and is also tasked with managing the investments on behalf of the Ngā Maunga Whakahii o Kaipara Development Trust (the Development Trust), which is the Post Settlement Governance Entity (PSGE) of Ngāti Whātua o Kaipara. These activities include financial investments, property & land development, rental property, forestry, and licensing use of iwi-owned land and forests to third parties for their commercial activities.

Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand. The company is incorporated under the Companies Act 1993.

The financial statements have been prepared for the group members.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of the financial performance and financial position on a historical cost basis are followed by the Group, with the exception that certain property, plant, equipment and investments are subject to revaluation. Financial statements are presented in New Zealand Dollars (NZD) and rounded to the nearest dollar.

Specific Accounting Policies

The following specific accounting policies, which materially affect the measurement of the financial performance and financial position have been applied:

a) Basis of Consolidation

Consolidated financial statements are not within the scope of SPFR for FPEs. The group step up to NZ IFRS 10 Consolidated Financial Statements and NZ IFRS 12 Disclosure of Interest in other Entities.

The financial statements comprise those of the Company and its subsidiaries, which are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

ability to affect those returns through its power over the entity. Generally, control is achieved with a shareholding of more than one half of the voting rights over the relevant activities of the investee. The existence and effect of potential voting rights that are exercisable or convertible are considered when assessing whether the Group controls another entity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition, or up to the effective date of disposal, as appropriate. The consolidated financial statements are based on the financial statements of the individual companies prepared using the standard Group accounting policies.

Accounting policies applied by individual subsidiaries have been revised where necessary to ensure consistency with Group policies.

All intra-group transactions and balances between Group entities are eliminated on consolidation except for foreign currency transaction gains and losses.

Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests are initially measured at their proportionate share of the net assets at the date of acquisition.

Profit or loss and each component of other comprehensive income are attributed to either the owners of the parent or any non-controlling interests, even if this allocation results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for in equity.

If the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary along with any non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any investment retained in the entity is measured at fair value at that date.

b) Revenue Recognition

Income is recognised on an accruals basis. Income in advance represents monies received where the services are yet to be provided and there is a contractual obligation. Details of each revenue stream is described below;

1. Equity Earnings

Equity earnings are derived from the revaluation of the assessed future value of cutting trees & stumps in the forestry joint venture. It is the movement in future value for the year as assessed by the independent valuer in December each year.

2. Partnership JV Income

The Development JV is a partnership so net income derived from the sale of property and finished houses by the JV is allocated to each partner in the proportions under the JV agreements.

3. Forestry Income

This is income received from use of the forest resource, including sand extraction, cleanfill, events held in the forest, filming that takes place in the forest, licences issued to the forestry JV to conduct forestry, and hunting permits. Income is recognised when billed.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

4. Rental Income

Rental income derives from the leasing of Trust land or licenses to access trust land to external parties for commercial purposes including licensees operating ventures within the forest, school properties on trust land leased to the Ministry of Education, and residential rent. Income is recognised when invoiced, except for annual rental billed in advance & allocated to the period it covers.

5. Managed Funds

Income derived from the portfolio fund managers, recognised when earned as determined from monthly reports received from FundRock NZ Ltd the issuer of the Trust Management PIE Funds Scheme.

6. Other Income

Comprises income not elsewhere categorised, recognised when billed or received.

c) Government Grants

Government grants are recognised as revenue on receipt where no performance conditions have been specified on receipt of the grant. The only grants received were in the 2023 year for the Covid-19 wages subsidy that was applied to paying staff wages in accordance with the subsidy rules. There is no unfulfilled obligation in respect to this.

d) Accounts Receivable

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

The Group assesses expected credit losses arising from its trade receivables at the end of each reporting period. The level of provision recognised is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

There has been no provision for doubtful debts.

e) 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. The entities in the Group are registered for GST on either a payments basis or invoice basis.

f) Cash and Cash Equivalents

Comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

g) Payables, Accruals and Employee Entitlements

Liabilities for wages and salaries (including non-monetary benefits), annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee rendered the related services and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

h) Investment in Listed Equities and Carbon Credits

Investments are measured at fair value with gains or losses recognised in the Changes of Equity. The fair value of investments is determined by reference to active market transactions where the information is readily obtainable and reliable.

Investments in forestry assets under joint venture arrangements are recorded at the Group's share of the forest valuation as at year end as per the forest manager's annual report. Forest assets are independently valued for Matariki Forests (the forest manager) by specialist forest-sector appraisers Margules Groome Ltd as at 31 December each year. Changes in value are recorded as income entitled Equity Earnings.

Whenua Hoko Holdings joint ventures are accounted for using the equity method. Under the equity method, on initial recognition the investment in the joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the company's share of the profit or loss of the investee after the date of acquisition. The company's share of the investee's profit or loss is recognised in the profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

Te Rau Manga's joint venture investments are carried at expected future value as determined by a specialist independent valuer.

Put Option Receivable

Put option receivables are recognised when the entity enters into a contractual arrangement that gives it the right to sell a specified asset at a predetermined price within a defined period. The receivable is initially measured at cost, which represents the premium paid or the fair value of the option at inception. Subsequent to initial recognition, the put option receivable is measured at fair value if reliable valuation techniques are available. Changes in fair value are recognised in the statement of profit or loss. If fair value cannot be reliably measured, the receivable is carried at cost less any impairment losses. Where the option is exercised, the receivable is derecognised and the proceeds from the sale of the underlying asset are recognized. If the option expires unexercised, the carrying amount of the receivable is written off to profit or loss. The entity assesses the put option receivable for impairment at each reporting date and recognises a loss if the carrying amount exceeds the recoverable amount.

i) Financial Instruments

At initial recognition the Group 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 society 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.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

j) Asset Revaluations

Forest assets were independently valued for Matariki Forests (the forest manager) by specialist forest-sector appraisers Margules Groome Ltd as at 31 December 2022. These valuations are carried out annually in December each year. Changes in value are recorded as income entitled Equity Earnings.

Any revaluation surplus arising upon appraisal of land and buildings is credited to the Asset Revaluation Reserve in Equity. Devaluations of land are recognised upon appraisal or impairment testing with the decrease being charged to the statement of financial performance. Any revaluation surplus remaining in equity on disposal of the asset is transferred to Retained Earnings.

There were no revaluations of land & buildings during the financial year.

k) Property, Plant & Equipment, Depreciation

All fixed assets are recorded at cost less accumulated depreciation. Depreciation of the assets has been calculated at the maximum rates permitted by the Income Tax Act 2007.

| Asset Classification | Depreciation Rate | Method |
|----------------------|-------------------|-----------------------------------|
| Land | 0% | - |
| Buildings | 2% | Straight Line |
| Fixtures & Fittings | 7% - 30% | Straight Line & Diminishing Value |
| Computers & Software | 40% - 67% | Straight Line & Diminishing Value |
| Office Equipment | 40% - 67% | Diminishing Value |
| Roads | 4% | Diminishing Value |
| Motor Vehicles | 13% - 30% | Diminishing Value |

Ngahere Limited had an agreement to purchase the Oneonenui Farm property for \$10m, funded by a withdrawal of funds from the managed portfolio investments, which settled in November 2023.

There were no further commitments to purchase fixed assets at balance date.

l) 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 company intends to use to the end of their 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 company intends to use to the end of their 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 equity for that period.

As at balance date, no assets have any indications of impairment.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

m) Income Tax

The group companies are all Look Through Companies (LTC) and are not subject to Income tax. Taxable profits or losses and any associated tax credits are allocated to the shareholders to be accounted for in their own tax returns.

n) Development Property

Development Property assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

The development manager (Fletcher Residential Ltd) has given no indication of any impairment to the carrying or fair value at balance date.

o) Loan Policy

All loans are to be stated at their face value less impairment (if any).

p) Prior Period Errors

An entity shall correct a material prior period error prospectively in the first set of financial statements prepared in accordance with SPFR for FPEs after the error has been discovered.

The prospective correction of a prior period error requires:

(a) restatement of the opening assets, liability or equity balances at the commencement of the current period; and
(b) recognition of the corresponding movements as an adjustment to opening equity in the reconciliation of movements in equity.

SPFR for FPEs prohibits the amendments of previously reported balances (ie comparatives) as a result of accounting for prior period errors. The impact of accounting for prior period errors on previously reported balances is accounted for as a current year movement in the reconciliation of movements in equity.

The management and directors are aware that the independent valuation of the TRM forest JVs as at 31 December 2022 was significantly overstated by approximately \$6M due to an error by the independent valuer. A market value correction is incorporated into the next valuation after balance date in December 2023.

There were no other prior period errors.

Changes in Accounting Policies

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

Changes in Accounting Estimates

As a result of the uncertainties inherent in business activities, many items in the financial statements cannot be measured with precision but can only be estimated. Estimation involves judgements based on the latest available, reliable information. An estimate may need revision due to changes in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error.

Accounting for changes in accounting estimates.

An entity shall recognise the effect of a change in accounting estimates prospectively by recognising the impact in profit or loss in:

(a) the period of the change, if the change affects that period only; or
(b) the period of the change and future periods, if the change affects both.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

Prospective recognition in this context means that the effect of the change in the accounting estimate is recognised in the current and future periods affected by the change.

There have been no changes in accounting estimates. Estimates have been applied on a consistent basis with those of the previous reporting period.

| | 2024 | 2023 |
|--|-------------------|-------------------|
| 2. Cash and Cash Equivalents | | |
| Bank Current Accounts | | |
| Bank Account 00 | 3,520,148 | 3,509,051 |
| Bank Account 01 | 1,099,904 | 1,312,563 |
| Bank Account 02 | 151,253 | 41,632 |
| Total Bank Current Accounts | 4,771,305 | 4,863,246 |
| Total Cash and Cash Equivalents | 4,771,305 | 4,863,246 |
| | | |
| 3. Investments | | |
| Financial Investments | | |
| Managed Funds Portfolio | 18,816,164 | 28,375,670 |
| Total Financial Investments | 18,816,164 | 28,375,670 |
| Te Rau Manga JVs | | |
| Te Rau Manga JV - Ararimu Forest | 162,000 | 266,000 |
| Te Rau Manga JV - Woodhill Forest | 7,058,000 | 12,044,000 |
| Total Te Rau Manga JVs | 7,220,000 | 12,310,000 |
| Whenua Hoko Holdings JVs | | |
| Okahukura JV | | |
| 49% Investment in Okahukura JV | 22,050,000 | 22,050,000 |
| Okahukura Partnership Income/(Loss) | 17,745,413 | 4,015,694 |
| Total Okahukura JV | 39,795,413 | 26,065,694 |
| Total Whenua Hoko Holdings JVs | 39,795,413 | 26,065,694 |
| Total Investments | 65,831,577 | 66,751,364 |

In 2015, Te Rau Manga Limited invested in a joint venture to plant forest at Woodhill. Te Rau Manga Limited will receive a share of stumping in lieu of rental for land, based on its percentage contribution to the joint venture.

Whenua Hoko holds a put option with Fletcher Residential Limited for the Okahukura JV development that may be exercised by Whenua Hoko Holdings to exit the JV. When exercised the put option would result in net capital contributions plus commitment fees and interest being paid by FRL to Whenua Hoko.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

| | 2024 | 2023 |
|--|-------------------|------------------|
| 4. Property, Plant and Equipment | | |
| Land | | |
| Property | 10,486,123 | 486,123 |
| Total Land | 10,486,123 | 486,123 |
| Buildings & Improvements | | |
| Buildings & Roads | 148,426 | 148,426 |
| Less Accumulated Depreciation | (24,967) | (23,740) |
| Total Buildings & Improvements | 123,460 | 124,687 |
| Furniture and Fittings | | |
| Furniture, Fittings & Equipment | 162,561 | 161,300 |
| Less Accumulated Depreciation | (138,568) | (128,726) |
| Total Furniture and Fittings | 23,993 | 32,574 |
| Vehicles | | |
| Vehicles | 154,731 | 148,231 |
| Less Accumulated Depreciation | (52,567) | (29,965) |
| Total Vehicles | 102,164 | 118,267 |
| Total Property, Plant and Equipment | 10,735,739 | 761,650 |
| | 2024 | 2023 |
| 5. Joint Venture Partnership Income and Expenses | | |
| JV Income | | |
| Okahukura (Albany) | (625,845) | 4,017,631 |
| Total JV Income | (625,845) | 4,017,631 |
| JV Expenses | | |
| Okahukura (Albany) | (30,424) | (90,029) |
| Manu Whakatau (Harrier Point) | (47,557) | (33,374) |
| Te Tau Waka (Launch Road) | (202,762) | (205,308) |
| Total JV Expenses | (280,743) | (328,711) |
| Total Joint Venture Partnership Income and Expenses | (906,588) | 3,688,920 |

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

| | 2024 | 2023 |
|--|----------------|----------------|
| 6. Accounts Receivable | | |
| Trade Receivables | 335,923 | 130,616 |
| Other Receivables | | |
| Financial Investment Income Receivable | 8,449 | 195,175 |
| Bonds | 4,000 | 4,000 |
| Total Other Receivables | 12,449 | 199,175 |
| Total Accounts Receivable | 348,372 | 329,791 |
| | 2024 | 2023 |
| 7. Trade and Other Payables | | |
| Credit Cards | 5,864 | 7,912 |
| Accounts Payable | 135,733 | - |
| PAYE | - | 6,440 |
| Total Trade and Other Payables | 141,597 | 14,352 |
| | 2024 | 2023 |
| 8. Employee Entitlements | | |
| Holiday Pay Accrual | 144,737 | 134,167 |
| Total Employee Entitlements | 144,737 | 134,167 |
| | 2024 | 2023 |
| 9. Related Parties | | |
| NMWOK Trust | 623,832 | 439,843 |
| Total Related Parties | 623,832 | 439,843 |

Ngā Maunga Whakahii o Kaipara Development Trust is the 100% ultimate shareholder of all commercial group companies.

Kaipara Commercial Development Ltd (KCDL) is the 100% shareholder of Whenua Hoko Holdings, and shares the same directors. KCDL provides cash for working capital to Whenua Hoko Holdings from time to time. During the year KCDL provided \$6.565m towards the Okahukura JV. The \$20.1m loan from WHH to KCDL is interest-free and repayable on demand. It was consideration for the issued share capital.

Whenua Hoko Holdings (WHH) is the 100% shareholder of Te Uru Ltd, and shares the same directors. Te Uru Ltd provides cash for working capital to Whenua Hoko Holdings from time to time.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

Whenua Hoko Holdings (WHH) is the 100% shareholder of Pitoitoi Ltd. Pitoitoi is non-trading and was registered in anticipation of a property development in Whenuapai, however there is no trading.

Ngahere administers Te Rau Manga operations and allocates a portion of administrative costs to TRM. Intercompany loans are interest free and repayable on demand.

| Ngā Mauga Whakahii o Kaipara Development Trust | 2024 | 2023 |
|---|------------------|------------------|
| Opening Balance | (439,843) | (415,892) |
| Funds provided by the Trust | - | - |
| | | |
| Funds transferred to the Trust | - | - |
| Group Income received into Trust's bank account | (7,256) | (16,867) |
| Trust Expenses paid by group companies | (168,401) | |
| Tax Credits transferred to Trust | (8,332) | (7,084) |
| | | |
| Closing Balance | (623,832) | (439,843) |

Director Fees

| | | 2024 | 2023 |
|------------------|---------------|----------------|----------------|
| Rhys Freeman | Director fees | 60,000 | 60,000 |
| Margaret Kawharu | Director fees | 60,137 | 55,000 |
| Chris Cardwell | Director fees | 39,996 | 52,147 |
| Kristy Hill | Director fees | 23,832 | 39,284 |
| | | 183,965 | 206,431 |

The number of directors reduced to three with Kristy Hill concluding her directorship on 30 November 2023.

10. Commitments

Whenua Hoko Holdings has a joint venture development underway with Fletcher Residential to build housing (Okahukura development), and as at balance date has committed to providing \$2.450m of further capital to the general partner for the development to be funded by drawing on the ANZ Development Loan Facility.

Whenua Hoko Holdings has another joint venture development in progress with Fletcher Residential to build housing (TeTau Waka development), and has committed to providing \$11.907m of capital to the general partner for the development to be funded from cash and by a new BNZ Bank facility, with \$7.497m due in the 2025 financial year and the balance due in 2026.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

Operating Leases

Ngahere has an operating lease in place with Fujifilm in respect of a multifunction photocopier/printer. The operating lease commenced in August 2021 and the amount is revised annually in July of each year. As at 31 March 2023 the commitment is \$401 + GST per month. (Last Year: \$389 + GST per month).

There were no other material future commitments at balance date (Last Year: Ngahere Limited had an agreement to purchase the Oneonenui Farm property for \$10m, funded by a withdrawal of funds from the managed portfolio investments. This was settled in 2024).

11. Term Liabilities

| ANZ Development Loan | | 2024 | 2023 |
|-------------------------|--|-------------------|-------------------|
| Loan balance Suffix-86 | | 28,146,779 | 24,059 |
| Loan balance Suffix-88 | | 2,205,000 | 15,581,007 |
| Loan balance Suffix-89 | | 1,715,000 | 980,000 |
| Total Facility balance: | | 32,066,779 | 16,585,066 |
| Accruals | | 483,010 | 324,164 |
| Gross amount payable: | | 32,549,789 | 16,909,230 |
| Repayment terms: | Accrued interest and bank fees are capitalised quarterly. Repayments commence upon sale of developed houses. | | |
| Finance rate: | 8.97% weighted average (8.90% - 8.99%) | | |
| Security: | 49% share of Okahukura JV | | |

The ANZ Bank Development Loan Facility has a limit of \$41,000,000. Interest rate pricing is re-fixed at the end of each quarterly period. Gross amount payable includes principal plus accrued uncapitalised interest and fees at balance date.

A BNZ Bank Loan Facility with a limit of \$17,000,000 has been established to finance the Te Tau Waka development. Interest rate pricing is re-fixed at the end of each quarterly period. Gross amount payable includes principal plus accrued uncapitalised interest and fees at balance date. No drawdowns on this loan were made until November 2024.

Security is 49% share in Te Tau Waka Development.

12. Contingent Liabilities

At balance date there are no known contingent liabilities. The Group has not granted any securities in respect of liabilities payable by any other party whatsoever (2023: Nil).

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Commercial Development Limited For the year ended 31 March 2024

13. Share Capital

| Authorised Share Capital | | 2024 | 2023 |
|----------------------------|----------------------------------|------------|------------|
| 20,000,001 Ordinary Shares | NMWOK Commercial Development Ltd | 20,000,001 | 20,000,001 |

14. Look Through Companies

Ngā Maunga Whakahii o Kaipara Commercial Development Group companies have all elected to become Look Through Companies (LTC) in terms of section HB13 of the Income Tax Act 2007. Losses incurred by the companies are not available for the company to offset against future profits as they are allocated to the shareholders in the year in which they are incurred. The group companies are not liable to pay income tax and tax is payable on the company profits by the shareholders.

15. Subsequent Events

The following events and transactions occurred subsequent to 31 March 2024:

The Okahukura JV general partner made the final capital call on Whenua Hoko Holdings of \$2.450m in April 2024 (last year \$14.357m) funded by a drawdown against the ANZ Development Loan facility.

Whenua Hoko Holdings has commenced a new development joint venture (Te Tau Waka) with Fletcher Residential. The Te Tau Waka general partner is due to make capital calls totalling \$7.497m in the 2025 financial year to be funded from cash and the BNZ Bank loan facility.

During the 2025 financial year Whenua Hoko commenced due diligence work towards a proposed new development joint venture (Manu Whakatau) with Avant Group Limited.

(2023: The Okahukura JV general partner made capital calls on Whenua Hoko Holdings totalling \$14.357m in the 2024 financial year primarily funded by drawdowns against the ANZ Development Loan facility, plus a further \$1m of funds provided by Whenua Hoko Holdings. During the 2024 financial year the company commenced due diligence work towards a proposed new development joint venture (Te Tau Waka) with Fletcher Residential).

16. Financial Instruments

| Financial Assets | 2024 | 2023 |
|---|------------|------------|
| - measured at amortised cost | 5,119,677 | 5,193,037 |
| - measured at fair value | - | - |
| - measured at cost | - | - |
| - measured at fair value based on quoted price (Investments in Listed Equities) | 18,816,164 | 28,375,670 |

Audit Report

Ngā Maunga Whakahii o Kaipara Commercial Development Limited
For the year ended 31 March 2024

