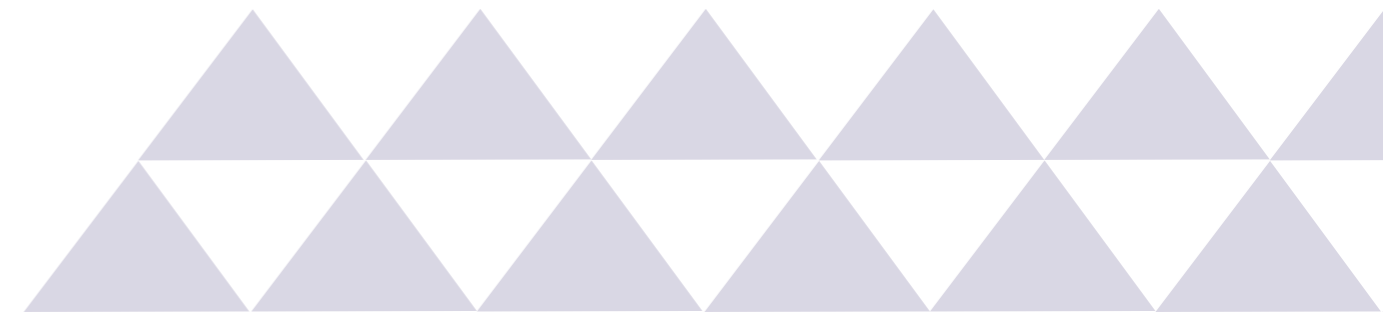
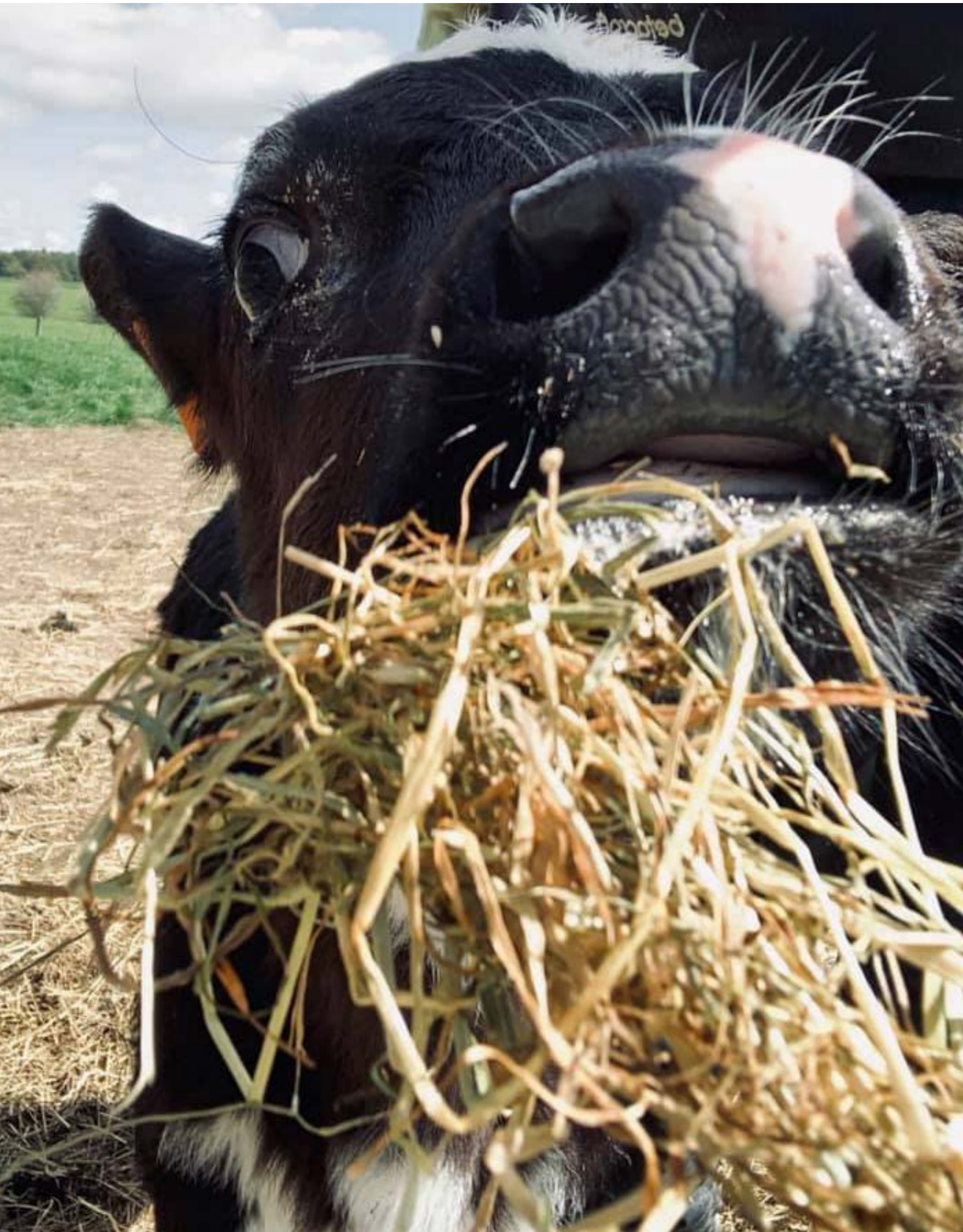




AGM

20
20



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2019 AGM MINUTES

Date: Saturday 14 December 2019

Time: 10:09 am to 12:35 pm

Location: Te Kura o Whakarewa, Waikato Street, Taupō

Present: Trustees: Temuera Hall (Chair), Ngahere Wall, Heemi Biddle.

In Attendance: Brad Tatere, Vernon Rameka, Charlotte Severne, Dominic Bowden

Guests/Notes: Jan Rameka (Minute Taker)

Owners Present: As per Attendance Register.

1. OPENING MEETING

1.1 Mihi

The Chairman, Temuera Hall welcomed all whānau to the hui.

Opepe Group General Manager, Dominic Bowden acknowledged the sponsors and networks who have provided support for the hui today.

THEME FOR THE HUI:

Chairman referred to the T-shirts being worn – promoting the theme for the hui.

*'WHITI WHITI ORA'
'A TIME TO CHANGE FOR THE BETTER'*

The values have not changed - 'Kia whangaihia nga uri a tinana, a hinengaro, a wairua – To provide sustenance to the beneficial owners and their descendants – in mind, body and soul'

1.2 Apologies

APOLOGIES: (Taken from the floor)

- Raymond Healey
- Miles Healey
- Natalie Healey
- Metiria Rameka
- Eunice Karaitiana

Resolution: That the apologies are received as per the apologies register and those taken from the floor.

Moved: Harvey Karaitiana
Seconded: Faye Walker

1.3 Election Results

The Chairman confirmed the recent election results and acknowledged all those who put their names forward.

Trustees appointed are: Heemi Biddle, Renee Des Barres, Temuera Hall, John Tupara, Ngahere Wall.

Further acknowledgment was made to Charlotte Severne who retires after giving nine years of service to Opepe Farm Trust. Her contribution has been tireless and farming results reflect the value of her input.

1.4 Minutes 15th December 2018 AGM

Resolution: That the minutes of the previous AGM held on 15th December 2018 be confirmed as a true and accurate record of that hui.

Moved: Elizabeth Clarke
Seconded: Hinemoa Henderson

MATTERS ARISING:

1. Page 8 – Hine Te Ata asked for the paragraph beginning ... 'Hine Te Ata (Anne) supports ...' to be deleted and the sentence 'Hine Te Ata endorsed the need for ongoing rangatahi programmes' – to be added under Floor Response.
2. Heemi Biddle responded to Faye Walker re Opepe Urupa. There are matters pertaining to MLC plans and onsite boundaries that require further consideration before records are correct and administration can proceed. This will be addressed in the New Year. Names have been submitted by Faye who sought reassurance that they have been received by the Trustees. Heemi confirmed.
3. John Rameka sought an update on providing a 'farm herd'. Temuera advised Farm Managers were consulted but could not support the request due to the tight OSH, H&S regulations that exist when running a commercial main herd. For this reason, there is always frozen mutton available to our marae. John wished to record the mutton provided is not enough to get through the three days of tangi and with marae hunters being trespassed it puts a strain on marae looking after manuhiri.

Temuera confirmed he understood the sentiments and referred the hunting access concerns to LTFT whilst agreeing the concerns expressed are in line with the vision proposed by Trustees – providing sustenance to nga uri.
4. Clements Marshall expressed regret that the voice of owners has been taken away and we don't have the opportunity to contribute - legislative rules have taken away our tikanga values – we are immersed in colonization. We need to override these.

Temuera responded and described this as Rangatiratanga. We need to answer to the Judge of MLC. Challenge is to gain strength and in the long term move out from that structure.

Anne Clarke supported the Trustees role and performance and reiterated that they represent our whānau.

2. REPORTS

2.1 Trustees Report

Challenges that the Trust is facing include major environmental issues, and in particular, climate change.

Greenhouse gas emissions are affecting people all over the world.

The farming industry is under many challenges – and change is coming as to how we use our land.

The consumer is looking for plant-based protein – vegan food products are increasing. We are moving away from the consumption of meat.

There are technological changes – robotics. These are two sided as they can help to improve productivity and also change job descriptions/opportunities.

We don't want to be left behind and can consider future growth and work smarter through partnerships with other land trusts with similar ownership. We are already starting down this path with Te Pae o Waimihia and Tauhara Middle lands leases.

To be successful we need to motivate change – WHITI WHITI ORA! To do this we firstly need to revitalize the culture whilst still looking after the land, make growth through collaboration and seek long term benefits.

FLOOR RESPONSE:

1. Tuihana Rameka stated it is very important to include rangatahi in the future planning. Consider an annual student convention. Encourage employment with other Trusts. Charlotte supported this initiative.
2. Anne Clarke favoured investing/building a hotel which would offer a better

income as well as employment. Temuera advised Trustees are looking at property investment that complements our farming activity.

Resolution: That the Trustees Report be received.

Moved: Heemi Biddle
Seconded: Tuihana Rameka

2.2 Financial Report

Charlotte asked for a moments silence to reflect on loss of lives that occurred at Whakaari earlier this week.

On reflection - Nine years ago this Trust was insolvent with a discharge allowance of 9 – the lowest for this catchment. Tuwharetoa are excellent land/forest managers however the retrenchment of Opepe has required a total restructure and over the nine years we have seen the gradual transition as the asset has slowly grown to where it is today. Trees were cut to help cover debt. We were heavily dependent on sheep and beef and needed to diversify hence the move to dairy and limited drystock.

Financial Performance for 2019 shows an operational profit of \$2,593k, an operating surplus of \$951k and a net surplus after tax and distributions of \$749k. All are lower than the 2018 year.

The Financial Position shows we own \$58.9m less debt of \$2.6m (includes BNZ loans of \$1.05m) – leaving a net worth of \$56.2m. An \$800k increase over the previous year.

FLOOR RESPONSE:

1. Nachele Griffiths noted from of Crowes Independent Auditors Report (page 32) that the unclaimed dividend funds of \$429,590 are still held.
Chairman advised that MLC was hesitant to write these off and there is still no way to

identify /verify the individual debt. A legal and accounting approach will need to support a further application to MLC will be required.

Resolution:

- 1) That the Audited Financial Report for the year ending 30th June 2019 is received
- 2) That the appointed auditor for Opepe Farm Trust for the year 2020 be Crowe Horwath Chartered Accountants

Moved: Anne Clarke
Seconded: Rina Tahau

2.3 Farming Report

Farming has been getting a bad report based on what is viable and sustainable.

We are continually trying to mitigate the environmental impact on our farm by always being aware and adapting to the new technology.

We need to create enduring returns because if there is no profit we can't reinvest. We are reliant on the milk price and are expecting \$7.30 this year which should provide a \$2.5m profit.

The total farmed area = 2816 hectares. (OFT 2041h, Tauhara Middle 184h, Tauhara Middle 15 249h and Tauhara North 342h).

We operate with a Drystock Manager and two Dairy Managers plus their staff for whom we hold high expectations. We must look after/invest in them to get the loyalty and performance which is so critical to the operation.

The recent appointment of Dominic Bowden as General Manager is a key role.

Continued investment in the whenua includes providing a quality standard of housing, maintenance and upgrades, new farm infrastructure and environmental planning.

FLOOR RESPONSE:

1. Anne Clarke considers we need to move away from farming and look at other investment opportunities.
2. Chairman recommended looking beyond the farm gate. However, the best option is sharing the cost – sharing the risk and sharing the profit with other like-minded entities. Contact Energy are starting to explore their power station builds and there is always the successful Tuaropaki model of hot houses that could be followed.

Resolution: That the Farm Report be received

Moved: Brad Katene

3. LOOKING AT THE YEAR AHEAD

3.1 Our People

People development is paramount. We have Diane Karaitiana, Tia Greenaway and Te Aue Addison-Te Whare as Associate Trustees. We encourage the employment/contract of those who whakapapa to the whenua.

3.2 Distributions

Distributions continue to play a big part in our Trust activity. The AGM kai packs help bring whānau together. Our mutton grants for tangihanga are much appreciated and our recent venture into growing kai to support marae and whānau resonates with us all.

3.3 He Whenua Tipu

He Whenua Tipu encourages change and the integrating of new technologies and systems for our farm.

3.4 Whakarakei Whenua

We are always looking for that point of difference eg. zero carbon footprint. We must continue showing and telling staff the direction we want to head.

3.5 Maara Kai

Maara kai is a trial half acre garden with corn, kamokamo, kale and beans planted this season. A small fruit tree orchard has also been planted. Used wastewater from the sheds has been used as a fertiliser and it is hoped to develop this maara as a commercial operation.

3.6 Tree Planting Programme

Tree planting programme has so far included retiring about 50 hectares of unproductive gullies, bringing back biodiversity, farm beautification with shade and shelter for stock.

3.7 Target Carbon Neutral

Target carbon neutral will provide certification of the environmental best practices. An example is the Lucerne being grown on the Tauhara North block.

3.8 Regenerative Farming

The regenerative farming focuses on the soil and replacement of chemical fertilisers.

4. GENERAL BUSINESS

4.1 General Business

1. Ngahere introduced new Trustees – Renee De Barres and John Tupara.
2. John Rameka sought information on the soil testing. Charlotte advised this is carried out annually along with regenerative research. The problem being there is very little topsoil plus climate change is increasing the temperature of the ground.

3. Temuera confirmed the farm does not use 1080. Wild goats are more the nuisance.
4. Alternative farming ideas put forward included – sheep milking, hop growing and cut and carry grass.
5. Te Reo Whakakotahi (Chulla) Wall asked Trustees to consider setting up Trade Training for our rangatahi – so they can build their own homes.

5. CLOSE MEETING

5.1 Close the meeting

Next meeting:
Board Meeting - 30 Mar 2020, 9:30 am
Te Reo Whakakotahi (Chulla) Wall closed the hui at 12.35pm.



NGĀ WHANONGA PONO O OPEPE



OPEPE VALUES

What constitutes

RETURN (UTU)?

KA UTUA TŌ MAURI: GIVEN, FELT, OR DONE IN RETURN

- Care for and give back to the local communities.
- Repay the special nature (life force vital essence).
- Identify what are the key drivers to success and repay the source: people, clients, environment, communities.

What constitutes

WHENUA (LAND)?

WHANAUNGATANGA TŌ AO: RELATIONAL, INTERCONNECTED WORLD

- Land does not exist by itself and is best considered as part of an ecosystem; thus, display connectivity and value relationships.
- Understand all your relationships: internal and external, commercial, social, environmental and cultural. Have a relationship with and care for all aspects of your environment. Inputs, outputs, environmental and social, tangible and intangible, such as behaviours and values.
- Does the land user display a relational behaviour? Do they measure, manage and mitigate their environmental and social impact? This is consistent with principles of circular economy and zero cost accounting.

What constitutes

TĀNGATA (PEOPLE)?

WHAKATAU TŌ KAHA: CONSENSUAL – COLLECTIVE POWER

- People are part of the relational ecosystem.
- The aspect of tāngata that is important is their behaviours and ethics: relating to or involving consent or consensus, and being open and transparent.
- Acting with integrity, harnessing your strength. Understand the collective strength across the business. Manage, sustain and share those strengths. Understand what is working well and why. Apply the learning elsewhere.

What constitutes

WAIRUA (SOUL/SPIRIT)?

KA HONOTAHI TŌ WAIRUA: COMPLEMENTAL AND COLLECTED

- Combining in such a way as to enhance or emphasise the qualities of each other or another; sharing wealth.
- Connect, bring together as one your spiritual essence.
- Core principles and values extend beyond physical and material gain.

What constitutes

HINENGARO?

HŪMĀRIE TŌ MĀRAMA: HARMONY AND COLLECTIVE UNDERSTANDING

- The state of being in agreement or concord; the quality of forming a pleasing and consistent whole. Display a willingness to change, adapt and engage new technologies.
- Be good natured, genial and beautiful. Be clear and transparent, displaying honesty and integrity, with clear communications. Be conciliatory and collaborative in negotiations so that situations can be win-win for everyone wherever possible.

What constitutes

WAIORA (WELLBEING)?

WHAKATAU TŌ KAHA: CONSENSUAL – COLLECTIVE POWER

- Occurring in cycles; recurrent, leading to long term sustainable growth potential. Protocols and policies around what is considered successful beyond financial success. Celebrate and acknowledge success.
- Encourage successful behaviours and practices: phase out waste and pollution; identify and demonstrate environmental reduction targets. Ka mimiti (reduce), ka tukuru (reuse), ka whakahou (regenerate).



TRUSTEES REPORT

Te Rerenga Korero o ngā Kaitiaki

Tēnā ano ngā kāwai whakapapa, e ngā whanaunga na Opepe e whakapiri.

Huhū noa ana kimikimi noa ana ka ngaro hoki ra e, āku manu tiutiu i te awatea, papā a te whatitiri, kahukura ki te rangi. Ko au ki raro nei tāwhana kau ai, tiro tiro kau ae e.

(My tiutiu birds wizz about searching as if lost in broad daylight, thunder explodes painting the sky red. I cower beneath searching about....for cover)

I te tuatahi me mihi mātou ki a koutou ngā rakau haemata, ngā ngākau kamakama i mahia ai i te wa o te Covid rāhui. I te tuarua me mihi ki a tatou kātoa ngā hunga māia i manuwa piharau i taua wa. Kahore ano kua oti tēnei hara te huaketo Covid-19.

The above opening (whakatuwhera) describes our year. One of disruption and bewilderment. A test of resilience and character that we rarely face in our lifetimes.

Firstly we must acknowledge those of strong determination and eager hearts who toiled during the Covid restrictions. The essential workers, our farm and office staff, and those of you who formed emergency support groups through our marae. Secondly, we must praise all of us who endured that period. But this virus infringement is not yet over.

Māoritanga blazoned across Aōtearoa as we rallied to support and protect our communities. Opepe joined with local community agencies, our marae, other Trust's, Iwi and hapū entities to provide financial, nutritional and restorative resources to our families and community members in need. Our marae became the collection and distribution centers in a time when logistics and supply was severely challenged. Many people were pushed to their physical and mental limits as they dealt with an event that was unknown and uncharted in our lifetime. Your Trustees and our support personnel were pushed to our legislative and statutory limits to find ways in which we could provide support.

Opepe advanced a \$100K contingency relief fund, provided food from the Opepe garden, mutton from our tangihanga meat supplies and vital resources to enable our He Akina staff and Marae emergency support groups to function. When confronted with apparent incapacitating challenges it is our values our ethics and our tikanga that provide fortitude.

ENVIRONMENTAL

Our global, national and regional challenges of climate change, bio-diversity decline, food and water quality and security continue to mount up. Our Rautaki (strategy) Whakarakei Whenua is of increasing urgency. Our core targets are to;

- Transition our activities on the whenua to carbon zero
- Diversify our land use into other food producing activities
- Plant more native trees

- Provide nutritional food to our owners and their families

While running a profitable and sustainable drystock and dairy business.

To give effect to the above we have:

1. Secured funding from 1 Billion trees to plant 60 hectares in natives with the aim to increase the planting area over time. With this comes the human resource, management support and skills challenges to ensure the project is a success. Our associate Trustee Diane Karaitiana is driving this project supported by Ngahere Wall as project sponsor and Brad Tatere as project lead.
2. Increasing our engagement with our whanaunga Trusts; Tauhara Middle 15, Tauhara Middle lands, Tauhara Moana, Te Pae Waimihia, East Taupo lands and others. We are looking to create mutually beneficial opportunities through collaboration and scale. We are supporting Middle 12 in the development of the urupa. We aim to support Waimihia in the acquisition and development of the Centennial Drive nursery site and increase our property investments via our Tauhara Properties joint venture. Our Trustee sponsor for this initiative is Heemi Biddle supported by Renee Des - Barres.
3. Through our associate Trustee Te Aue Addison we are planning to engage with Plant and Food Research to investigation horticulture opportunities on our Opepe lands and partner Trust lands.
4. Our associate Trustee Tia Greenaway led Opepe into a case study to inform the Climate Change Commission on policy advice. Through the case Opepe provided traditional Māori knowledge principles and application in the agri-sector and outlined the challenges and benefits of adopting new technologies and systems to allow the necessary advancements. Our Trustee sponsor for climate change initiatives and carbon zero targets is Renee Des - Barres supported by Tia Greenaway.

5. We are progressing our partnership in the Mihi Collective (A collection of Māori entities focused on hemp growing, processing and product development). The collective has established a development company to enable the collective to enter into partnership arrangements with international hemp product development marketing and distribution agencies. John Tupara is the Trustee sponsor for this initiative supported by Temuera Hall.
6. To enable diversified growth and development the trust has established an investment committee (IC) and stepped up relationships with our bank BNZ. The IC is charged with finding assessing and making recommendations on strategic investment opportunities that are aligned to the above targets. All investments will be guided by a Kuapapa investment framework (in development). We are starting conversations with Contact Energy and the Taupō District Council as a discovery exercise. Temuera Hall is the Trustee Sponsor supported by Te Awe Addison.

The Trust has faced a challenging year financially. We recorded a profit of \$48K. Trust equity at financial year end was \$59.1m, an increase of \$2.9m over the prior year.

The Opepe farming business has successfully restructured, which sees greater focus on the calf rearing operations, increased responsibility for our dairy manager, with new dairy business adviser. The Drystock farm has been revitalised with a new manager and a new second in charge supported by a new drystock adviser. The farming business has embraced our Whakarakei whenua strategy and its challenges of carbon zero, reduced inputs and waste and regenerative farming.

Ko te whakamutunga: We acknowledge the services of Dominic Bowden who held the reins during a very challenging time of multiple HR issues, ensuring health and safety and Covid compliance protocols were implemented and adhered to, as well

as leading our Covid response initiative. Dominic has taken up a new role with Contact Energy. We also celebrate Whetu Johnson who has chosen to move on to further his farming career after twelve years with Opepe progressing through the ranks to Drystock manager. We wish Whetu and his whānau well on their next journey. We also applaud Vernon, Miria and the He Akina team who continue to maintain stability and support across all our Tauhara entities with their tireless support for us demanding trustees and our multitude of whānau shareholders and beneficiaries.

Kia koutou e ngā whanaunga e ngā piringa, kia tau, kia whakatā i tēnei raumati.

Mauri tu mauri ora, mauri noho mauri mate. Turau hawaiiki.



Temuera Hall
Chairman





FARMING REPORT

OPEPE FARMING LP OVERVIEW

In agriculture we expect to live with uncertainty and volatility, and 2019/20 didn't disappoint.

Not only we have the China and US trade war, the North Island experienced a very severe drought from mid-December, and then the world succumb to the Covid-19 pandemic, which forced New Zealand into complete lockdown on March 25. However, being an essential service, farming operations were

able to continue, albeit with at a level of biosecurity not seen before.

Despite the buoyant milk price of \$7.02 paid by Miraka, the performance of our dairy enterprise was below expectation. Total milk produced was 734,113 kgMS from 2,353 cows wintered, which was down 3% on 2018/19, and 13% on budgeted production. While the drought had a severe impact from mid-December through to April, we also had some operational issues that hindered performance throughout the season.



We have continued to perform well in Te Ara Miraka, Miraka's Farming Excellence Programme, although there is room for improvement. In 2019/20 Opepe Farming Limited Partnership (OFLP) collected an additional \$0.13 out of possible \$0.20 per kgMS premium, which equates to \$94,000 out of a possible \$147,000. The programme is based on five core pou, with the overarching driver of becoming world class milk producers cover environmental sustainability, animal welfare, food safety, traceability and milk quality assurance.

The drystock operation experienced a double whammy. Not only was it was impacted heavily by the boarder closures due to Covid-19, and the server drought conditions meant we couldn't finish our lambs, nor could we sell them store due to the lack of available grass in the North Island. At OFLP lambs are generally born later in the season than other areas, due to the altitude and climatic conditions on farm during spring. We target selling most of lamb prime but also rely on the store market if conditions get dry. The effect of the boarder closures and drought meant that the meat processors weren't killing and processing lambs because they couldn't export, and there was no demand for OFLP's lambs because of the dire feed shortage. The net result was a drop in net revenue from lamb of 42% compared to 2018/19.

The 2018/19 year was OFLP's second year of retaining and growing out the calves born to

our dairy cows, having made the decision in 2016 to cease the bobby calf trade. Now we mate most of the dairy cows to a beef breed to produce a marketable dairy beef cattle beast. By doing this our income from beef sales has been down as we've built the number beef animals in the farm system. However, from 2020/21 OFLP will start selling over 1,000 beef animals annually, both prime and forward store.

FUTURE FARM PERFORMANCE

OFLP has been working hard to build a high performing farm management team. The technical nature of farming has changed significantly in recent times. We are operating in an environment that is highly regulated, where the eyes of the world are on us constantly, and consumer demands are changing rapidly. To be average takes effort, to be at the top we have to do things smarter, and so we are continually learning and adapting what we do to be top performers.

At the end of the 2019/20 season we farewellled Whetu Johnson who has been with Opepe for the past 13 years, the last 6 years as the Manager of the drystock operation. Whetu has been an extremely loyal member of the team and we wish Whetu, Hayley and their whānau well for the future. We also welcome David and Hillary Milne, David as drystock operations manager, and Cody and Kristen Marshall, Cody takes up the new position of drystock 2IC.

NGA KAITIAKI

The recently announced Green House Emissions and Carbon Zero Targets, and the National Policy Statement for Fresh Water, targeting improved water quality will see changes made to the way we farm.

As a sector, the agricultural industry is not perfect, and some historic practices have

been very damaging to the environment. However, Opepe relies on its farms to be productive and profitable and we do this sustainably. OFLP has completed its base environmental plans as part of the TOITŪ Enviro Mark certification programme. These are living documents and will evolve as our understanding of the natural resource and the science improves whereby implementing mitigation strategies to ensure the whenua remains a 'taonga tuku iho'.

Historically, Opepe has been farmed extensively rather than intensively, meaning, for the size of the property, 4,800ha, it has run very low numbers of sheep and cattle, and therefore inputs.

In July 2011 when the Waikato Regional Council Variation 5 – Lake Taupo came into action, a nitrogen cap was imposed on Opepe based on the amount of nitrogen it had used historically. Because of the less intensive farming system in place, the allocation given in July 2011 was extremely low compared to the rest of the farms located in the Lake Taupo catchment. While the intent and subsequent outcome of Variation 5 has been positive, it has cost Opepe millions of dollars in lost revenue. It is important therefore, any future change to OFLP's farming model to improve 'sustainability', is carried using critical analysis and science to ensure change is both environmentally and economically sustainable.

To improve OFLP's environmental footprint we have been gathering data to understand the current state.

By understanding our current state we can the start to implement strategies to reduce emissions, such as planting pasture and forage species that release less emissions when digested through gut of ruminant animals, and by ensuring stocking rates are relative to the amount of feed grown on-farm. Additionally, we will continue to refine the inputs and reuse and recycle where possible.

PRODUCTION SYSTEM REVIEW

Continuous improvement will help OFLP achieve the best possible results. For the drystock we believe that the basic ingredients are good and apart from reviewing sheep genetics, the greatest area of gain is operational management; monitoring stock performance and making the right decision at the right time. For example, our average lambing % has been 125%, when we should be 140-150%. The difference in revenue terms by increasing lamb numbers by 20% is \$200,000.

On the dairy units, the review will focus on the production system to identify where we can save on costs by improving production efficiency. Due to the Waikato Regional Council imposed restrictions on nitrogen use, OFLP cut around 1,000MT of lucern and pasture from both the dairy and drystock units, and encile this for use during times of pasture deficit. While this has worked for the business over the past 5 years, we need to ensure that this method is still efficient and fit-for-purpose.

NGA TANGATA

Our most important resource are the people that make up the OFLP operations team. And although we've had some change in farm managers, the balance of the team has remained in place which has been hugely important to the continuity of operations.

Attracting and maintaining good people is a constant work in progress, and OFLP will continue to reinvest back into the farm infrastructure to ensure it is a safe and user-friendly environment to work in.

Brad Tatere
Chairman
Opepe General Partner Limited



FINANCIAL REPORT

OPEPE FARM TRUST

Consolidated Special Purpose Financial Statements
For the Year Ended 30 June 2020

OPEPE FARM TRUST

Trust Directory

For the Year Ended 30 June 2020

Nature of Business

Farming and Forestry

Location

Farm - Opepe Farm Trust - State Highway 5, Taupo
Business - 63 - 65 Waikato Street, Taupo

Managing Trustees

Temuera Hall

Heemi Biddle

Renee Des Barres

Ngahere Wall

John Tupara

Bankers

Bank of New Zealand, Taupo

Solicitors

Morrison Kent

Auditors

Crowe New Zealand Audit Partnership

Accountant

He Akina Ltd

OPEPE FARM TRUST

Approval of Financial Report

For the Year Ended 30 June 2020

APPROVED

For and on behalf of the Trustees.



Trustee

Date 11th December 2020



Trustee

Date 11th December 2020

OPEPE FARM TRUST

Profit and Loss

For the Year Ended 30 June 2020

	NOTES	2020 - GROUP	2019 - GROUP	2020 - PARENT	2019 - PARENT
Surpluses (Deficits) From Operations (excl. Depreciation & Finance)					
Taupo Operations					
Dairy Unit Surplus (Deficit)		894,588	1,655,885	-	-
Drystock Unit Surplus		483,590	674,500	-	-
Other Income		(9,471)	(11,074)	(9,471)	(11,074)
Total Taupo Operations		1,368,708	2,319,311	(9,471)	(11,074)
Property Surplus		(34,869)	73,937	(34,869)	73,937
Farm Lease		-	-	1,421,952	1,421,952
Forestry Activities		239,663	237,510	239,663	237,510
Total Surpluses (Deficits) From Operations (excl. Depreciation & Finance)		(1,163,914)	(2,007,864)	1,636,216	1,744,472
Total From Operations		1,573,501	2,630,757	1,617,275	1,722,325
Surplus/Deficit From Investment Ventures					
He Akina Limited - Share of Surplus		-	4,179	-	-
Tauhara North Block: Surplus Excluding Revaluations		(16,271)	31,428	165,051	41,401
Tauhara Properties Limited Partnership Surplus/(Deficit)	12	657,276	47,000	657,276	47,000
Total Surplus/Deficit From Investment Ventures		641,006	82,607	822,327	88,401
Less Administration & Governance Costs					
Administration Expenses		438,013	349,929	131,160	87,943
Audit Fees		29,800	27,881	27,300	27,881
Governance and Secretarial Expenses		158,410	178,531	158,410	178,531
Total Less Administration & Governance Costs		626,223	556,341	316,869	294,355
Surplus Before Change in Value of Livestock Held, Depreciation, Interest & Finance Costs		1,588,284	2,157,023	2,122,733	1,516,370
Plus (Less) Change in Value of Livestock Held					
Holding Gain (Loss)		(299,668)	(252,354)	-	-
Total Plus (Less) Change in Value of Livestock Held		(299,668)	(252,354)	-	-
Less					
Depreciation and loss on disposal adjustments		860,011	798,370	546,703	564,491
Interest & Finance Costs		116,263	59,665	45,713	52,094
Surplus (Deficit) Before Taxation, Provisions, Impairment, Appropriations & Capital Gains		312,342	1,046,634	1,530,316	899,785
Appropriations					
Koha, Donations & Grants		80,238	95,669	80,238	95,669
Total Appropriations		80,238	95,669	80,238	95,669
Operating (Loss)/Surplus Before Taxation		232,104	950,965	1,450,078	804,116



The accompanying notes form part of these Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.

OPEPE FARM TRUST

Profit and Loss

For the Year Ended 30 June 2020

	NOTES	2020 - GROUP	2019 - GROUP	2020 - PARENT	2019 - PARENT
Taxation and Adjustments					
Income Tax Expense	8	183,664	191,180	183,664	191,180
Total Taxation and Adjustments		183,664	191,180	183,664	191,180
Operating (Loss)/Surplus After Taxation		48,440	759,785	1,266,414	612,936
Minority Interests					
Surplus Attributable to Minority Interests	5	10,482	10,350	-	-
Total Minority Interests		10,482	10,350	-	-
Net (Loss)/Surplus Attributable to the Parent Trust		37,958	749,435	1,266,414	612,936



The accompanying notes form part of these Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.

OPEPE FARM TRUST

Statement of Changes in Equity
For the Year Ended 30 June 2020

	2020 Group	2019 Group	2020 Parent	2019 Parent
Balance at beginning of year	56,239,923	55,355,801	51,754,747	51,011,606
Movements in Asset Revaluation Reserve Attributable to:				
- Parent Trust Shareholders	2,832,382	135,267	2,708,656	130,133
- Minority Interest Partners	30,932	-	-	-
- Prior Year Adjustment	(7,362)		(3,143)	
Capital Gains on Sale of Assets	-	71	-	71
Distributions to Minority Interest Partners	(12,517)	(11,000)	-	-
Net Surplus/(Deficit) Attributable to:				
- Parent Trust Shareholders	37,958	749,435	1,266,414	612,936
- Minority Interest Partners	10,482	10,350	-	-
Balance at end of year	59,131,838	56,239,923	55,726,674	51,754,747



OPEPE FARM TRUST

Balance Sheet
As at 30 June 2020

	NOTES	2020 GROUP	2019 GROUP	2020 PARENT	2019 PARENT
Assets					
Current Assets					
Cash and Bank		2,710,115	556,870	1,217,877	169,721
Accounts Receivables & Prepayments		1,650,728	2,113,360	97,323	100,796
Livestock	3	6,434,928	5,864,885	-	-
Taxation Receivable	8	16,340	90,237	16,340	90,237
Manuka Kanuka Project		320,184	320,184	320,184	320,184
Stores & Produce on Hand		325,361	402,505	2,155	254
Total Current Assets		11,457,656	9,348,041	1,653,879	681,192
Non-Current Assets					
Property, Plant and Equipment	10	49,548,746	46,855,204	44,788,656	42,284,770
Investments	12	3,852,940	2,673,482	3,645,694	2,465,288
Loans to Subsidiaries	13	-	-	3,034,300	3,023,078
Investments in Subsidiaries	14	-	-	5,043,577	4,928,591
Other non-current assets		3,760	-	3,760	-
Total Non-Current Assets		53,405,447	49,528,686	56,515,987	52,701,727
Total Assets		64,863,103	58,876,727	58,169,866	53,382,920
Liabilities					
Current Liabilities					
Accounts Payable & Accruals		943,482	752,623	164,049	149,031
Milk Futures Derivatives		8,640	5,040	-	-
Unclaimed Dividends		429,590	429,590	429,590	429,590
Current Portion Term Liabilities	6	-	1,049,552	-	1,049,552
Total Current Liabilities		1,381,712	2,236,805	593,639	1,628,173
Non-Current Liabilities					
Term Loans	6	4,349,552	400,000	1,849,552	-
Total Non-Current Liabilities		4,349,552	400,000	1,849,552	-
Total Liabilities		5,731,264	2,636,805	2,443,191	1,628,173
Net Assets		59,131,838	56,239,923	55,726,674	51,754,747
Equity					
Total Equity	5	59,131,838	56,239,923	55,726,674	51,754,747
Total Equity		59,131,838	56,239,923	55,726,674	51,754,747



Trustee

Date 11th December 2020



Trustee

Date 11th December 2020



The accompanying notes form part of these Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.

OPEPE FARM TRUST

Statement of Cash Flows

For the Year Ended 30 June 2020

	Group		Parent	
	2020	2019	2020	2019
Cash Flow From Operating Activities				
Receipts from Customers	8,930,160	6,892,122	1,998,773	1,942,732
Forestry Grants Received	-	-	-	-
Interest and Dividends Received	1,732	3,863	720	14
Payments to Suppliers and Employees	(8,158,748)	(6,497,614)	(597,643)	(541,294)
Income Tax Paid (Refunded)	(109,767)	(542,204)	(109,767)	(541,505)
Interest Expense	(116,263)	(60,852)	(45,713)	(53,764)
Cash Cost of Financial Derivatives	-	202,965	-	-
Donations/Koha/Marae Grants	(80,238)	(89,040)	(80,238)	(89,040)
Net GST	66,023	-	(67,973)	-
Cash Inflow/(Outflow) from Operating Activities	532,899	(90,760)	1,098,159	717,143
Cash Flow from Investing Activities				
Net Advances to Subsidiaries	-	36,737	(114,986)	85,507
Acquisition of Property, Plant & Equipment	(1,276,621)	(1,785,169)	(908,605)	(705,518)
Net Acquisition/(Disposal) of Investments, including Distributions Received	9,484	-	173,585	(2,385)
Net Cash Inflow/(Outflow) from Investing Activities	(1,267,137)	(1,748,432)	(850,006)	(622,396)
Cash Flow from Financing Activities				
Term Borrowings Drawdown/(Repaid)	2,900,001	95,000	800,000	(305,000)
Funds from (to) Minority Interests	(12,517)	(11,000)	-	-
Net Cash Inflow/(Outflow) from Financing Activities	2,887,484	84,000	800,000	(305,000)
Net Increase/(Decrease) in Cash	2,153,245	(1,755,192)	1,048,153	(210,253)
Opening Cash and Bank Balances	556,870	2,312,061	169,721	379,974
Cash at (Owing to) Bank at End of Year	2,710,115	556,869	1,217,874	169,721



OPEPE FARM TRUST

Statement of Cash Flows

For the Year Ended 30 June 2020

Reconciliation of Profit with Net Cash Flow from Operating Activities

Operating (Loss)/Surplus After Taxation	48,440	759,783	1,266,414	612,936
Add Back (Deduct):				
Depreciation Adjustments	860,011	798,369	546,703	564,491
Movements in Livestock on Hand	(570,043)	(68,465)	-	-
Movements in Stores & Produce on Hand	-	(94,964)	-	3,679
Movement in Non-Invested Related Receivables	453,898	(931,819)	23,498	(34,916)
Movement in Non-Investing Related Payables	153,492	(338,541)	82,991	10,378
Movement in Inventories (current)	77,144	-	(1,900)	-
Movement in Milk Future Derivatives	3,600	187,080	-	-
Movement in Current Tax Liabilities	73,897	(351,024)	73,897	(351,024)
Share of Profits from LPs	(657,276)	(51,179)	(822,327)	(88,401)
Prior Year Adjustment	23,795	-	(3,143)	-
Movement in GST	65,942	-	(67,973)	-
Cash Surplus (Deficit) From Operating Activities	532,819	(90,760)	1,098,160	717,143



1. Statement of Accounting Policies

Reporting Entity

Opepe Farm Trust (the "Trust") is registered under the Te Ture Whenua Maori Land Act 1993.

The financial statements of Opepe Farm Trust are special purpose financial statements and have been prepared as required by the Trust Deed. The financial statements are for the Trust and the Group comprising the Trust, and its subsidiaries (Refer note 14).

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Trust, except certain items for which specific accounting policies have been adopted.

The financial statements have been prepared on a going concern basis.

Specific Accounting Policies

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

a) Trade Receivables

Trade receivables are recognised at estimated realisable value.

b) Inventories

Inventories, other than livestock, are recognised at the lower of cost, determined on a first-in first-out basis, and net realisable value.

c) Property, Plant and Equipment

Property, Plant and Equipment is recognised at cost less aggregate depreciation, except for land and buildings. Land and buildings are valued at the latest Quotable Value less depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007, except for buildings which are depreciated based on their expected useful lives.

Expected useful lives of major asset categories are as follows:

Vehicles: 3 - 8 years

Computer Equipment: 2 - 7 years

Plant and Equipment: 1 - 10 years

Buildings: 1 - 100 years

d) Goods and Services Tax

The financial statements have been prepared on a GST exclusive basis, except for Accounts Receivable and Accounts Payable which are shown inclusive of GST.

e) Income Tax

The income tax expense charged to the Statement of Financial Performance is the current year's tax provision. Deferred tax accounting has not been adopted by the Trust.

f) Investments

Investments are shown at market value as at balance date, with the exception of Opepe Aquaculture Limited which are shown at their estimated realisable value. Opepe TM15 Partnership is shown at market value in the Parent financial statements of the Trust. Tauhara Properties Limited Partnership and He Akina Limited (From 1 April 2019) are investments in an associate which is accounted for using the equity accounting method. Opepe Farming Limited Partnership is an investment in a subsidiary and has been accounted for using the purchase method.



g) Livestock

All livestock on hand has been valued at current market value determined by Central Livestock Limited (2019: Progressive Livestock Limited). Changes in value are recorded in the statement of financial performance. For taxation purposes livestock are valued using the herd scheme and the national standard cost scheme.

h) Basis of Consolidation - Purchase Method

The consolidated financial statements, which include the parent Trust and its subsidiaries, these are accounted for using the purchase method. In the parent financial statements investments in subsidiaries are recognised in accordance with f) Investments.

i) Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale.

Significant revenue policies

Milk income is recorded from the supplier statements. These statements are prepared monthly from milk collection records and recorded at the current market milk price as published by the entity supplied.

Rental and lease income is recognised in accordance with contractual arrangements.

Finance income comprises interest income on funds invested, changes in fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues, using the effective interest method.

j) Milk Future Derivatives

Milk Future derivative instruments are recognised at fair value on the balance sheet, with any gains or losses on those instruments going through profit and loss as an operating expense.

Change in Accounting Policies

There have been no changes in accounting policies during the current financial year. All policies have been applied on basis consistent with those used in previous years,

2. Operating Revenue

	Group		Parent	
	2020	2019	2020	2019
The total operating revenue for the year				
is composed of the following:				
Property Rental & Board Room Hire (Putea)	120,991	121,621	120,991	121,621
Farming Revenue	7,336,502	7,361,040	1,591,988	1,549,920
Forestry Revenue	249,805	247,013	249,805	247,013
Interest Received	1,011	3,710		
Share of Surplus from Equity Accounted Investments	657,277	51,179	822,327	88,401
Other Income	16,632	14,283	12,593	14,131
Gain on financial instruments	(38,704)	15,885		-
	8,343,514	7,814,730	2,797,704	2,021,085



OPEPE FARM TRUST

Notes to the Financial Statements
For the Year Ended 30 June 2020

	Group		Parent	
	2020	2019	2020	2019
Less Revenue from Tauhara North Block	(16,271)	46,500	165,051	41,401
Less Operating Expenses	6,786,284	5,174,943	1,015,378	257,358
Surpluses (Deficits) From Operations per				
Statement of Financial Performance	1,573,501	2,593,288	1,617,275	1,722,327

3. Livestock on Hand

	2020	2020	2019	2019
	Qty	Value	Qty	Value
		\$		\$
Sheep	8,312	1,476,310	7,767	1,588,585
Beef Cattle	1,461	1,135,104	1,317	868,750
Dairy Cattle	3,615	3,823,514	2,853	3,407,550
Total:	13,388	6,434,928	11,937	5,864,885

4. Milk Future Derivatives

	2020 Group	2019 Group	2020 Parent	2019 Parent
Milk Futures	(8,640)	(5,040)	-	-
Total Milk Futures Derivatives	(8,060)	(5,040)	-	-

For the 2020 year the amount recognised as revenue in the Statement of Financial Performance was a loss of \$38,704 (2019: gain of \$15,886).

At 30 June 2020 Opepe Farming Limited Partnership has 102 contracts at 6,000 units per contract. Of these 66 expire on 30 September 2020 and 36 expire on 30 September 2021. At 30 June 2020 the 66 contracts expiring 30 September 2020 were priced at \$7.22 with a market value of \$2,859,120 and the 36 contracts expiring on 30 September 2021 were priced at \$6.67 with a market value of \$1,440,720. The total market value of all contracts at 30 June 2020 was \$4,299,840.

At 30 June 2019 Opepe Farming Limited Partnership had 129 contracts at 6,000 units per contract. Of these 101 expire on 30 September 2019 and 28 expire on 30 September 2020. At 30 June 2019 the 101 contracts expiring 30 September 2019 were priced at \$6.40 with a market value of \$3,878,400 and the 28 contracts expiring on 30 September 2020 were priced at \$6.78 with a market value of \$1,139,040. The total market value of all contracts at 30 June 2019 was \$5,017,440.



OPEPE FARM TRUST

Notes to the Financial Statements
For the Year Ended 30 June 2020

5. Equity

	Group		Parent	
	2020	2019	2020	2019
Capital				
Balance at beginning of year	260,451	260,451	260,451	260,451
Movement in the year	-	-	-	-
Balance at year end	260,451	260,451	260,451	260,451
Revaluation Reserves				
<i>Asset Revaluation Reserve</i>				
Balance at beginning of year	36,520,610	36,385,342	36,514,722	36,384,588
Movement in revaluation reserves	2,832,382	135,267	2,708,656	130,133
Less minority share of movement	-	-	-	-
Prior Year Adjustment	(7,362)		(3,143)	
Balance at year end	39,345,630	36,520,610	39,220,235	36,514,721
<i>Capital Reserve</i>				
Balance at beginning of year	3,381,503	3,381,432	3,381,503	3,381,432
Capital gains		71		71
Balance at year end	3,381,503	3,381,503	3,381,503	3,381,503
Total Revaluation Reserves	42,727,133	39,902,113	42,601,738	39,896,226
Retained Earnings				
Balance at beginning of year	15,373,414	14,623,981	11,598,070	10,985,134
Transfer from reserves	-	-	-	-
Net surplus attributable to parent trust beneficiaries	37,958	749,433	1,266,414	612,936
Balance at year end	15,411,372	15,373,414	12,864,484	11,598,070
Total Equity to Parent Trust Beneficiaries	58,398,996	55,535,977	55,726,674	51,754,746
Minority Interest				
Balance at beginning of year	703,945	704,595		
Surplus attributable to non-controlling interest	10,482	10,350		
Share of revaluation of property	30,932	-		
Distributions to non-controlling interests	(12,517)	(11,000)		
Balance at year end	732,842	703,945		
Total Equity	59,131,838	56,239,923	55,726,674	51,754,746



6. Bank of New Zealand

The Group has overdraft facilities totalling of \$400,000 (2019: \$400,000) and a loan facility available of \$6,401,552 (2019: \$1,954,552) with the Bank of New Zealand. The overdraft facility provides seasonal finance for the Trust and the loan facility was obtained to provide funding for the dairy conversion project. The overdraft and loan facility are secured over property owned by the Trust. The total amount drawn down at balance date was \$4,349,552 (2019: \$1,049,552). The Trust has guarantees to Tuwharetoa Carbon Limited which are being contested, refer to note 9.

Opepe Farm Trust has provided the BNZ with a perfected security interest over all present and after acquired property. Opepe Farm Trust has also provided a \$4,690,000 (30 June 2019: \$4,690,000) guarantee to the BNZ in relation to the borrowings by the Opepe Farming Limited Partnership.

Opepe Farming Limited Partnership has provided the BNZ with a perfected security interest over all present and after acquired property. Opepe Farming Limited Partnership has also provided a \$3,315,000 (2019: \$800,000) guarantee to the BNZ in relation to borrowings by the Opepe Farm Trust.

7. Related Parties

Opepe TM15 Partnership

The Trust and Tauhara Middle 15 Trust are co-owners in the Tauhara North Farm. The Trust has a 80% interest in the Partnership.

Opepe Farming Limited Partnership

The Trust has a 100% ownership interest in Opepe Farming Limited Partnership. The general partner of Opepe Farming Limited Partnership is Opepe General Partner Limited.

Tauhara Properties Limited Partnership

The Trust has a 50% ownership interest in Tauhara Properties Limited Partnership. Te Pae O Waimiha owns the other 50% of Tauhara Properties Limited Partnership. Ngahere Wall is also a trustee of Te Pae O Waimiha. Opepe Properties Limited is the general partner of Tauhara Properties Limited Partnership.

Opepe Aquaculture Limited

The Trust has a 100% ownership interest in Opepe Aquaculture Ltd.

Sea Products Limited

Opepe Aquaculture Limited has a 50% ownership interest in Sea Products Limited.

Lake Taupo Forest Trust Management Limited

The Trust leases land to Lake Taupo Forest Management under a Memorandum of transfer granting a forestry right. Lake Taupo Forest Management Limited is owned 70% by Lake Taupo Forest Trust and 30% by Lake Rotoaira Forest Trust. Heemi Biddle and John Tupara are Trustees of Lake Rotoaira Forest Trust and The Trust. Heemi Biddle, John Tupara and Ngahere Wall are Trustees of Lake Taupo Forest Trust.

Lake Taupo Forest Trust, Lake Rotoaira Forest Trust and the Trust have beneficial owners in common.

He Akina Limited

Opepe Farm Trust owns 33% of He Akina Limited. He Akina Limited provide accounting and administrative services to Opepe Farm Trust and its subsidiaries.



8. Income Tax

Livestock have been valued using a mixture of Herd Scheme and National Standard Cost.

	Group		Parent	
	2020	2019	2020	2019
Calculation of Taxable Profit:				
Accounting Profit Before Taxation	232,104	950,963	1,450,078	804,117
Adjust for:				
Permanent Differences	(91,124)	(80,523)	83,922	85,175
Timing Differences	908,530	222,019	200,052	56,138
Share of Profit from Associates & Subsidiaries	-	-	(684,542)	147,028
Taxable Surplus				
Profit for Taxation Purposes	1,049,510	1,092,458	1,049,510	1,092,458
Tax Reconciliation				
Tax Payable @ 17.5%	183,664	191,180	183,664	191,180
RWT Paid	-	(657)	-	(657)
Imputation Credits	-	(42)	-	(42)
Provisional Tax Paid/Tax Credit	(80,718)	(280,718)	(80,718)	(280,718)
Taxation Payable/(Refund)	(102,946)	(90,237)	(102,946)	(90,237)
<i>Income Tax in the Statement of Financial Performance is represented by:</i>				
Tax payable on current years profit	183,664	191,180	183,664	191,180
Prior year tax adjustment	-	-	-	-
	183,664	191,180	183,664	191,180

9. Contingent Liabilities

Opepe Farm Trust has assigned guarantees to Tuwharetoa Carbon Trust Limited under Deeds of Assignment from Westpac Bank and Dorchester Finance in relation to advances made to Te Whenua Venture Holdings Limited. The Trustees are contesting the validity of these guarantees, which is supported by the legal opinion received by the Trustees. The timing and the amount of any liability under the guarantee is unknown at balance date.

The entity has gained emission credits ("New Zealand Units" or "NZU's") and will incur liabilities through the Emissions Trading Scheme (ETS). The entity has applied and received credits on its post 1989 plantations. Should the plantation be deforested, a liability would be incurred unto a maximum of the credits received. At balance date the Trust holds 63,480 NZU's (2019: 63,480).



OPEPE FARM TRUST

Notes to the Financial Statements
For the Year Ended 30 June 2020

	2020 GROUP	2019 GROUP	2020 PARENT	2019 PARENT
10. Property, Plant and Equipment				
Land and Buildings				
Land and Buildings At Valuation	53,648,032	50,427,487	50,075,382	47,025,987
Accumulated Depreciation	(5,384,350)	(4,833,045)	(5,323,386)	(4,781,193)
Total Land and Buildings	48,263,682	45,594,441	44,751,996	42,244,794
Plant and Equipment				
Plant and Equipment At Cost	1,263,636	1,165,944	25,679	24,485
Accumulated Depreciation	(521,432)	(390,883)	(5,739)	(3,529)
Total Plant and Equipment	742,204	775,062	19,939	20,955
Motor Vehicles				
Motor Vehicles At Cost	862,615	650,502	-	-
Accumulated Depreciation	(336,802)	(184,284)	-	-
Total Motor Vehicles	525,813	466,219	-	-
Office Equipment				
Office Equipment At Cost	107,006	107,006	105,299	105,299
Accumulated Depreciation	(89,939)	(87,523)	(88,578)	(86,277)
Total Office Equipment	17,067	19,483	16,721	19,021
Total Property, Plant and Equipment	49,548,765	46,855,204	44,788,656	42,284,770

11. Land and Buildings

Land and buildings owned by the Group, have been revalued to the latest Quotable Values as at July 2019.

	2020 GROUP	2019 GROUP	2020 PARENT	2019 PARENT
12. Investments				
Alliance Shares	29,934	26,704	887	887
Livestock Improvement Corporation	3,365	3,365	-	-
Emission Trading Units	2,025,012	1,469,562	2,025,012	1,469,562
Forestry	80,000	80,000	-	-
He Akina Limited	27,964	27,964	27,964	23,785
Taupo Saleyards Limited	875	875	875	875
Balance Agrinutrients Limited	365,715	365,715	365,715	365,715
Ravensdown Corporation Limited	43,257	43,257	43,257	43,257
Farmlands	4,295	4,295	4,295	4,295
Taonga	20,000	20,000	20,000	20,000
Sea Products Limited	94,834	94,834	-	-
Tauhara Properties Limited Partnership	1,157,689	536,911	1,157,689	536,911
Total Investments	3,852,940	2,673,482	3,645,694	2,465,288



OPEPE FARM TRUST

Notes to the Financial Statements
For the Year Ended 30 June 2020

Tauhara Properties Limited Partnership - Equity Accounted Investment

	Group		Parent	
	2020	2019	2020	2019
Opening balance	536,911	544,233	536,911	544,233
Distribution paid during the year	(36,499)	(54,321)	(36,499)	(54,321)
Equity Accounted Share of NPAT	657,276	47,000	657,276	47,000
Closing Balance	1,157,688	536,911	1,157,688	536,911

He Akina Limited Partnership - Equity Accounted Investment

	Group		Parent	
	2020	2019	2020	2019
Opening balance	27,965	-	27,965	-
Distribution paid during the year	-	-	-	-
Reclassification of capital contribution		23,786		23,786
Equity Accounted Share of NPAT	-	4,179	-	4,179
Closing Balance	27,965	27,965	27,965	27,965

	2020 GROUP	2019 GROUP	2020 PARENT	2019 PARENT
13. Loans to Subsidiaries				
Opepe Farm Trust Loan	-	-	3,034,300	3,023,078
Total Loans to Subsidiaries	-	-	3,034,300	3,023,078

The loan to Opepe Farming Limited Partnership is interest free. The loan is not expected to be repaid in the next 12 months.

14. Investments in Subsidiaries

	Percentage Held		Parent	
	2020	2019	2020	2019
Opepe TM15 Partnership (Land Owner)	80%	80%	2,948,743	2,833,757
Opepe Aquaculture Ltd (Investment/Holding Company)	100%	100%	94,834	94,834
Opepe Farming Limited Partnership	100%	100%	2,000,000	2,000,000
			5,043,577	4,928,591

The Opepe TM 15 Partnership owns the land known as Tauhara North. Opepe Farm Trust has an 80% interest in the partnership. The property was revalued to the latest valuation for rating purposes on 1 July 2019, and the forestry crop is held at estimated market value of \$80,000.



OPEPE FARM TRUST

Notes to the Financial Statements
For the Year Ended 30 June 2020

15. Nitrate Position

The Nitrate Discharge Allowances are as follows (Units Per Hectare):	2020	2019
Opepe Dairy Farm	22	22
Opepe No 1 Farm	13	13
Tauhara North Farm	16	16

The Trust has kept within the allocated allowances.

16. Taonga

The Trustees have previously approved the purchase of historical paintings of Opepe beneficiaries by Captain Ryan. These Taonga are on loan to the Taupo Art Gallery.

17. Events Subsequent to Balance Date

There were no events subsequent to balance date.

18. Lease Commitments

	Group		Parent	
	2020	2019	2020	2019
Less than one year	85,547	85,547	-	-
Two to five years	-	85,547	-	-
	85,547	171,094	-	-

19. Commitments for Capital Expenditure

There are no capital commitments at balance date.



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INDEPENDENT AUDITOR'S REPORT

To the Beneficial Owners of Opepe Farm Trust

Qualified Opinion

We have audited the special purpose financial statements of Opepe Farm Trust and its controlled entities (the Trust and Group) on pages 22 to 36, which comprise the separate and consolidated statement of financial position as at 30 June 2020, and the separate and consolidated statement of financial performance, separate and consolidated statement of movements in equity, and separate and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of the Trust and Group as at 30 June 2020, and its separate and consolidated financial performance and its separate and consolidated cash flows for the year then ended in accordance with the accounting policies set out in Note 1 of the financial statements.

Basis for Qualified Opinion

The statement of financial position of Opepe Farm Trust and the Group records a liability balance of \$429,590 for unclaimed dividends. We were unable to obtain sufficient appropriate audit evidence about the individual dividend entitlements making up the unclaimed dividends balance, due to the inability to identify the original dividend declaration that created this entry, as the share register had not been accurately maintained prior to 2010. Consequently, we were unable to determine whether any adjustments to the amount were necessary.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements* section of our report. We are independent of the Trust and Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm has carried out other assignments for the Trust in the area of human resource consultancy. The firm has no other interests in Opepe Farm Trust or any of its controlled entities.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note 1 to the special purpose consolidated financial statements, which describes the basis of accounting. The special purpose consolidated financial statements are prepared to assist Opepe Farm Trust to meet the provisions of the Trust Deed. As a result, the special purpose





consolidated financial statements may not be suitable for another purpose. Our report is intended solely for the Trust and Group and should not be distributed to parties other than the Trust and Group and its beneficial owners. Our opinion is not modified in respect of this matter.

Responsibilities of the Trustees for the Special Purpose Consolidated Financial Statements

The Trustees are responsible on behalf of the entity for the preparation of the special purpose consolidated financial statements in accordance with the accounting policies set out in Note 1 of the financial statements and for such internal control as the Trustees determine is necessary to enable the preparation of special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose consolidated financial statements, the Trustees are responsible for assessing the Trust and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust and Group or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these special purpose consolidated financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust and Group's internal control.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust and Group to cease to continue as a going concern



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust and Group to express an opinion on the special purpose consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

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

Restriction on Use

This report is made solely to the Beneficial Owners of the Trust, as a body. Our audit has been undertaken so that we might state to the Beneficial Owners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and Group, and the Beneficial Owners of the Trust as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe New Zealand Audit Partnership

CHARTERED ACCOUNTANTS

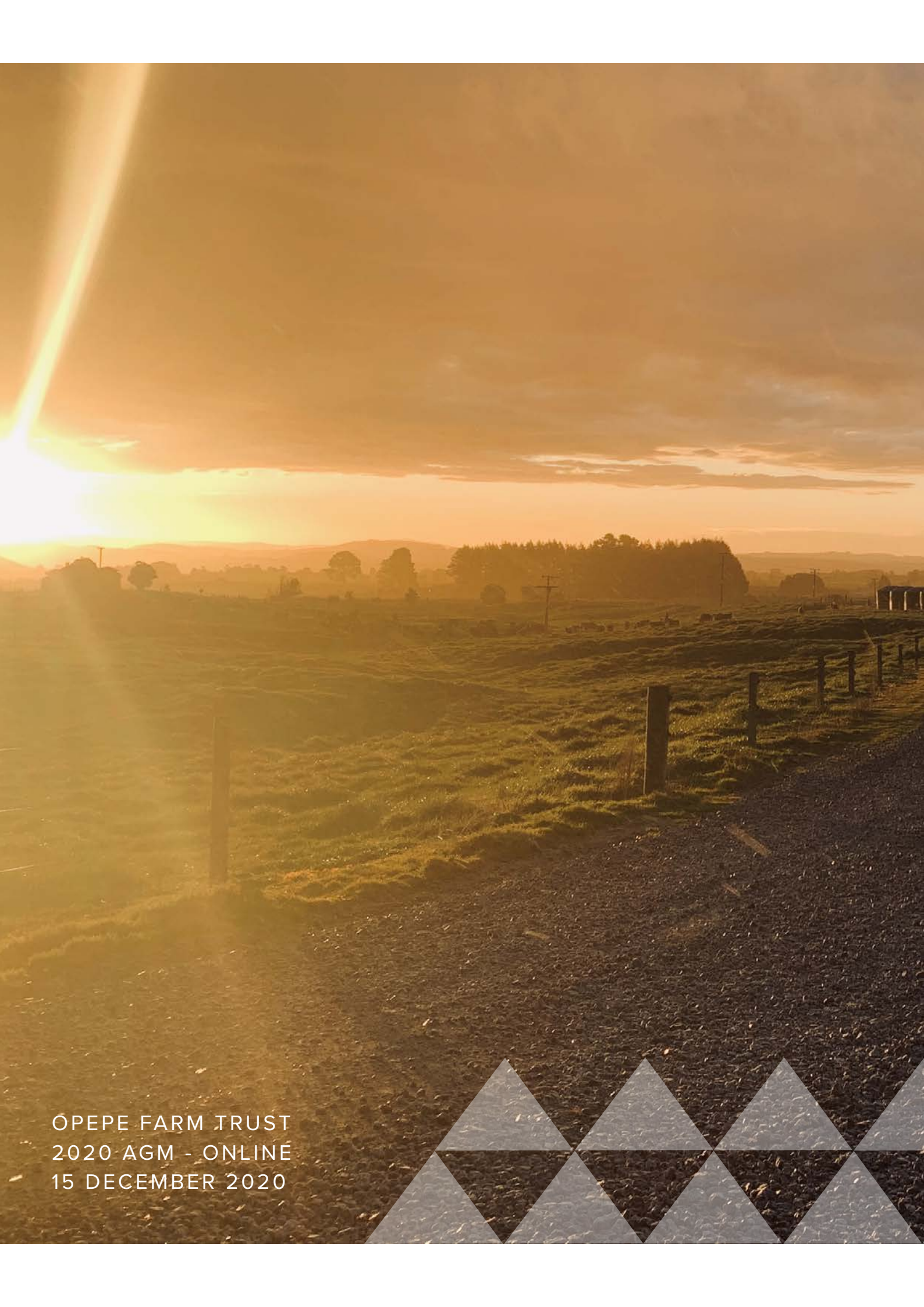
14 December 2020

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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2020 AGM - ONLINE
15 DECEMBER 2020

