

# Huakiwi Developments Limited Partnership

Annual report for the year ended 31 March 2021

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# Partners' declaration

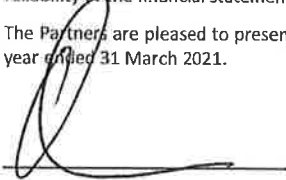
In the opinion of the Partners of Huakiwi Developments Limited Partnership ('the Limited Partnership') the financial statements and notes, on pages 3 to 21:

- comply with New Zealand generally accepted accounting practice and present fairly the financial position of the Limited Partnership as at 31 March 2021 and the result of operations for the year ended on that date;
- have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Partners believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Limited Partnership and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

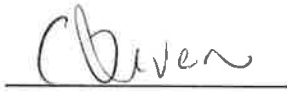
The Partners consider that they have taken adequate steps to safeguard the assets of the Limited Partnership, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

The Partners are pleased to present the annual report including the financial statements of Huakiwi Developments Limited Partnership for the year ended 31 March 2021.



Alexander Scott Hamilton  
Huakiwi Services Limited  
General Partner

Date: 2.8.2021



Charlotte Marewa Severne  
Huakiwi Services Limited  
General Partner

Date:

# Directory

|                                     |   |
|-------------------------------------|---|
| <b>Incorporation number</b>         | 2665431   |
| <b>Incorporation date</b>           | 17 March 2017   |
| <b>Principal activities</b>         | Kiwifruit orchard development and producer of kiwifruit   |
| <b>IRD number</b>                   | 122-606-775   |
| <b>Registered office</b>            | 18 V�aduct Harbour Avenue<br>Auckland 1010<br>New Zealand   |
| <b>General Partner</b>              | Huakiwi Services Limited  |
| <b>Directors of General Partner</b> | Alexander Scott Hamilton<br>Bryan Francis Grafas<br>Christopher Hula Rich<br>Charlotte Marewa Severne |
| <b>Limited Partners</b>             | The Māori Trustee<br>Quayside Holdings Limited  |
| <b>Accountants</b>                  | KPMG<br>10 Customhouse Quay<br>Wellington 6011  |
| <b>Auditor</b>                      | William Buck Audit (NZ) Ltd<br>145 Seventeenth Avenue<br>Tauranga 3112                                |

# Statement of comprehensive income

For the year ended 31 March 2021  
in New Zealand dollars

|  | Note  | 2021<br>\$         | 2020<br>\$         |
|--|-------|--------------------|--------------------|
| Revenue  | 3     | 2,418,042          | 27,013             |
| Cost of sales  |       | (82,564)           | (20,234)           |
| Increase in fair value of biological assets  |       | 824,259            | -                  |
| <b>Gross profit</b>  |       | <b>3,159,737</b>   | <b>6,779</b>       |
| Operating expenses   | 5     | (2,551,400)        | (1,966,561)        |
| Administrative expenses  | 6     | (532,439)          | (433,994)          |
| Depreciation and amortisation  | 11,13 | (1,129,331)        | (1,160,416)        |
| <b>Operating loss before financing costs</b>   |       | <b>(1,053,433)</b> | <b>(3,554,192)</b> |
| Finance Income   |       | 1,067              | 24,106             |
| Finance expenses   |       | (41,154)           | (43,222)           |
| <b>Net financing costs</b>   | 4     | <b>(40,087)</b>    | <b>(19,116)</b>    |
| <b>Net loss for the period</b>   |       | <b>(1,093,520)</b> | <b>(3,573,308)</b> |
| Other comprehensive income   |       | -                  | -                  |
| <b>Total comprehensive loss for the year</b>   |       | <b>(1,093,520)</b> | <b>(3,573,308)</b> |
| <b>Total comprehensive income/(expense) attributable to the partners from operations</b> |       | <b>(1,093,520)</b> | <b>(3,573,308)</b> |



This statement is to be read in conjunction with the notes to the financial statements

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# Statement of financial position

As at 31 March 2021  
in New Zealand dollars

|  | Note | 2021<br>\$        | 2020<br>\$        |
|--|------|-------------------|-------------------|
| <b>Assets</b>  |      |                   |                   |
| <b>Current assets</b>  |      |                   |                   |
| Cash and cash equivalents  | 8    | 1,725,860         | 1,395,946         |
| GST receivable   |      | 116,296           | 234,618           |
| Prepayments  |      | 26,413            | 10,675            |
| Accrued revenue  | 10   | 2,240,939         | -                 |
| Biological assets  | 14   | 824,259           | -                 |
| <b>Total current assets</b>  |      | <b>4,933,767</b>  | <b>1,641,239</b>  |
| <b>Non-current assets</b>  |      |                   |                   |
| Property, plant and equipment  | 11   | 9,741,492         | 10,570,510        |
| Intangible assets  | 13   | 6,057,846         | 5,230,156         |
| Construction in progress   | 9    | 6,881,757         | 6,383,429         |
| <b>Total non-current assets</b>                                      |      | <b>22,681,095</b> | <b>22,184,095</b> |
| <b>Total assets</b>  |      | <b>27,614,862</b> | <b>23,825,334</b> |
| <b>Liabilities</b>   |      |                   |                   |
| <b>Current liabilities</b>   |      |                   |                   |
| Lease liabilities  | 12   | 43,223            | 41,046            |
| Trade and other payables   | 15   | 481,239           | 706,792           |
| <b>Total current liabilities</b>                                     |      | <b>524,462</b>    | <b>747,838</b>    |
| <b>Non-current liabilities</b>                                       |      |                   |                   |
| Lease liabilities  | 12   | 728,853           | 772,077           |
| <b>Total non-current liabilities</b>                                 |      | <b>728,853</b>    | <b>772,077</b>    |
| <b>Total liabilities</b>   |      | <b>1,253,315</b>  | <b>1,519,915</b>  |
| <b>Net assets attributable to the partners</b>                       | 18   | <b>26,361,547</b> | <b>22,305,419</b> |
| <b>Total liabilities and net assets attributable to the partners</b> |      | <b>27,614,862</b> | <b>23,825,334</b> |



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# Statement of changes in net assets attributable to the partners

For the year ended 31 March 2021  
in New Zealand dollars

|   | Note | Partnership<br>units<br>\$ | General<br>Partner<br>\$ | Limited<br>Partners<br>\$ | Total<br>\$ |
|---|------|----------------------------|--------------------------|---------------------------|-------------|
| <b>Net assets attributable to the Partners at 1 April 2020</b>                    |      | -                          | -                        | 22,305,419                | 22,305,419  |
| Total comprehensive income/(expense) attributable to the partners from operations |      | -                          | -                        | (1,093,520)               | (1,093,520) |
| Capital contributions   | 17   | -                          | -                        | 5,150,000                 | 5,150,000   |
| Tax credits allocated to partners   | 7    | -                          | -                        | (352)                     | (352)       |
| <b>Net assets attributable to the Partners at 31 March 2021</b>                   | 18   | -                          | -                        | 26,361,547                | 26,361,547  |
| <b>Net assets attributable to the Partners at 1 April 2019</b>                    |      | -                          | -                        | 20,391,180                | 20,391,180  |
| Total comprehensive income/(expense) attributable to the partners from operations |      | -                          | -                        | (3,573,308)               | (3,573,308) |
| Capital contributions   | 17   | -                          | -                        | 5,500,000                 | 5,500,000   |
| Tax credits allocated to partners   | 7    | -                          | -                        | (12,453)                  | (12,453)    |
| <b>Net assets attributable to the Partners at 31 March 2020</b>                   | 18   | -                          | -                        | 22,305,419                | 22,305,419  |



This statement is to be read in conjunction with the notes to the financial statements

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# Statement of cash flows

For the year ended 31 March 2021  
in New Zealand dollars

|   | 2021<br>\$         | 2020<br>\$         |
|---|--------------------|--------------------|
| <b>Cash flows from operating activities</b>                           |                    |                    |
| Cash received from customers  | 177,103            | 27,013             |
| Cash paid to suppliers and employees                                  | (3,229,664)        | (3,862,655)        |
| <b>Net cash (to) operating activities</b>                             | <b>(3,052,561)</b> | <b>(3,835,642)</b> |
| <b>Cash flows from investing activities</b>                           |                    |                    |
| Interest received   | 1,067              | 25,583             |
| RWT paid  | (352)              | -                  |
| Acquisition of property, plant and equipment/construction in progress | (558,040)          | (3,548,652)        |
| Acquisition of intangible assets                                      | (1,128,000)        | (15,000)           |
| <b>Net cash (to) investing activities</b>                             | <b>(1,685,325)</b> | <b>(3,538,069)</b> |
| <b>Cash flows from financing activities</b>                           |                    |                    |
| Payment for the reduction in lease liabilities                        | (82,200)           | (82,200)           |
| Partner funds Introduced  | 5,150,000          | 5,500,000          |
| <b>Net cash from financing activities</b>                             | <b>5,067,800</b>   | <b>5,417,800</b>   |
| <b>Net Increase/(decrease)</b>  | <b>329,914</b>     | <b>(1,955,911)</b> |
| <b>Opening cash and cash equivalents 1 April</b>                      | <b>1,395,946</b>   | <b>3,351,857</b>   |
| <b>Closing cash and cash equivalents 31 March</b>                     | <b>1,725,860</b>   | <b>1,395,946</b>   |

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# Notes to the financial statements

## 1 Reporting entity

Huakiwi Developments Limited Partnership (the "Limited Partnership") is a Limited Partnership established and domiciled in New Zealand and registered under the Limited Partnership Act 2008.

The Limited Partnership's principal activity is kiwifruit orchard development and producer of kiwifruit.

The financial statements presented are for Huakiwi Developments Limited Partnership as at and for the year ended 31 March 2021.

## 2 Basis of preparation

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with the New Zealand Equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ('NZ IFRS RDR') and other applicable Financial Reporting Standards, as appropriate for Tier 2 for-profit entities.

Huakiwi Developments Limited Partnership is eligible to report under Tier 2 For-Profit Accounting Standards on the basis that it does not have public accountability.

The financial statements were authorised for issue by the partners on the date included on page 1. The partners do not have authority to amend the financial statements after issue. The Limited Partnership is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

All accounting policies set out below have been consistently applied to all periods presented in these financial statements.

The financial statements have been prepared on the basis that the Limited Partnership is a going concern.

### COVID 19

On 11 March 2020, the World Health Organisation declared a global pandemic due to the outbreak of COVID-19. On 25 March 2020, New Zealand entered Government-directed Alert Level 4 lockdown resulting in the shut down in all but essential services until 27 April 2020. The Limited Partnership has considered the impacts of the COVID-19 pandemic on business operations and financial results, as there was uncertainty around the duration and broader impact. Based on actual results to date, and the likely potential impacts, Management does not believe any change is required to its basis of preparation as a going concern or that any impairment is required to be recognised as a result of the virus.

### Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following which are measured at fair value:

- Biological assets

### Determination of fair values

Certain accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

These include biological assets. Fair values have been determined for measurement purposes based on the methods outlined in the notes specific to that asset or liability.

Where applicable, further information about the assumptions made in determining fair value is also disclosed in the notes specific to that asset or liability.

These financial statements are presented in New Zealand dollars (\$) which is the Limited Partnership's functional currency, rounded to the nearest dollar. They have been prepared on a GST exclusive basis except for receivables and payables that are stated inclusive of GST.



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## Notes to the financial statements (continued)

### 2 Basils of preparation

#### Use of estimates and judgements

The preparation of the financial statements in conformity with NZ IFRS RDR requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The principal areas of judgement in preparing these financial statements are set out below. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 16 Impairment of trade receivables
- Note 9 Impairment of construction in progress
- Note 11 Impairment of property, plant and equipment
- Note 12 Determining whether a contract contains a lease, the lease term and incremental borrowing rate
- Note 14 Fair value of biological assets
- Note 13 Impairment of intangibles
- Note 13 Estimated useful life of intangibles

#### Impairment

The carrying amounts of the Limited Partnership's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite-lived intangible assets are tested annually for impairment.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



## Notes to the financial statements (continued)

### 3 Revenue

|               | 2021             | 2020          |
|---------------|------------------|---------------|
|               | \$               | \$            |
| Sale of goods | 2,418,042        | 27,013        |
|               | <u>2,418,042</u> | <u>27,013</u> |

#### *Revenue policy*

##### *Sale of goods*

The Partnership's contracts with customers for the sale of kiwifruit generally include one performance obligation. The Partnership has concluded that revenue from sale of kiwifruit be recognised at the point in time when the kiwifruit is transferred to the customer, generally on delivery of the kiwifruit. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

### 4 Net financing costs

|                               | 2021            | 2020            |
|-------------------------------|-----------------|-----------------|
|                               | \$              | \$              |
| Interest income               | 1,067           | 24,106          |
| Finance income                | <u>1,067</u>    | <u>24,106</u>   |
| Interest on lease liabilities | (41,154)        | (43,222)        |
| Finance expense               | <u>(41,154)</u> | <u>(43,222)</u> |
| Net financing costs           | <u>(40,087)</u> | <u>(19,116)</u> |

#### *Finance income and expenses policy*

Finance income comprises interest income on funds invested using the effective interest method.

Finance costs comprise interest on lease liabilities.



## Notes to the financial statements (continued)

### 5 Operating expenses

|                                 | 2021             | 2020             |
|---------------------------------|------------------|------------------|
|                                 | \$               | \$               |
| Canopy operating expenses       | 236,992          | 472,588          |
| Disease control                 | 82,040           | 53,180           |
| Field nursery                   | 28,334           | 320,858          |
| Fertiliser                      | 284,430          | 324,398          |
| Foliar crop enhancement         | 254,574          | 106,854          |
| Freight, vehicles and travel    | 185,517          | 186,597          |
| General                         | 35,403           | 904              |
| Grafting and graft care         | 67,559           | 74,102           |
| Irrigation & frost protection   | 63,276           | 84,890           |
| Leaders                         | 66,619           | -                |
| Male pruning                    | 43,963           | -                |
| Management fees                 | 85,188           | -                |
| Monitoring                      | 15,140           | 45,906           |
| Mowing/mulching/trim            | 128,760          | 98,263           |
| Ongoing resource consents       | 3,974            | -                |
| Pest control                    | 940              | 47,137           |
| Pollination                     | 91,634           | -                |
| Repairs and maintenance         | 35,039           | 17,471           |
| Replacement plants              | 51,150           | 21,261           |
| Summer pruning                  | 240,023          | -                |
| Tending rootstock               | -                | 1,275            |
| Thinning                        | 115,364          | -                |
| Weed control                    | 72,919           | 99,722           |
| Winter pruning                  | 212,448          | 11,155           |
| Write off of construction costs | 150,114          | -                |
|                                 | <u>2,551,400</u> | <u>1,966,561</u> |

### 6 Administrative expenses

|                              | 2021           | 2020           |
|------------------------------|----------------|----------------|
|                              | \$             | \$             |
| Accident compensation        | -              | 282            |
| Accounting fees              | 40,380         | 51,288         |
| Administration fees          | 340,341        | 206,955        |
| Audit fees                   | 9,742          | 8,882          |
| Bank charges                 | 170            | 170            |
| Consulting fees              | 3,200          | 25,801         |
| Directors fees               | 80,000         | 79,908         |
| Electricity                  | 35,964         | 39,550         |
| General expenses             | 950            | 147            |
| Insurance                    | 4,819          | 4,508          |
| Legal                        | 1,093          | 4,207          |
| Rates                        | 11,401         | 9,669          |
| Rent                         | 1,541          | -              |
| Subscriptions                | 2,304          | 1,272          |
| Travelling and accommodation | 534            | 1,355          |
|                              | <u>532,439</u> | <u>433,994</u> |



## Notes to the financial statements (continued)

### 7 Income tax

#### *Income tax policy*

The Limited Partnership is a look-through entity for tax purposes. The income, expenses, tax credits, rebates, gains and losses flow through to the individual partners and are allocated to each partner in proportion to each partner's share in the Limited Partnership.

#### Look through allocations

|   | 2021<br>\$  | 2020<br>\$  |
|---|-------------|-------------|
| Net loss before adjustments                       | (1,093,520) | (3,573,308) |
| Temporary differences                             | (636,092)   | 2,010       |
| Net loss before allocation                        | (1,729,612) | (3,571,298) |
| Net loss allocated to The Māori Trustee           | (864,806)   | (1,785,649) |
| Net loss allocated to Quayside Holdings Limited   | (864,806)   | (1,785,649) |
| Total loss allocated to Partners                  | (1,729,612) | (3,571,298) |
| Tax credit allocated to The Māori Trustee         | 176         | 6,226       |
| Tax credit allocated to Quayside Holdings Limited | 176         | 6,227       |
| Total tax credits allocated to Partners           | 352         | 12,453      |



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## Notes to the financial statements (continued)

### 8 Cash and cash equivalents

|   | 2021             | 2020             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>Current assets</b>   |                  |                  |
| Cash at bank  | 1,725,860        | 1,395,946        |
| <b>Total cash and cash equivalents in the statement of cash flows</b> | <b>1,725,860</b> | <b>1,395,946</b> |

#### *Cash and cash equivalents policy*

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Credit risk is managed by ensuring cash and cash equivalents are held with banks and financial institutions with a minimum independent rating of 'A'.

### 9 Construction in progress

|                   | 2021             | 2020             |
|-------------------|------------------|------------------|
|                   | \$               | \$               |
| Matakana 11       | 2,798,864        | 2,802,283        |
| Rangitaiki 60D5B  | 2,596,572        | 2,562,716        |
| Te Kaha 40/88     | -                | 150,114          |
| Waewaetutuki 7B2A | 1,486,321        | 868,316          |
|                   | <b>6,881,757</b> | <b>6,383,429</b> |

The construction in progress balance relates to the construction of kiwifruit orchards. As at 31 March 2021 there is \$6,881,757 of construction in progress representing costs to orchards that are not yet ready for use as intended by management. Of the \$6,383,429 recorded at 31 March 2020, no costs have been capitalised at 31 March 2021 as these Orchards are still not yet ready for use as intended by management.

During 2018, it was identified that the bore drilled on Kaha 40 and Te Kaha 88 was not achieving the constant water flow it needs to support a high performing orchard, so development on this block has been paused whilst a decision will be made on the future course of action. Bearer plants purchased for this orchard were reallocated across the orchards that were complete as at 31 March 2019. No further costs were incurred in relation to this Orchard during the 2020 and 2021 years, therefore the expenditure incurred in the development of this orchard is \$150,114. Development of this orchard has now ceased and has been fully impaired at 31 March 2021.

Impairment on construction in progress is assessed in accordance with the accounting policy in note 11.

### 10 Accrued revenue

|                 | 2021             | 2020     |
|-----------------|------------------|----------|
|                 | \$               | \$       |
| Accrued revenue | 2,240,939        | -        |
|                 | <b>2,240,939</b> | <b>-</b> |

#### *Accrued revenue policy*

Income is accrued on kiwifruit picked before year end that has not yet been invoiced and is measured at fair value, which is based on quotable market prices issued by Zespri (OGR per tray).



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## Notes to the financial statements (continued)

### 11 Property, plant and equipment

|   | Land             | Groundworks      | Plant and Equipment | Bearer Plants    | Total              |
|---|------------------|------------------|---------------------|------------------|--------------------|
|   | \$               | \$               | \$                  | \$               | \$                 |
| <b>Cost</b>                               |                  |                  |                     |                  |                    |
| Balance at 1 April 2020                   | 855,526          | 2,539,424        | 6,848,796           | 1,211,642        | 11,455,388         |
| Additions                                 | -                | -                | -                   | -                | -                  |
| <b>Balance at 31 March 2021</b>           | <b>855,526</b>   | <b>2,539,424</b> | <b>6,848,796</b>    | <b>1,211,642</b> | <b>11,455,388</b>  |
| <b>Depreciation and impairment losses</b> |                  |                  |                     |                  |                    |
| Balance at 1 April 2020                   | (57,383)         | (126,721)        | (613,424)           | (87,350)         | (884,878)          |
| Depreciation for the year                 | (57,383)         | (126,971)        | (553,791)           | (90,873)         | (829,018)          |
| <b>Balance at 31 March 2021</b>           | <b>(114,766)</b> | <b>(253,692)</b> | <b>(1,167,215)</b>  | <b>(178,223)</b> | <b>(1,713,896)</b> |
| <b>Carrying amount</b>                    |                  |                  |                     |                  |                    |
| At 31 March 2021                          | 740,760          | 2,285,732        | 5,681,581           | 1,033,419        | 9,741,492          |
| At 31 March 2020                          | 798,143          | 2,412,703        | 6,235,372           | 1,124,292        | 10,570,510         |

Right of use assets relating to leases where the Limited Partnership is a lessee are included within property, plant and equipment. For more information on leases, refer to note 12.

#### **Property, plant and equipment policy**

##### *Recognition and measurement*

All property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss within Other income or Administrative expense.

##### *Depreciation*

For property, plant and equipment, depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in profit or loss on a diminishing value basis over the estimated useful lives of each component of an item of property, plant and equipment with the exception of Groundworks which is recognised on a straight line basis. Depreciation on right of use assets is recognised on a straight line basis over the lesser of the underlying asset's useful life and the lease term.

The depreciation rates for significant items of property, plant and equipment are as follows:

|                     |           |    |
|---------------------|-----------|----|
| Groundworks         | 5%        | SL |
| Plant and Equipment | 5% to 40% | DV |
| Bearer Plants       | 7.5%      | DV |

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

##### *Impairment*

The carrying amounts of property, plant and equipment are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of the assets and are recognised in profit or loss.



## Notes to the financial statements (continued)

### 12 Leases

#### Right-of-use asset as a component of property, plant and equipment

Property, plant and equipment comprise owned and leased assets that do not meet the definition of investment property.

|   | Note | 2021<br>\$       | 2020<br>\$        |
|---|------|------------------|-------------------|
| Property, plant and equipment owned                 |      | 9,000,732        | 9,772,367         |
| Right-of-use assets, except for investment property |      | 740,760          | 798,143           |
|   | 11   | <u>9,741,492</u> | <u>10,570,510</u> |

#### Reconciliation of movements in right-of-use asset

|                                  | Land<br>\$     | Total<br>\$    |
|----------------------------------|----------------|----------------|
| Balance at 1 April 2020          | 798,143        | 798,143        |
| Depreciation charge for the year | (57,383)       | (57,383)       |
| Balance at 31 March 2021         | <u>740,760</u> | <u>740,760</u> |

#### Right of use asset breakdown per orchard

|                                    | Matakana 5<br>Trust | Waihirere<br>4B2 | Te Kaka 6B    | Tunapahore<br>6 | Rangitaiki<br>60D5B | Matakana 9<br>Trust | Matakana<br>11 | Waewaetu-<br>tuki 7B2A | Total          |
|------------------------------------|---------------------|------------------|---------------|-----------------|---------------------|---------------------|----------------|------------------------|----------------|
|                                    | \$                  | \$               | \$            | \$              | \$                  | \$                  | \$             | \$                     | \$             |
| Balance at 1 April 2020            | 143,166             | 126,484          | 46,447        | 96,153          | 125,715             | 42,945              | 121,983        | 95,250                 | 798,143        |
| Impact of transition to NZ IFRS 16 | -                   | -                | -             | -               | -                   | -                   | -              | -                      | -              |
| Additions                          | -                   | -                | -             | -               | -                   | -                   | -              | -                      | -              |
| Depreciation charge for the year   | (11,012)            | (9,729)          | (3,441)       | (7,079)         | (9,088)             | (3,105)             | (8,871)        | (5,058)                | (57,383)       |
| Balance at 31 March 2021           | <u>132,154</u>      | <u>116,755</u>   | <u>43,006</u> | <u>89,074</u>   | <u>116,627</u>      | <u>39,840</u>       | <u>113,112</u> | <u>90,192</u>          | <u>740,760</u> |

#### Lease liabilities

|                         | 2021<br>\$       | 2020<br>\$       |
|-------------------------|------------------|------------------|
| Current                 | (43,223)         | (41,046)         |
| Non-current             | (728,853)        | (772,077)        |
| Total lease liabilities | <u>(772,076)</u> | <u>(813,123)</u> |

#### Lease liability commitments breakdown per orchard

|                     | 2021                |                  |               |                 |                     |                     |                |                        | Total          |
|---------------------|---------------------|------------------|---------------|-----------------|---------------------|---------------------|----------------|------------------------|----------------|
|                     | Matakana<br>5 Trust | Waihirere<br>4B2 | Te Kaka 6B    | Tunapahore<br>6 | Rangitaiki<br>60D5B | Matakana 9<br>Trust | Matakana<br>11 | Waewaetu-<br>tuki 7B2A | \$             |
|                     | \$                  | \$               | \$            | \$              | \$                  | \$                  | \$             | \$                     | \$             |
| Current portion     | 8,537               | 7,545            | 2,630         | 5,397           | 6,911               | 2,321               | 6,623          | 3,259                  | 43,223         |
| Non-current portion | 129,766             | 114,696          | 42,389        | 87,837          | 115,711             | 38,865              | 109,846        | 89,743                 | 728,853        |
| Total               | <u>138,303</u>      | <u>122,241</u>   | <u>45,019</u> | <u>93,234</u>   | <u>122,622</u>      | <u>41,186</u>       | <u>116,469</u> | <u>93,002</u>          | <u>772,076</u> |

The Limited Partnership is exposed to future cash flows arising from variable payments, extension options and termination options, residual value guarantees and leases not yet commenced to which the Limited Partnership is committed to.



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## Notes to the financial statements (continued)

### 12 Leases

|                               | 2021     | 2020     |
|-------------------------------|----------|----------|
|                               | \$       | \$       |
| Interest on lease liabilities | (41,154) | (43,222) |

Cash outflows for leases totalled \$(82,200) during the year (2020: \$(82,200)).

#### *Leases policy*

##### *Recognition and measurement*

The Limited Partnership recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Limited Partnership's incremental borrowing rate. Generally, the Limited Partnership uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Limited Partnership is reasonably certain to exercise, lease payments in an optional renewal period if the Limited Partnership is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Limited Partnership is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Limited Partnership's estimate of the amount expected to be payable under a residual value guarantee, or if the Limited Partnership changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Limited Partnership presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'lease liabilities' in the statement of financial position.

##### *Extension options*

Some leases of land contain extension options exercisable by the Limited Partnership up to one year before the end of the non-cancellable contract period. The Limited Partnership has elected to exclude the extension options as it is not reasonably certain these will be exercised. The extension options held are exercisable only by the Limited Partnership as the lessee and not by the lessors. The Limited Partnership assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Limited Partnership reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

##### *Impairment*

The right-of-use asset is regularly assessed for impairment (see further detail in note 2).

##### *Variable lease payments*

On termination of the lease agreements, the business and assets will be sold back to the land block owner for an expected sale price of \$1. It is expected that a variable lease payment will be recorded on termination, as it is expected the assets will still hold value at the eventual sale date. The resulting loss will therefore be recognised as a loss through profit or loss at the date the loss is realised. The amount is yet to be determined and the Limited Partnership is unable to accurately estimate the value of this variable lease payment at balance date.



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## Notes to the financial statements (continued)

### 13 Intangible assets

|   | Licenses    | Website | Total       |
|---|-------------|---------|-------------|
|   | \$          | \$      | \$          |
| <b>Cost</b>                               |             |         |             |
| Balance at 1 April 2020                   | 6,039,761   | 15,000  | 6,054,761   |
| Additions                                 | 1,128,000   | -       | 1,128,000   |
| Balance at 31 March 2021                  | 7,167,761   | 15,000  | 7,182,761   |
| <b>Amortisation and impairment losses</b> |             |         |             |
| Balance at 1 April 2020                   | (823,605)   | (1,000) | (824,605)   |
| Amortisation for the year                 | (294,310)   | (6,000) | (300,310)   |
| Balance at 31 March 2021                  | (1,117,915) | (7,000) | (1,124,915) |
| <b>Carrying amount</b>                    |             |         |             |
| Balance at 31 March 2021                  | 6,049,846   | 8,000   | 6,057,846   |
| Balance at 31 March 2020                  | 5,216,156   | 14,000  | 5,230,156   |

#### *Intangible assets policy*

##### *Recognition and measurement*

Intangible assets comprise licenses purchased from Zespri Group Limited and a website. The licenses provide Huakiwi Developments Limited Partnership the right to grow the Zespri Gold (G3) variety of Kiwifruit. The licenses and website have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

##### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

##### *Amortisation*

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value using the straight-line method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

|          |                |
|----------|----------------|
| Licenses | 19 to 22 years |
| Website  | 2.5 years      |

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

##### *Impairment*

The carrying amounts of intangible assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of the assets and are recognised in profit or loss.



## Notes to the financial statements (continued)

### 14 Biological assets

|   | 2021           | 2020     |
|---|----------------|----------|
|   | \$             | \$       |
| Recognising fair value of fruit on vine at year end - Matakana 5    | 58,249         | -        |
| Recognising fair value of fruit on vine at year end - Waihirere 4B2 | 766,010        | -        |
| <b>Carrying value at 31 March</b>                                   | <b>824,259</b> | <b>-</b> |

Biological assets consists of matured kiwifruit grown on the kiwifruit orchard of the Limited Partnership.

A valuation by management was conducted to value the 2021 crop. The total estimated harvest amounted to 84,886 trays (8,666 Hayward trays and 76,220 Gold3 trays) (2020: nil). After discounting for the expected costs to sell, the fair value was estimated to be \$824,259 as at 31 March 2021 (2020: \$-).

Gain or (loss) arising from changes in fair value less costs to sell was \$824,259 (2020: \$-).

#### *Biological assets policy*

Biological assets are the crops growing on bearer plants in the Limited Partnership's leased orchards. Biological assets are measured at their fair value, which is based on quotable market prices issued by Zespri (OGR per tray). Any change in fair value of the biological assets is recognised in profit or loss.



## Notes to the financial statements (continued)

### 15 Trade and other payables

|                | 2021           | 2020           |
|----------------|----------------|----------------|
|                | \$             | \$             |
| Trade payables | 361,224        | 594,999        |
| Accruals       | 120,015        | 111,793        |
|                | <u>481,239</u> | <u>706,792</u> |

#### *Trade and other payables policy*

Trade and other payables are initially measured at cost, being their fair value, and are subsequently measured at amortised cost.

### 16 Financial Instruments classification

Financial instruments are recognised in the Statement of Financial Position when the Limited Partnership becomes party to a financial contract. They include cash and cash equivalents, trade and other receivables, trade and other payables and lease liabilities.

Financial assets (except for trade receivables without a significant financing component) and liabilities are initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price in accordance with NZ IFRS 15.

Financial assets and liabilities are classified into the following categories:

#### *Financial assets held at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions, and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amounts outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets held at amortised cost comprise: cash and cash equivalents and trade and other receivables.

#### *Financial liabilities held at amortised cost*

Financial liabilities not designated as at FVTPL on initial recognition are classified as at amortised cost. Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities held at amortised cost comprise: trade and other payables and lease liabilities.

#### *Impairment - financial assets*

The Limited Partnership recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Limited Partnership expects to receive).

The gross carrying amount of a financial asset is written off when the Limited Partnership has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

#### *Trade receivables*

Trade and other receivables are initially recognised at fair value, being their cost, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Limited Partnership will not be able to collect all amounts due according to the original terms of receivables. Impairment is calculated based on an expected credit loss (ECL) model under NZ IFRS 9.

The amount of the provision is recognised in profit or loss. Management have determined no provision is required for the 2021 year (2020: nil).



## Notes to the financial statements (continued)

### 17 Related parties

#### Key management personnel

Remuneration of key management personnel during the year amounted to \$80,000 (2020: \$79,908).

#### Ultimate controlling parties

The General Partner is Huakiwi Services Limited, which is 50% owned by The Māori Trustee, and 50% owned by Quayside Holdings Limited. The Māori Trustee is a Limited Partner and owns 50% of the Limited Partnership. Quayside Holdings Limited is a Limited Partner and owns 50% of the Limited Partnership. The Māori Trustee is also the Responsible Trustee of the Trusts below that the Limited Partnership holds operating lease agreements with, with the exception of Te Kaha 6B Trust where The Māori Trustee is Custodian Trustee.

#### Transactions involving related entities

The entities, the nature of the relationship and the types of transactions which the Limited Partnership entered into during the period are detailed below:

| Related entity                | Nature of relationship | Types of transactions           |
|-------------------------------|------------------------|---------------------------------|
| Huakiwi Services Limited      | General partner        | Receipt of services             |
| The Māori Trustee             | Limited Partner        | Capital introduced and drawings |
| Quayside Holdings Limited     | Limited Partner        | Capital introduced and drawings |
| Tunapahore 6 Ahu Whenua Trust | Landlord               | Lease land to the Partnership   |
| Matakana 5 Trust              | Landlord               | Lease land to the Partnership   |
| Matakana 9 Trust              | Landlord               | Lease land to the Partnership   |
| Te Kaha 6B Trust              | Landlord               | Lease land to the Partnership   |
| Rangitaiki 60D5B Land Trust   | Landlord               | Lease land to the Partnership   |
| Matakana 11 Trust             | Landlord               | Lease land to the Partnership   |
| Waewaetutuki 7B2A Trust       | Landlord               | Lease land to the Partnership   |
| Waihirere 4B2 Trust           | Landlord               | Lease land to the Partnership   |

The following transactions between related parties occurred during the year:

| Related party                 | 2021                       |                                | Balances receivable | Balances payable | Capital introduced |
|-------------------------------|----------------------------|--------------------------------|---------------------|------------------|--------------------|
|                               | Sale of goods and services | Purchase of goods and services |                     |                  |                    |
|                               | \$                         | \$                             | \$                  | \$               | \$                 |
| The Māori Trustee             | -                          | -                              | -                   | 60,000           | 2,575,000          |
| Quayside Holdings Limited     | -                          | -                              | -                   | -                | 2,575,000          |
| Tunapahore 6 Ahu Whenua Trust | -                          | 10,100                         | -                   | 93,234           | -                  |
| Matakana 5 Trust              | -                          | 15,500                         | -                   | 138,302          | -                  |
| Matakana 9 Trust              | -                          | 4,400                          | -                   | 50,553           | -                  |
| Te Kaha 6B Trust              | -                          | 4,900                          | -                   | 45,019           | -                  |
| Rangitaiki 60D5B Land Trust   | -                          | 13,100                         | -                   | 122,622          | -                  |
| Matakana 11 Trust             | -                          | 12,500                         | -                   | 143,592          | -                  |
| Waewaetutuki 7B2A Trust       | -                          | 8,000                          | -                   | 94,336           | -                  |
| Waihirere 4B2 Trust           | -                          | 13,700                         | -                   | 122,242          | -                  |
|                               | -                          | 82,200                         | -                   | 869,900          | 5,150,000          |



## Notes to the financial statements (continued)

### 17 Related parties

| Related party                 | 2020                       |                                | Balances receivable | Balances payable | Capital introduced |
|-------------------------------|----------------------------|--------------------------------|---------------------|------------------|--------------------|
|                               | Sale of goods and services | Purchase of goods and services |                     |                  |                    |
|                               | \$                         | \$                             | \$                  | \$               | \$                 |
| The Māori Trustee             | -                          | 60,000                         | -                   | 60,000           | 2,750,000          |
| Quayside Holdings Limited     | -                          | -                              | -                   | -                | 2,750,000          |
| Tunapahore 6 Ahu Whenua Trust | -                          | 10,100                         | -                   | 98,360           | -                  |
| Matakana 5 Trust              | -                          | 15,500                         | -                   | 146,409          | -                  |
| Matakana 9 Trust              | -                          | 4,400                          | -                   | 48,358           | -                  |
| Te Kaha 6B Trust              | -                          | 4,900                          | -                   | 47,516           | -                  |
| Rangitaiki 60D5B Land Trust   | -                          | 14,787                         | -                   | 129,184          | -                  |
| Matakana 11 Trust             | -                          | 14,932                         | -                   | 137,690          | -                  |
| Waewaeututuki 7B2A Trust      | -                          | 8,878                          | -                   | 104,976          | -                  |
| Waihirere 4B2 Trust           | -                          | 13,700                         | -                   | 129,407          | -                  |
|                               | -                          | 147,197                        | -                   | 901,900          | 5,500,000          |

The balances payable include the lease liability, as reflected in note 12. No related party debts have been written off or forgiven during the year. The other related party balances payable are included in trade and other payables.

During the years ended 31 March 2020 and 2021, The Māori Trustee and Quayside Holdings Limited advanced funds to Huakiwi Developments Limited Partnership.

### 18 Partner current accounts

|  | 2021              | 2020              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>The Māori Trustee</b>               |                   |                   |
| Opening balance                        | 11,152,710        | 10,195,590        |
| Capital introduced                     | 2,575,000         | 2,750,000         |
| Tax credits allocated                  | (176)             | (6,226)           |
| Distribution of loss                   | (546,760)         | (1,786,654)       |
| Closing balance                        | 13,180,774        | 11,152,710        |
| <b>Quayside Holdings Limited</b>       |                   |                   |
| Opening balance                        | 11,152,709        | 10,195,590        |
| Capital introduced                     | 2,575,000         | 2,750,000         |
| Tax credits allocated                  | (176)             | (6,227)           |
| Distribution of loss                   | (546,760)         | (1,786,654)       |
| Closing balance                        | 13,180,773        | 11,152,709        |
| <b>Total partners current accounts</b> | <b>26,361,547</b> | <b>22,305,419</b> |



## Notes to the financial statements (continued)

### 19 Capital commitments

There are no capital commitments at balance date (2020: nil).

### 20 Contingencies

There are no contingent liabilities at balance date (2020: nil).

### 21 Subsequent events

On 1 May the Limited Partnership was successful in its bid for the Red19 Variety Licence as well as the Gold3 Variety Licence for 5 hectares at \$70,150 per hectare and 7.06 hectares at \$633,650 per hectare respectively (2020: nil).



## Independent Auditor's Report

### To the Readers of Huakiwi Developments Limited Partnership's Financial Statements for the year ended 31 March 2021

The Auditor-General is the auditor of Huakiwi Developments Limited Partnership (the limited partnership). The Auditor-General has appointed me, Richard Dey, using the staff and resources of William Buck Audit (NZ) Limited, to carry out the audit of the financial statements of the Huakiwi Developments Limited Partnership on his behalf.

#### Opinion

We have audited the financial statements of the Huakiwi Developments Limited Partnership on pages 3 to 21, that comprise the statement of financial position as at 31 March 2021, the statement of comprehensive income, statement of changes in net assets attributable to partners and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Huakiwi Developments Limited Partnership on pages 3 to 21:

- present fairly, in all material respects:
  - its financial position as at 31 March 2021; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with the New Zealand equivalents to International Financial Reporting Standards – Reduced Disclosure Regime (NZ IFRS RDR).

Our audit was completed on 2 August 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the General Partner and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### ACCOUNTANTS & ADVISORS

The Collective  
145 Seventeenth Avenue  
Tauranga 3112, New Zealand  
Telephone: +64 7 927 1234  
**williambuck.com**

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William Buck Audit (NZ) Limited



## **Basis for opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

## **Responsibilities of the General Partner for the financial statements**

The General Partner is responsible on behalf of the limited partnership for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The General Partner is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Partner is responsible on behalf of the limited partnership for assessing the limited partnership's ability to continue as a going concern. The General Partner is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the limited partnership or to cease operations, or there is no realistic alternative but to do so.

The General Partner's responsibilities arise from the Limited Partnership Act 2008, the Public Finance Act 1989 and the Crown Entities Act 2004.

## **Responsibilities of the auditor for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the 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.
- We 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 limited partnership's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the General Partner and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the limited partnership'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 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 limited partnership to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the General Partner 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.

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The General Partner is responsible for the other information. The other information comprises the information included on pages 1 to 2, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements

or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the limited partnership in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the limited partnership.



Richard Dey  
**William Buck Audit (NZ) Limited**

On behalf of the Auditor-General  
Tauranga, New Zealand