

COLLECTIVE HARVEST CASHFLOW - BRENTWOOD FOREST INVESTMENT

Financial Year ending 31 March

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	TOTAL
EXPENDITURE													
Deductible Expenditure													
Forestry Expenditure													
Land LP contributions (refer to Land LP Cashflow below)	(63,414)	(3,633)	368	4,989	67,772	76,410	122,936	89,182	125,173	190,080	192,200	(2,975,216)	(2,173,152)
Other Expenditure													
Management	14,080	14,080	14,080	14,080	14,080	14,080	14,080	14,080	14,080	14,080	14,080	14,080	168,960
Investor Admin Fee	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	91,200
Trustees Fees	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
Audit Fees	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	(500)	33,050
Investment Update & Valuation	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	25,080
Bank Charges including Borrowing Costs	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Industry Subscriptions & Levies	18,830	18,830	19,150	27,740	27,730	27,730	21,140	21,130	21,140	21,130	11,670	11,670	247,890
Filing Fees & Disbursements	1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220	14,640
Investor Meeting Costs		3,500								3,500			7,000
TOTAL EXPENDITURE	(12,694)	50,587	51,408	64,619	127,392	136,030	175,966	142,202	178,203	246,600	235,760	(2,935,206)	(1,539,132)
RECEIPTS													
Capital Receipts													
Net Current Assets	167,510												167,510
Income Receipts													
Interest	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,500
Harvest (refer to Collective Harvest Cashflow below)	1,084,581	1,057,089	1,114,095	2,317,946	2,325,640	2,355,203	1,540,590	1,536,824	1,539,783	1,540,482	1,547,745	1,546,704	19,505,682
TOTAL RECEIPTS	1,252,591	1,058,089	1,114,095	2,318,946	2,326,640	2,356,203	1,541,590	1,537,824	1,540,783	1,541,482	1,548,745	1,547,704	19,684,692
NET CASHFLOW	1,265,285	1,007,502	1,062,687	2,254,328	2,199,248	2,220,173	1,365,624	1,395,622	1,362,580	1,294,882	1,312,985	4,482,910	21,223,825
CASHFLOW FOR EACH INVESTMENT UNIT	6,659	5,303	5,593	11,865	11,575	11,685	7,187	7,345	7,171	6,815	6,910	23,594	111,704

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The Cashflow has been prepared subject to the Principal Assumptions as set out below

COLLECTIVE HARVEST CASHFLOW - PAREHAKA GROUP

Financial Year ending 31 March
 Total m3 Harvested
 Total Hectares Harvested

EXPENDITURE

Capital Expenditure

Depreciable

Road Formation

Deductible Expenditure

Forestry Expenditure

Insurance

Rates

Other Expenditure

Legal & Other Professional Fees

TOTAL EXPENDITURE

RECEIPTS

Income Receipts

Harvest

Sale of Second Rotation Trees

TOTAL RECEIPTS

NET CASHFLOW

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	TOTAL
	59,000	59,000	62,000	128,000	128,000	130,000	98,384	98,384	98,384	98,384	98,384	98,384	1,156,302
	96.6	92.6	93.8	187.9	183.1	179.4	109.2	111.5	110.5	108.8	107.0	105.9	1,486.25
	858,900	831,800	851,300	1,717,200	1,684,800	1,667,400	999,700	1,012,400	1,002,400	992,500	978,300	971,500	13,568,200
	55,060	54,720	54,160	50,100	48,010	45,820	45,990	44,560	43,120	41,650	41,530	27,950	552,670
	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	24,500	407,300
	948,760	921,320	940,260	1,802,100	1,767,610	1,748,020	1,080,490	1,091,760	1,080,320	1,068,950	1,054,630	1,023,950	14,528,170
	4,980,660	4,851,020	5,078,160	10,419,000	10,413,110	10,503,420	6,807,590	6,804,860	6,804,420	6,795,650	6,808,330	6,773,780	87,040,000
	4,980,660	4,851,020	5,078,160	10,419,000	10,413,110	10,503,420	6,807,590	6,804,860	6,804,420	6,795,650	6,808,330	6,773,780	87,040,000
	4,031,900	3,929,700	4,137,900	8,616,900	8,645,500	8,755,400	5,727,100	5,713,100	5,724,100	5,726,700	5,753,700	5,749,830	72,511,830

COLLECTIVE HARVEST CASHFLOW ALLOCATION

Bloomfield	33.6%	1,354,718	1,320,379	1,390,334	2,895,278	2,904,888	2,941,814	1,924,306	1,919,602	1,923,298	1,924,171	1,933,243	1,931,943	24,363,975
Brentwood	26.9%	1,084,581	1,057,089	1,113,095	2,317,946	2,325,640	2,355,203	1,540,590	1,536,824	1,539,783	1,540,482	1,547,745	1,546,704	19,505,682
Greenhills	28.9%	1,165,219	1,135,683	1,195,853	2,490,284	2,498,550	2,530,311	1,655,132	1,651,086	1,654,265	1,655,016	1,662,819	1,661,701	20,955,919
Woodgate	10.6%	427,381	416,548	438,617	913,391	916,423	928,072	607,073	605,589	606,755	607,030	609,892	609,482	7,686,254
	100.0%	4,031,900	3,929,700	4,137,900	8,616,900	8,645,500	8,755,400	5,727,100	5,713,100	5,724,100	5,726,700	5,753,700	5,749,830	72,511,830

LAND LP CASHFLOW - PAREHAKA GROUP

Financial Year ending 31 March

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	TOTAL
EXPENDITURE													
Deductible Expenditure													
Forestry Expenditure													
Establishment		194,000	191,540	193,740	382,600	379,150	370,040	235,770	235,660	233,350	228,400	148,780	2,793,030
Tending					110	110	141,410	135,680	243,050	457,340	448,760	336,730	1,763,190
Maintenance	27,820	27,980	28,020	26,230	26,490	26,740	28,220	28,280	28,400	28,550	29,370	19,970	326,070
Protection	13,900	13,860	13,760	12,750	12,620	12,500	13,020	12,900	12,810	12,760	13,020	8,180	152,080
Rates													
Other Expenditure													
Mapping & Inventory		2,490	2,450	2,450	4,150	4,980	4,910	3,500	4,370	4,330	4,260	2,370	40,260
TOTAL EXPENDITURE	41,720	238,330	235,770	235,170	425,970	423,480	557,600	416,130	524,290	736,330	723,810	516,030	5,074,630
RECEIPTS													
Capital Receipts													
Sale of Land & Improvements												6,493,000	6,493,000
Income Receipts													
Carbon Lease	269,010	251,350	234,450	217,290	183,060	149,610	116,970	96,480	75,640	55,040	34,920		1,683,820
Sale of Second Rotation Trees												4,686,887	4,686,887
TOTAL RECEIPTS	269,010	251,350	234,450	217,290	183,060	149,610	116,970	96,480	75,640	55,040	34,920	11,179,887	12,863,707
NET CASHFLOW	227,290	13,020	(1,320)	(17,880)	(242,910)	(273,870)	(440,630)	(319,650)	(448,650)	(681,290)	(688,890)	10,663,857	7,789,077

LAND LP CASHFLOW ALLOCATION:

Bloomfield	30.8%	70,005	4,010	(407)	(5,507)	(74,816)	(84,352)	(135,714)	(98,452)	(138,184)	(209,837)	(212,178)	3,284,468	2,399,036
Brentwood	27.9%	63,414	3,633	(368)	(4,989)	(67,772)	(76,410)	(122,936)	(89,182)	(125,173)	(190,080)	(192,200)	2,975,216	2,173,152
Greenhills	25.2%	57,277	3,281	(333)	(4,506)	(61,213)	(69,015)	(111,039)	(80,552)	(113,060)	(171,685)	(173,600)	2,687,292	1,962,847
Woodgate	16.1%	36,594	2,096	(213)	(2,879)	(39,109)	(44,093)	(70,941)	(51,464)	(72,233)	(109,688)	(110,911)	1,716,881	1,254,041
	100.0%	227,290	13,020	(1,320)	(17,880)	(242,910)	(273,870)	(440,630)	(319,650)	(448,650)	(681,290)	(688,890)	10,663,857	7,789,077

Summary of Principal Assumptions in the Collective Harvest Cashflow

The Cashflow Projection has been derived from the Cashflow Projection included in the latest annual Financial Report¹. This prospective financial information will form the basis of future assumptions for financial reporting purposes, if collective harvest is approved by investors.

Actual revenues, costs and timing will vary from the projections because of changes over time to the work program and prices. The changes may be material.

General Notes to the Projection

The Cashflow projection reflects our current estimate of the cost of the work to be done or services provided, year by year through to harvest, based upon log prices. In the Cashflow, 1 Unit refers to 200 shares.

The “Collective Harvest Cashflow Parehaka Group” has stumpage revenue projected for the harvest of the m³ set out each year. Each forest’s share from the Parehaka Group Collective Harvest Cashflow is shown in the “Harvest” line of each forest’s individual cashflow.

The Land LP Cashflow has costs for re-establishing the forest following harvest and other land holding costs. It is assumed investors receive payment for the re-established treecrop, plus sale of the land, in the final year. Each forest’s share from the Land LP Cashflow is shown in the “Land LP Contributions” line of each forest individual cashflow.

Harvest assumptions include —

- The log volumes and grades are based on the latest pre harvest inventory.
- A sales scenario based upon the Port of Gisborne as the point of sale has been used, and therefore assumes demand will exist at harvest time at this destination. Other scenarios will produce different stumpage outcomes.
- Log prices after the first financial year are Forest Enterprises’ 36-month average log prices.
- Harvesting and Transportation costs are based upon the costs currently being paid by Forest Enterprises for current harvesting.
- The cost of the roading network required at harvest is substantial. At this stage, a provision of \$11.73/ m³ has been provided for.
- The weighted average split between hauler and ground based logging has been used for all forests.

Other assumptions (in addition to the harvest assumptions) include —

- It is assumed that the Land will be sold in the final year of harvest, and the value used is the March 2021 Valuations.
- Replanting of the areas harvested has been assumed to occur in the winter following harvest and the replanted treecrop sold at the conclusion of harvest (in addition to the Land).
- The cashflow above includes the annual \$40 Investor Administration Fee, charged once per investor per year in addition to Calls regardless of the size of shareholding.

¹ Future Distributions in the Cashflow Projection should be taken as a guide only. Prospective financial information, by its nature, is inherently uncertain. It involves predictions of future events that cannot be assured as well as risks and uncertainties which are often beyond the control of the Manager. These risks and uncertainties include, but are not limited to, the non-occurrence of anticipated events or alternatively events occurring that were not anticipated. Various risk factors and the management thereof may influence the future success. Accordingly, actual results may vary from the prospective financial information, and those variations may be significantly more or less favourable. The Manager does not guarantee the achievement of the prospective financial information.