



Annual Reports

to 30 June 2021

NGATIMANAWA INCORPORATION





Directory

Committee Of Management

Tawhiri Morehu (Chairman)

Patrick McManus

Pouwhare Rewi

Henry Nuku

Maramena Vercoe

Renata White

Stan Heather

Secretary

Murray Patchell

Office

Karamea Professional Services Ltd

Chartered Accountants

C/- Awhi Roopu Consultants

1227 Ranolf St

Rotorua

Telephone 027 2454390

Email murray.patchell@kpsl.co.nz

Website www.ngatimanawaincorporation.co.nz

Farm Advisor

Peter Livingston

Solicitor

Graeme Dennett

Bankers

Bank of New Zealand



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2021 Annual General Meeting Postponed

At Painoaiho Marae,
on Saturday 24th September 2022
at 10.00am.

Agenda

1. Apologies.
2. Minutes.
3. Annual Reports & Financial Statements.
4. Appointment of Share Valuer.
5. Distribution.
6. Election of three members to the committee of management.
7. General Business.

**Please note that speaking and voting rights are restricted
to registered shareholders of the incorporation.**

This hui is subject to any relevant Covid -19 Alert Level rules that are in place.

Tawhiri Morehu
Chairman



Minutes of the Annual General Meeting of Shareholders

Held at Rangitahi Marae on Saturday 28th November 2020 at 10.00am

Chairman	Tawhiri Morehu
Secretary	Murray Patchell
Mihi & Karakia	Jack Tupe
Attendance	29
Apologies	18

(Yvonne Rewi/Stan Heather) Carried

Minutes: Of the previous annual general meeting held on 23rd November 2019 were read by the Secretary and confirmed. (Lou McManus/Jack Tupe) Carried

Chairman's Report: Chairman tabled and read his report.
RESOLVED: "That the Chairman's report be adopted." (Tawhiri Morehu/Yvonne Rewi) Carried

Farm Report: Peter Livingston presented his farm report.
RESOLVED: "That the farm report be received." (Marilyn Clarke/Yvonne Rewi) Carried

In presenting his report Peter focussed on:

- Drought Recovery Advice – an independent assessment to be done
- Second best Milksolid production on record
- Industry changes are being addressed (e.g animal welfare issues)
- Environmental footprint is being moderated
- Lease of Matera block
- Despite turbulent and uncertain times the Incorporation is in a good position

Financial Report: Murray Patchell tabled the financial statements for the year ended 30 June 2020.
RESOLVED: "That the financial report for the year ended 30 June 2020 be received." (Renata White/Maurice ToeToe) Carried

Monika Higgins queried if deforested small blocks now in blackberry will be replanted. Stan Heather advised that stumps require to be removed first before replanting. Queenie Nuku advised that some of the land she is referring to does not belong to the Incorporation. Monika also queried if the AGM could be held closer to balance day. Murray advised there were some practical difficulties with that given that Fonterra do not announce the final milk solid payment until late September. Copies of the unclaimed dividend report were provided along with bank authority forms.

Share Valuer: RESOLVED: "That BDO Rotorua be appointed share valuer." (Marilyn Clarke/Huia Tohiariki) Carried

Distribution: The Secretary explained the shareholders grant policy.
RESOLVED: "That the sum of \$60,000 be applied for owners grants in terms of the policy outlined." (Huia Tohiariki/Stan Heather) Carried

Tangiharuru Apa Trust Murray Patchell took the meeting through the financial summary investment update and education grant details for the Trust. RESOLVED: "That the Tangiharuru Apa Trust report be received." (Renata White/Yvonne Rewi) Carried



Patti Sutton queried what the Trust was doing to promote the availability of the education grants and could these be emailed. Murray advised that in addition to advertising and website it is promoted through the Runanga and their Marae networks. Only a small proportion of email addresses are held and there some administration issues and costs associated with that. A suggestion to use social media was made.

Huia Tohiariki queried the feedback via survey last year. Pat McManus advised that the level of feedback was disappointing and inconclusive but the Trust was still open to suggestions. He felt the scholarships may need to be reviewed.

General Business: 1. Hapimana Higgins spoke to the hui about a complaint he had lodged with the committee about a young boy using equipment and a near accident, breaching rules. Given there was no response he approached the boys grandfather Roger.

His second issue was with the land from Awarua to Moewhare that was the Papakainga Tangiharuru occupied. He believed this area belonged to everyone. He had created his own income by enrolling in beekeeping course and producing honey. He was taking the initiative and encouraging others to do the same. He said this was a better pathway. Kids don't want to plant trees. They want something new. People need medicine and this can come with Manuka Honey. He said when he gets pushed into a corner he will push back. In his view the Papakainga remains and he doesn't need permission to take the land. He said the committee works for him and they should be asking him what he wants. If he wants an acre he will take it. He believes in reintroducing people back into the papakainga, growing kai and being independent. He said he wasn't here to make things bad but if he wants a bit of land he will take it. It is the Incorporation that needs permission. He will not change. He is descended from Hapimana Paraakiri who was at the signing of the Gilbert Mair agreement. He was not here to debate but wanted to have his say. He invited the Chair to come and talk with him. He handed to the Secretary papers entitled the Hawaiian Kingdom Constitution of 2019. He concluded with Waiata apologising if he was upsetting people and that barriers shouldn't be put up, we can get along.

RESOLVED: "That Hapimana Higgins submission be received."

(Lou McManus/Jack Tupe) Carried

Jack Tupe (in Maori) cautioned Hapimana to respect the chair. Pat McManus commented that when the Incorporation was formed our parents agree to include our lands with only lands that had been partitioned out remaining separate. Some people were living on lands that went into the Incorporation. He was concerned with his statement that he will do what he wants. He said the committee were appointed to manage the lands. He can't do what he likes with Incorporation land. He needs to come and korero with the committee. Beneficiaries can't be on Incorporation land without authorisation. The committee must protect the interests of the beneficiaries. He invited Hapimana to bring his proposal to the committee to discuss.

2. "That a koha of \$3,000 be made to Rangitahi Marae for hosting the AGM."

(Lou McManus/Marilyn Clarke) Carried

Meeting closed at 11.50am with Karakia from Jack Tupe.

Signed as a correct record

Tawhiri Morehu
Chairman



Chairman's Report 2021

Tēnā koutou katoa

We have certainly been through some challenging times. When we held our 2020 AGM in November 2020 it appeared that we had been through the worst of the Covid -19 pandemic but little did we know that we would be entering a new wave of the virus that would impact for months to come. We decided to postpone our 2021 AGM in view of the restrictions in place and risks of the pandemic causing confusion and strain on our communities. We now seem to be in a more stable place but still need to be careful as no-one knows when a variant may crop up and cause more problems. We are pleased to be able to hold our 2021 AGM today in person to report on the 2021 results and hold the election of committee members. As we are only a few months off holding our 2022 AGM it is likely that we will move that hui until after Christmas.

The good news is that our farm continues to operate well and with strong returns for milk the prospects for our improving financial position continue. We congratulate Stan and Aroha and their team for the great job they are doing on the farm and keeping everything on track. Although our income has risen there is still volatility in the market with the impact of many global tensions affecting us. On farm costs continue to rise with high inflation and product shortages. We have many ongoing challenges in managing environmental and regulatory issues, capital requirements and difficulties in securing farm labour.

We have adapted to working in a different environment and at times have had our hui via zoom but mostly it has been business as usual and we have been able to continue our regular quarterly farm inspections and committee hui with full participation by our dedicated team.

We have also set up our own website and invite you to look at this - www.ngatimanawaincorporation.co.nz. We will be adding more content to the website over the next few weeks and this will be an important way of shareholders staying in touch with what is happening with the Incorporation.

A change that occurred during the year is that we have moved our administration (accounting, secretarial and share registry) away from Deloitte. This is now handled independently by our longstanding Secretary Accountant Murray Patchell through his company Karamea Professional Services Ltd, supported by the team at Awhi Roopu Consultants at 1227 Ranolf St Rotorua. We are very happy with this change and to retain Murray to look after our business.

Recently we have started reviewing our long term strategic objectives for the Incorporation and will be working on this over the coming months with a view to sharing our thoughts at the next AGM. Shareholders are welcome to pass on any thoughts they may have to committee members.

Although we did not hold the AGM in November last we did proceed with the annual Shareholders grant distribution in December 2021. \$60,000 was allocated for shareholders grants. We plan to do the same this year.

Under the Committee 3 year rotation process Pouwhare Rewi, Renata White and Stan Heather come up for re-election this year. Pat McManus and Henry Nuku will come up at the next AGM.

For several years we have been working with the Bay of Plenty Regional Council to restore the Hinengāwari wetland area. Excellent progress has been made and plans are underway to secure funding and develop a work programme for the next 5 years.

I would like to thank our hard working team of committee members, Stan and Aroha and all our farm workers, our farm adviser Peter Livingston and Secretary/Accountant Murray Patchell for all their wise guidance in looking after the Incorporation, keeping us on track and helping us grow.

My thanks to all shareholders joining us today and to Painoiaho Marae for hosting us.

Take care and be safe with your whanau.

Naku noa,

Tawhiri Morehu

Chairman

Farm Report

Independent
Agriculture
& Horticulture
Consultant
Network



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1. Background

The period from 2020 to 2022 is likely to go down in history as one of the more “interesting ones”! Events both inside and outside the farm gate were not necessarily “normal” by any means and one just had “to go along for the ride” as best possible. And then there was the matter of the “covid madness” over top of it all!

The period since 2018 has been relatively “dry”. NIWA data suggests that three successive years of low rainfall have seen the groundwater table level decline markedly, although having had around 1000mm of rain over the 3 months of winter 2022, one would have thought that trend should start to reverse. Here’s hoping!!

Recent weather patterns have generally seen dry summer/autumn conditions provide plenty of challenge to pastoral farming. This impacts heavily on pasture growth in the second half of the lactation season and therefore milk production.

As mentioned at the last AGM held, the focus for the Incorporations’ farm operation has been to modify the farming system to position the Incorporation to achieve stronger long-term resilience. There is a need to withstand any challenges around tougher economic times in the future as they arrive, and much wider variation forecast in the seasonal weather patterns. This strategy is in the main set out in three parts:

- Move to milking all year round, by calving a portion of the herd in autumn (up to 25%).
- Improving the productive capacity / capability of the Kopuriki Road lands.
- Diversify the feed sources whilst still being largely “self-contained”.



Dairy farming remains in a favourable spot right now with the milksolids payout from Fonterra exceeding \$9.00 / kg MS in 2021/22 and a recent return to paying a dividend on supply shares held.

There is no escaping the attention of “Environmental Care and Responsibility” for landowners and the changes likely to occur over the next couple of decades. Not only is farming being directed to adopt practices and policies that will result in an improvement in water quality/soil resilience and condition, but also to start thinking about its direct contribution to reducing Greenhouse Gas emissions. This is set to come through government legislation and farm practice modification. We will hopefully know more by early 2023.

History will show that the Incorporation already has a relatively low to modest Environmental footprint, given its low stocking rate (less intensive land user) and “self-contained” mode of farming i.e., does not buy in PKE or other feeds from outside to support lactation. However, in one form or another, every land user will be impacted by compliance changes ahead.

There is plenty for the Incorporation to work on over the next five to seven years with building a more resilient production system and reducing debt further. It has been nice having low interest rates and good returns for our products in recent years, but one only needs to keep in mind that farming and weather patterns are cyclical so one must always take the opportunity to invest wisely and manage risk in a prudent fashion.

2. Looking Back over the Last Three Seasons

The game plan for the three-year period was sound overall and milksolids production almost reached the Incorporations’ second-best output on record last season.

Spring and early summer periods were favourable but that’s where the “easy times” generally ended. By mid to late January each year, it was clear there was a significant dry spell looming. The groundwater table was dropping. After a dry 2019 calendar year, where rainfall was less than 75% of “normal”, the period from February to early June 2020 was declared a “one in 50 year” drought by MPI. The first Covid-19 lockdown and subsequent restrictions made things quite a bit more difficult but the team inside the farm gate just rolled up their sleeves and carried on. The dedication of those on the “front line” over this period is strongly appreciated.

The 2020 / 21 and 2021 / 22 seasons had many similarities although not at “drought status” and a good lift in Spring/early summer herd performance helped before the summer dry impacted. We carry high reserves of silage as part of managing this annual risk.

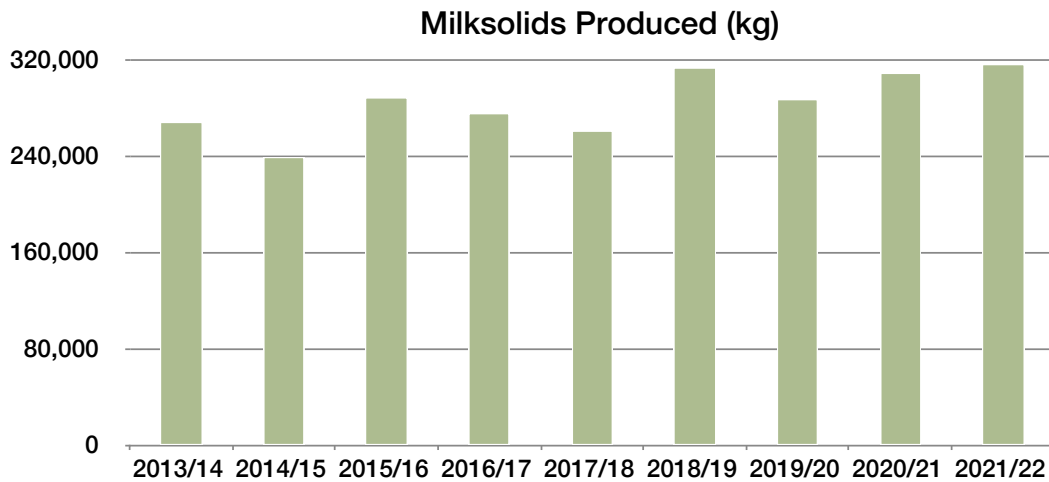
As indicated previously we still have plenty of work to do in improving the cow herd. This is particularly around improving herd reproductive performance and quality of animals/milk.

The higher than desired cow wastage rate is in part being dealt with by having moved a portion of the herd to autumn calving. Fewer cows “not in-calf” during the year reduces the herd wastage rate, which is a big cost to the dairy industry.

The beef production system has also been extended to run up to 300 beef cross steers and heifers each year. This is seen as a natural fit for the use of extra calves the herd produces.

The policy is supported by a lift in the area the Incorporation has in “summer safe” crops such as lucerne and plantain. These can provide high quality feed at a crucial time of the year when the rain fall is less reliable to keep ryegrass/clover pastures growing at a good pace.

The Incorporation has an Occupation Licence on the Matera Trust Property, East of the Whirinaki Dairy unit on Highway 38 heading out towards Te Whaiti. It is not known how long this block will be available to lease but it does present “a good fit” for the Incorporation given the intention/desire to rear and finish more of the calves born to the herd. These would otherwise go to the market at 4-7 days of age (Bobby Calves) and therefore become a wasted resource.



The aim is now to push to above 330,000 kg MS annually on a sustainable basis.

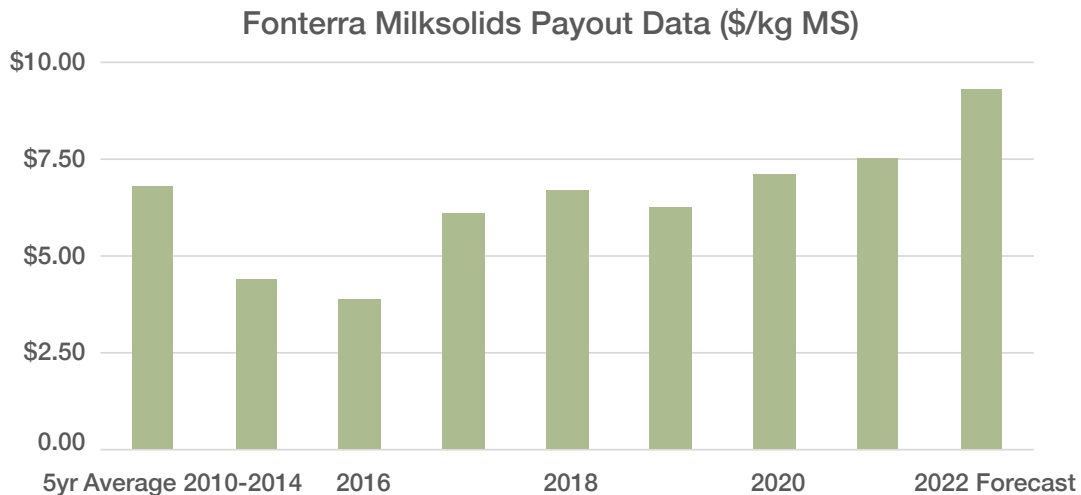
The five-year milk production average has now lifted to 297,232 kg milksolids from around 950 cows (313 kg MS / cow which is respectable and starting to close in on the district average of 325 kg MS / cow).

Over the last 2 years the farm milked around 1020 cows, which was slightly higher than the previous period, and achieved 306 kg MS / cow plus reared extra beef calves on milk produced.

There is plenty of room to improve our milk quality, pastures, and herd genetic merit. These are essential to get right as the long-term push for many dairy farmers could be to milk fewer cows, produce more per cow and reduce the environmental footprint.

3. Dairy and Beef Industry Update

The following graph shows the current market trends and we have come the full circle!!



No dividend paid on Fonterra Ltd shares held was received for the two years prior to 2019/20 but an improvement in the Fonterra Ltd Balance sheet recently has made it possible since with five to twenty cent dividends per share paid.



The average dividend on shares over time has been around 20 – 25 cents. Not receiving a dividend for a period had been a “sore point” for suppliers who strongly questioned how the company has been operated. Management and the direction of Fonterra has changed, and things look brighter.

In addition, the beef market is very strong, and this is helping keep prices for yearling beef animals reared, plus cull dairy cows, high. Whilst Covid-19 has caused some market and meat company processing “disruption” we see the beef schedule still holding well, at above \$6.00 / kg of carcass, and there is a genuine shortage of beef to fulfil market requirements globally which could continue to underpin the returns to NZ farmers.

4. Farm Environment Plan

The overview of the Farm Environment Plan, developed in 2019, was highlighted at the AGM that year. This is a “living document” and requires updating regularly. It is worthwhile including an update of the plan here.

Some of the key components are:

To continue farming in a profitable manner with a low to moderate “Environmental Footprint”

Some of the features of the plan are:

Soils	Medium Nitrogen leaching vulnerability. Low run-off potential and dairy shed effluent risk.
Nitrogen and Phosphorus losses	Significantly less than the district average. This is partly because the Incorporation runs a “low number of cows / ha” (less intensive) and is relatively “self-contained”.
Winter Cow Grazing	Much of this is done at the Kopuriki Road Farm. This in turn spreads the overall nitrogen loading over a huge area of land.
Self-contained System	Do not buy in much “extra” feed and the Incorporation is a low artificial nitrogen user. Reduces the soil nutrient loading.
Dairy Effluent Management	Have a large storage pond (lined) that reduces the need to irrigate when soils are wet. Great management flexibility. Have an area of over 72 ha to spread effluent onto so a low application rate / area is able to be sustained.
Greenhouse Gases (GHG)	We have calculated the farms’ emission rate at around 7.5 – 7.8 tonne GHG / ha / annum compared with the average NZ dairy farm of around 10.0-10.5 tonne GHG / ha / annum. Farming will need to contribute to emission reduction shortly. It is possible a 4 – 5% reduction may be needed by 2030 and then a goal of carbon neutrality achieved by 2050.

It is clear to Management that the strategy of improving per cow output to 330 – 340 kg MS cow (+10%) and running more efficient farm to keep a low environmental footprint is still the right way to proceed. Land use change into other production streams is also part of the C.O.M’s strategic plan.

The modelling work completed for “Agriculture” so far shows there are limited options currently available for pastoral farmers to use to reduce these losses, but land use change and new technologies are being researched and developed.

5. Land Use Change Strategy Planning

There are a number of opportunities on the table under evaluation. These would not only serve to diversify the land use plan and profit streams but could also:

- Enhance employment opportunities.

- Set the Incorporation up well to manage Climate Change impact.
- Reduce the environmental footprint.
- Participate in production streams that allow the Incorporation to be part of the “value added” income stream rather than be a “price taken”.
- Better manage long business risk.
- Provide a stronger platform to work alongside the wider community.

In the end the Incorporation is aiming to be more resilient in all aspects of its operation what is under evaluation!

- Miraka Hipi – Part of the Central North Island Dairy Sheep Collective.
- Alternate Crops for feed for Human and Animal consumption.
- Horticulture – as the climate changes some new options are likely to become feasible in the Murupara Climate.
- Strategic Afforestation to gain GHG / carbon credits which are rising in value.
- Non-Farm use options – any number of options to look at.
- Adopting land use practices and operations that meet compliance and improve the whenua that the next generation of owners will look after.

6. Financial

The annual profit outcomes have gone from strength to strength over the last decade. This has allowed the Incorporation to pay down debt, re-invest in the whenua and its business, and look to invest outside the farm gate. Whilst the payout for milk has risen sharply, so too have the costs of inputs and “on-farm” inflation is running at close to 14% at present. This is expected to continue into 2023.

The C.O.M set a goal five years ago to achieve profits of no less than \$500,000 / annum to enable it to carry out the desired long term strategic plan, grow the scope of the business mix and protect the whenua; its soils, biology, and water.

7. Summary

Ngatimanawa B4 Incorporation is in a good space! This has been steadily building after some tough times in the 1990's and early 2000's, and at times over the last decade. Like other farmers, the Incorporation can hold its hand up in a positive fashion, ready for the next phase of change upon us. This is a time for a significant “re-set” of how farming and land use is conducted. The Incorporation is well positioned to do so; financially robust; land capable of adopting other uses and an open mind to options.

We see opportunities not insurmountable challenges.

Special mention of the efforts of Stan, Aroha, and the team inside the farm gate. Also, thanks to Jonny Pouwhare who “retired” after many years of faithful, reliable service.

Thanks also to the C.O.M and Murray for their on-going guidance and support.

Finally, a thanks to all the people of Ngatimanawa Inc from myself, as 2022 marks 30 years of my involvement with you all, past and present.

I appreciate the special opportunity of such a relationship.

Peter Livingston

Director / Agribusiness Consultant / 027 449 1078

Disclaimer:

The content of this report is based upon current available information and is only intended for the use of the party named. All due care was exercised by AgFirst in the preparation of this report. Any action in reliance on the accuracy of the information contained in this report is the sole commercial decision of the user of the information and is taken at their own risk. Accordingly, AgFirst disclaims any liability whatsoever in respect of any losses or damages arising out of the use of this information or in respect of any actions taken in reliance upon the validity of the information contained within this report.



Summary of Financial Results

The Incorporations financial statements were prepared by Deloitte and are included in this report. As per s276A of Te Ture Whenua Maori Act 1993 as Secretary I certify that the financial statements give a reasonable representation of the financial position and financial performance of the Incorporation.

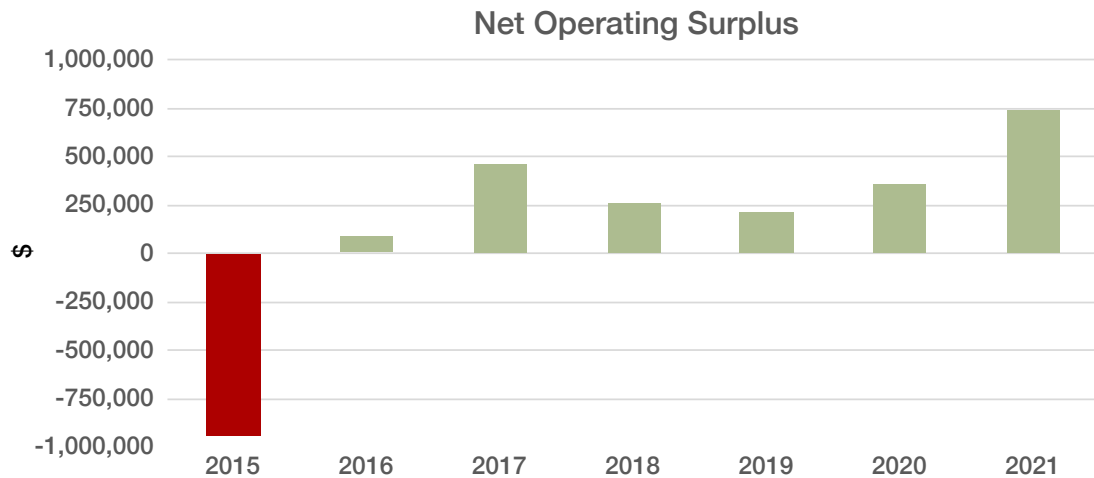
The financial year end balance date is 30 June 2021. Here is a summary of the key financial points.

Net Operating Surplus:	2020	2021
Income		
Farm Gross Income	2,011,848	2,610,487
Movement in Stock values	385,625	247,751
Dividends Received	2,741	31,665
Forest lease	14,163	16,818
Lease Income	14,100	16,950
Rebates and sundry	25,565	27,924
Total Income	2,454,042	2,951,595
Less Expenditure		
Dairy Unit Expenses	1,307,150	1,475,890
Mortgage Interest	172,323	137,699
Depreciation	162,683	161,807
Administration costs	133,824	133,707
Rates	79,620	73,393
Repairs and Maintenance	151,002	135,717
Vehicle Expenses	55,493	58,204
Insurance	31,482	35,180
Lease Rental	4,763	3,032
Overdraft Interest	220	0
Total Expenditure	2,098,560	2,214,629
Operating Surplus	\$355,482	\$736,966
Revaluation Increases(Decreases)	\$4,018,301	239,955
Total Comprehensive Income	\$4,373,783	\$976,921

Revaluation increases of \$4,018,301 in 2020 included an increase in land value of \$3,842,325, increase in NZ Carbon units of \$177,450 and a small decrease in shares of \$1,474. In 2021 the increase in Carbon Credits was \$233,220 and net change in shares of \$6,735.

No tax is payable in 2021. The Incorporation had accumulated tax losses of \$219,263 to carry forward into 2022 and will start paying tax at 17.5% from 2022 year.

Net Operating Surplus/Deficit



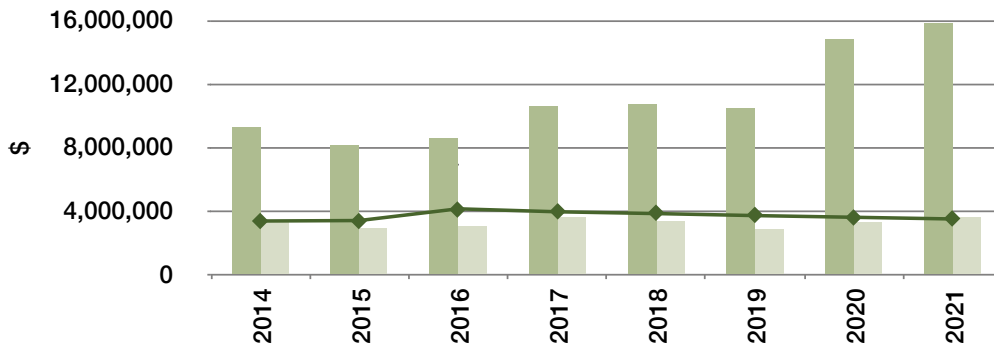
Net Operating Surplus at balance date of 30 June is determined for accounting and tax purposes on an accrual basis including the final milk payout which is not paid until October. The table above excludes asset revaluation increases but includes the non cash depreciation allowance of \$161,807. Depreciation on buildings will be tax deductible again next year. 2022 Net surplus will be similar to 2021 and these outcomes are expected to continue into 2023.

Cashflow during the year is an important measurement of overall performance and for the year ended 30 June 2021 end of year cash increased by \$415,008 from \$100,727 at the start of the year to be \$515,735 at the end of the year. This means that the Incorporation has not had to use its overdraft facility. The trend of positive cashflow has continued through 2022 putting the Incorporation in a strong financial position.

Assets and Liabilities:	2020	2021
Assets		
Cash at Bank	100,727	515,735
Current Assets (Receivables, Prepayments)	465,690	566,407
Silage	110,150	93,100
Livestock	2,146,275	2,394,500
Shares (Fonterra etc)	1,156,932	1,177,667
Land & Buildings	14,006,910	13,899,340
Vehicles & Equipment	281,493	316,077
NZ Units (Carbon)	646,932	880,152
Total Assets	\$18,915,109	\$19,842,978
Less Liabilities		
Current Liabilities (Accounts payable)	117,109	208,647
Bank Mortgage	3,714,670	3,607,170
Unclaimed Dividends	240,829	240,829
Total Liabilities	4,072,608	\$4,056,646
Net Assets (Equity)	\$14,842,501	\$15,786,332



Net Equity/Mortgage/Stock and Shares



Land is valued at the rating valuation as at 1 September 2021.

The bank loans were on fixed rates at 3.39% p.a. but have recently reverted to floating rate at 6.5% p.a.

Fonterra Shares are currently valued at around \$3.10 as we await finalisation of their capital restructure that will result in a reduction of shareholding requirements when completed next year.

NZ Units (carbon) were valued at \$43 per unit in 2021 and are currently worth \$81 per unit and predicted to go higher.

Overall Net equity increased by \$943,831 in the year ended 30th June 2021. This year as a result of strong cashflow \$1m has been paid off the mortgage.

Shareholders:

The Incorporation share registry contains 254,503 shares held by 1498 shareholders. Share parcels range from less than 1 share to the largest holding of 8207 shares. Contact details are held for 480 shareholders holding 105,886 shares (41.6% of the shares).

Shareholders are encouraged to do successions to increase the level of engagement with the Incorporation.

The net equity for 1 share is \$62.02.

Murray Patchell, CA
Secretary



Tangiharuru Apa Trust

Annual Report to 31 March 2021

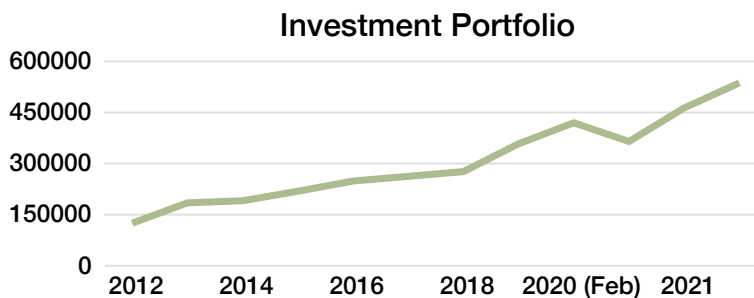
Income	2021	2020
Dividends and Interest	47,889	49,854
	\$47,889	\$49,854
Less Administration Expenses		
Advertising	1,902	1,518
General Expenses	377	135
Investment Management Fees	2,965	3,044
Printing & Stationery	87	185
Secretarial and Accounting	11,605	9,081
Trustees Fees and Expenses	1,998	1,705
	18,934	15,668
Surplus For Year	\$28,955	\$34,186
Less Grants Paid		
Education Grants	8,100	11,175
	\$8,100	\$11,175
Funds For Reinvestment	20,855	23,011
Investment Gains	85,387	5,922
Net Gain	\$106,242	\$28,933
Cash And Investments	68,660	53,741
Investment Portfolio	463,424	372,102
Shares In Ngahuinga Motumako Trust	3,229,099	2,750,708
Total Assets	\$3,761,184	\$3,176,551



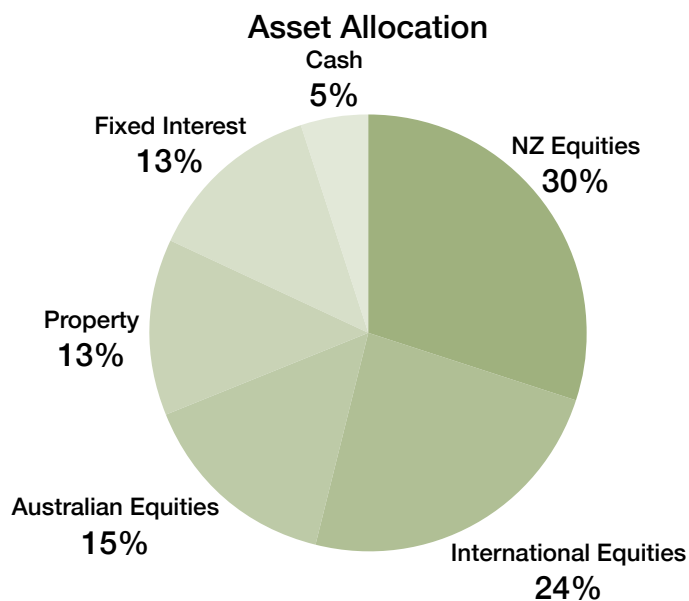
The value of the investment portfolio at 31 March 2021 was \$463,424. As at 12th September 2022 the portfolio was valued at \$536,536.

The Trust holds 87,603 shares in Ngahuinga Motumako Lands Trust and the value of these shares increased by \$478,391.

The investment portfolio is managed by Craigs Investment Partners. For the 12 months to 31 March 2021 the portfolio had a return of 26.06 % p.a. and for the year ended 31 March 2022 a return of 7.20% From inception in 2012 the annualised return has been 11.47% p.a.



The fund is invested in a spread of fixed interest, equities and property in NZ, Australia and international. The current asset allocation is:



Tangiharuru Apa Trust

Education Grants approved July 2021

Forestry Scholarship:

First Name	Surname	Tertiary institution	Course	Grant
Tracey	Keefe	Toi Ohomai Institute of Technology	New Zealand Diploma in Forest Management (level 6)	\$1500

Tertiary:

First Name	Surname	Tertiary institution	Course	Grant
Ngairé	Anderson	University of Waikato	Bachelor of Health, Sport and Human Performance/Bachelor of Laws (Conjoint) (Level 7)	\$150
Jewell	Carlson	Auckland University of Technology	Bachelors Of Sport and Recreation	\$150
Kelly	Hauraki	Toi Ohomai Institute of Technology	New Zealand Diploma in Legal Executive Studies (Level 6)	\$75
Makarena	Hotene	University of Waikato	Master of Education (Level 9)	\$150
Tayla	Hudson	Toi Ohomai Institute of Technology	New Zealand Diploma in Health Science (Level 5)	\$150
Nazaryth	Koopu	University of Waikato	Bachelor of Business (Level 7)	\$150
Ron	Lee	Toi Ohomai Institute of Technology	New Zealand Diploma in Sport, Recreation and Exercise (Multi-sector) (Level 5)	\$150
Amelia	Mahutoto	University of Auckland	Certificate of Health Science	\$150
Heeni	Morehu	University of Canterbury	Master of Maori and Indigenous Leadership (Level 9)	\$150
Tessa	Norton-Campbell	University of Waikato	Postgraduate Diploma in Teaching (Secondary Field-based) (Level 8)	\$150
Javan	Rivers	Auckland University of Technology	Bachelor of Health Science (Nursing) (Level 7)	\$150
Hemopereki	Simon	University of Otago	Master of Business (Level 9)	\$75
Matarena	Treanor	The Culinary Collective	The International Chief	\$150
Hunter	Wharerau	Toi Ohomai Institute of Technology	New Zealand Diploma in Forest Management (Level 6)	\$150
Atera	Apirana	University of Waikato	Bachelor of Management Studies - Doubler Major Marketing, Maori & Indigenous Studies	\$250
Kirsten	Brown	Victoria University of Wellington	Bachelor of Commerce (Level 7)	\$250
Marcia	Hennings	University of Waikato	Master of Business Administration (Level 9)	\$250

Proprietors of Ngatimanawa Incorporation



First Name	Surname	Tertiary institution	Course	Grant
Turuhira	Hotene	University of Auckland	PGDip Māori Development	\$125
Tracey	Keefe	Toi Ohomai Institute of Technology	Diploma (Level 6)	\$250
Maia	Lingman	University of Auckland	Master of Health Science in Nutrition and Dietetics (level 9)	\$250
Nikylah	Ngaheu	University of Auckland	Bachelor in science (majoring in biomedical science)	\$250
Michaela	Te Awa Bird	Yoobee Colleges Limited	Diploma in On Screen Acting	\$250
Jessica	Wiperi	Massey University	Graduate Diploma in Arts (Level 7)	\$250
Kauri	Walker	The Mind Lab	Master of Teaching and Education Leadership (Level 9)	\$250
Taimona	Anderson	Victoria University of Wellington	Bachelor of Tourism Management (Level 7)	\$350
Janine	Copeland	Te Whare Wananga o Awanuiarangi	Te Tohu Toi Tangata: Bachelor of Humanities (Level 7)	\$350
Saphire	Kalman	Toi Ohomai Institute of Technology	Bachelor of Social Work (Level 7)	\$350
Eraia	Martin	University of Waikato	Bachelor of Business (Level 7)	\$350
Crystal	Nahu	Toi Ohomai Institute of Technology	Bachelor of Nursing (Level 7)	\$350
Heni	Nuku	Toi Ohomai Institute of Technology	Bachelor of Applied Management (Level 7)	\$350
Ngaire	Rapana	Toi Ohomai Institute of Technology	Bachelor of Applied Information Technology (Level 7)	\$350
Anna-Louise	Rossi	Toi Ohomai Institute of Technology	Bachelor of Sport and Recreation (Level 7)	\$350
Mariana	Vercoe	University of Waikato	Bachelor of Health, Sport and Human Performance/Bachelor of Laws (Conjoint) (Level 7)	\$350
Paiaaka	Graham	University of Canterbury	Bachelor of Engineering with Honours (Level 8)	\$450
Te Awanui	Waaka	University of Otago	Bachelor of Pharmacy (Level 7)	\$450
Nicholas	Waaka	University of Auckland	Bachelor of Medicine & Bachelor of Surgery (Level 7)	\$550
Te Rina	West	University of Auckland	Bachelor of Arts and Bachelor of Business (Conjoint) (Level 7)	\$550
Valerie	Houkamau	University of Otago	Bachelor of Arts/Bachelor of Laws (Conjoint) (Level 7)	\$650
Ahera	Carlson	University of Waikato	Master of Business and Management (Level 9)	\$650
TOTAL				\$10775



Secondary School:

First Name	Surname	Tertiary institution	Course	Grant
Te Ihorangi	Arahanga-Ruri	Te Kura A Iwi O Whakatupuranga Rua Mano, Otaki	13	\$150
Elijah	Morgan	Western Heights School	13	\$150
Aorere	Waaka	Rotorua Boys High School	13	\$150

2022 Education Grants Policy

Persons who qualify for an education grant will be descendants of Tangiharuru and Apa.

1. Applicants must supply a clear whakapapa either endorsed by a recognised Ngati Manawa Kaumatua or Ngatimanawa Incorporation Committee member.
2. Students must be currently attending a NZQA (or overseas equivalent) tertiary institution on a fulltime or part-time basis or an institution or training scheme approved by the Trustees. The Trust will also provide grants for year 12 & 13 Secondary Students.
3. Part-time students will receive 50% of the full-time rate. Part-time students will include students doing 3 or less papers and short courses.
4. All students who qualify for a grant will receive an amount (which varies each year depending on total sum available and the number of approved students) per year of attendance determined by the Trustees. For 2021 the amount per year of continuous study is:

1st Year	\$150
2nd Year	\$250
3rd Year	\$350
4th Year	\$450
5th Year	\$550
6th Year	\$650

5. The amount for secondary students is \$150.
6. The Trust will also make available 3 scholarships of \$1500 each known as:
Maurice Bird Scholarship
Pererika Twist Scholarship
Agriculture/Forestry Scholarship
7. Application must be made on line (for tertiary grants) and in writing (for the scholarships and secondary grants) and be lodged with the Secretary by the advertised closing date.
8. Applicants must provide a receipt for course fees paid. The Trustees may at their discretion accept a student loan drawn certificate or a letter of acceptance to enrolment at the education institution as evidence of fees paid.
9. Incomplete or late applications will be rejected.
10. Any policy interpretation is entirely at the discretion of the Trustees.



Draft 2021 Shareholders Grant Policy

A Shareholders grant in lieu of a dividend was adopted for the proposed AGM on 20th November 2021.

This grant is payable to the shareholders registered at 20th November 2021 who have supplied their bank account numbers and addresses. The grant is also available to shareholders, subject to the terms of the grants policy, up to the next AGM. The current policy in respect of the 2021 Shareholders Grant is as follows:

- For identification purposes the grant will be called the “2021 Shareholders Grant”.
- The sum of \$60,000 has been set aside for 2021 Shareholders Grants.
- Payments to be made only to bank accounts and shareholders addresses must be held.
- Payments will be calculated according to shareholding bands as per the attached schedule.
- All shareholders with addresses are to be advised of the Shareholders Grant and those who have not provided bank accounts details will be asked to do so.
- Sufficient funds will be retained to cover any Shareholders who are located after the payment date.
- The Committee of Management reserve the right to make only one payment to a shareholder whose name may appear more than once on the share register where it is evident that those multiple names refer to one person.
- Any shareholders who are located after the payment date will be entitled to the payment they would have received had their address and bank account details been known at the distribution date.
- Any owners who succeed to shares after the payment date will be entitled to payment of the current shareholder’s grant based on their shareholding where it has not been paid to the deceased shareholder.
- Entitlement to the payment will expire on the date of the next AGM.
- The Committee of Management reserve the right to amend this policy or draft new policy to cover any circumstance not covered or anticipated by this policy, in respect of payments to all beneficiaries or to any one or more beneficiaries and the Committee decisions in these matters will be final.
- Shareholder Grant payments will be made from tax-free retained earnings that will be free of tax in the hands of the shareholders.

Approved _____

Chairman _____

Ngatimanawa Incorporation

Grant structure for tax free distribution of \$60,000 in lieu of dividend to shareholders with addresses and bank accounts.

Range	SHAREHOLDERS		CATEGORY 1		CATEGORY 2		CATEGORY 3		GRANT PAYMENT				DIVIDEND PAYMENT	
	Number	Total	Shareholders		Shareholders		Shareholders		Grant to be paid	Total grants payable to		Exposure to	Total dividends that would have been paid	Maximum Dividend Payable
			with address and bank a/c	without bank A/c	with address and without bank A/c	with no address and no bank account	Category 1	Category 2		Category 1 & 2				
0 to 49.9999	288	828	230	58	540	75	17250	4350	21600	\$11.77	755.45			
50 to 99.9999	31	130	28	3	99	75	2100	225	2325	\$23.55	469.54			
100 to 199.9999	71	183	62	9	112	75	4650	675	5325	\$47.10	2106.02			
200 to 299.9999	15	76	13	2	61	75	975	150	1125	\$70.65	760.03			
300 to 399.9999	19	64	12	7	45	95	1140	665	1805	\$94.19	1003.53			
400 to 499.9999	13	43	13	2	28	118	1534	236	1770	\$117.74	1326.87			
500 to 599.9999	11	29	8	3	18	142	1136	426	1562	\$141.29	1032.47			
600 to 699.9999	0	8	0	0	8	165	0	0	0	\$164.84	0.00			
700 to 799.9999	4	11	3	1	7	189	567	189	756	\$188.39	507.05			
800 to 899.9999	9	14	7	2	5	212	1484	424	1908	\$211.94	1373.44			
900 to 999.9999	11	15	11	0	4	236	2596	0	2596	\$235.49	2436.68			
1000 to 1099.9999	3	4	3	0	1	260	780	0	780	\$259.04	729.19			
1100 to 1199.9999	1	5	1	0	4	283	283	0	283	\$282.58	270.78			
1200 to 1299.9999	1	3	1	0	2	306	306	0	306	\$306.13	305.95			
1300 to 1399.9999	2	6	1	1	4	330	330	330	660	\$329.68	329.44			
1400 to 1499.9999	2	3	2	0	1	353	706	0	706	\$353.23	671.41			
1500 to 1599.9999	1	1	1	0	0	377	377	0	377	\$376.78	359.51			
1600 to 1699.9999	6	8	5	1	2	401	2005	401	2406	\$400.33	1943.18			
1700 to 1799.9999	0	0	0	0	1	424	0	0	0	\$423.88	0.00			
1800 to 1899.9999	0	0	0	0	0	448	0	0	0	\$447.43	0.00			
1900 to 1999.9999	0	2	0	0	2	471	0	0	0	\$470.97	0.00			
2000 to 2499.9999	2	3	2	0	1	589	1178	0	1178	\$588.72	1074.74			
2500 to 2999.9999	1	2	1	0	1	707	707	0	707	\$706.46	632.68			
3000 to 3999.9999	2	4	2	0	2	942	1884	0	1884	\$941.95	1723.27			
4000 to 4999.9999	2	2	2	0	0	1178	2356	0	2356	\$1,177.44	2255.63			
5000 to 8207.0000	1	1	1	0	0	1933	1933	0	1933	\$1,932.88	1932.82			
	1446	498	409	89	948	1933	\$ 46,277	\$ 8,071	\$ 54,348		\$23,999.67			

Amount paid out as a dividend

Amount paid out in grants, between

Increase of between 92% - 126%

\$23,999.67
\$46,277 and **\$54,348**

Financial Statements

Ngatimanawa Incorporation
For the year ended 30 June 2021



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Compilation Report

Ngatimanawa Incorporation For the year ended 30 June 2021

Compilation Report to the Committee of Management of Ngatimanawa Incorporation.

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Ngatimanawa Incorporation for the year ended 30 June 2021.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

The Committee of Management are solely responsible for the information contained in the financial statements and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on these financial statements.

Deloitte Limited
(as a Trustee for the Deloitte Trading Trust)

Dated:

Secretary's Statement

Ngatimanawa Incorporation
For the year ended 30 June 2021

I, Murray Lloyd Patchell, Secretary of the Ngatimanawa Incorporation, hereby state in accordance with s 276A (2) (b) of Te Ture Whenua Act 1993 that I am satisfied that these Financial Statements give a reasonable representation of the financial position and financial performance of the Incorporation for the year ended 30 June 2021.

I further state that as per s 276A of the Act as the Incorporation is not large (revenue does not exceed \$10m annually) the Incorporation's financial statements have not been audited and this statement does not constitute an audit certificate.

Signed.....

Murray Lloyd Patchell, CA
SECRETARY

Date21.12.21.....

Approval of Financial Report

Ngatimanawa Incorporation
For the year ended 30 June 2021

The Committee of Management are pleased to present the approved financial report including the historical financial statements of Ngatimanawa Incorporation for the year ended 30 June 2021.

APPROVED

For and on behalf of the Committee of Management.



Committee Member

Date 22 12 2021



Committee Member

Date 22 / 12 / 21

Statement of Comprehensive Income

Ngatimanawa Incorporation For the year ended 30 June 2021

	NOTES	2021	2020
Trading Income			
Livestock Sales	9	280,844	55,124
Milksolids	9	2,329,644	2,048,224
Total Trading Income		2,610,487	2,103,348
Livestock			
Livestock Purchased	18	-	91,500
Total Livestock		-	91,500
Gross Profit		2,610,487	2,011,848
Other Income			
Other Income	9	93,358	56,570
Total Other Income		93,358	56,570
Expenses			
Farm Expenses	10	1,669,811	1,513,646
Administration Expenses	10	132,973	129,253
Standing & Finance Charges	10	250,040	292,980
Depreciation and Amortisation Expenses	10	161,807	162,683
Other (Gains)/Losses	11	(247,751)	(385,625)
Total Expenses		1,966,880	1,712,936
Net Profit Before Taxation		736,966	355,482
Net Profit for the Year		736,966	355,482
	NOTES	2021	2020
Other Comprehensive Income, Net of Income Tax			
Movement in Asset Revaluation Reserve	6	233,220	177,450
Movement in Land Revaluation Reserve	6	-	3,842,325
Movement in Available for Sale Revaluation Reserve	6	6,735	(1,474)
Total Other Comprehensive Income, Net of Income Tax		239,955	4,018,301
	NOTES	2021	2020
Comprehensive Income for the Year			
Net Profit (Loss) for the Year		736,966	355,482
Other Comprehensive Income		239,955	4,018,301
Total Comprehensive Income for the Year		976,921	4,373,783

These Financial Statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report and Notes to the Financial Statements.

Statement of Movements in Equity

Ngatimanawa Incorporation
For the year ended 30 June 2021

	CAPITAL	REVALUATION RESERVE	RETAINED EARNINGS (TAXABLE)	RETAINED EARNINGS (NON-TAXABLE)	CAPITAL RESERVE	TOTAL
Statement of Movements in Equity						
2020/2021						
Opening Balance	132,032	13,093,174	438,147	394,124	788,625	14,846,101
Current Year Earnings	-	-	736,966	-	-	736,966
Livestock Improvements Corporation Limited	-	1,917	-	-	-	1,917
Fonterra Co-operative Group Limited	-	4,818	-	-	-	4,818
New Zealand Units	-	233,220	-	-	-	233,220
Distributions	-	-	-	(36,689)	-	(36,689)
Closing Balance	132,032	13,333,129	1,175,113	357,435	788,625	15,786,333
2019/2020						
Opening Balance	132,032	9,074,874	82,665	429,596	788,625	10,507,790
Current Year Earnings	-	-	355,482	-	-	355,482
Livestock Improvements Corporation Limited	-	(1,474)	-	-	-	(1,474)
New Zealand Units	-	177,450	-	-	-	177,450
Revaluation on Land	-	3,842,325	-	-	-	3,842,325
Distributions	-	-	-	(35,472)	-	(35,472)
Closing Balance	132,032	13,093,174	438,147	394,124	788,625	14,846,101

These Financial Statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report and Notes to the Financial Statements.

Statement of Financial Position

Ngatimanawa Incorporation

As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Cash and Cash Equivalents	14	515,735	100,727
Trade and Other Receivables		539,386	438,366
Biological Assets	18	2,394,500	2,146,275
Income Tax Receivable	12	6	45
Prepayments		27,015	27,280
Consumable Supplies		93,100	110,150
Total Current Assets		3,569,743	2,822,842
Non-Current Assets			
Available for Sale Financial Assets	17	1,177,667	1,156,932
Property, Plant and Equipment	15	14,215,417	14,292,004
New Zealand Units	16	880,152	646,932
Total Non-Current Assets		16,273,236	16,095,867
Total Assets		19,842,978	18,918,709
Liabilities			
Current Liabilities			
Trade and Other Payables		125,903	57,428
GST Payable		19,402	8,059
Employee Entitlements		44,757	40,999
Forest Lease Received in Advance		18,585	10,623
Loan - Current portion	19	107,500	142,980
Total Current Liabilities		316,147	260,089
Non-Current Liabilities			
Loans - Non-Current Portion	19	3,499,670	3,571,690
Unclaimed Dividends		240,829	240,829
Total Non-Current Liabilities		3,740,499	3,812,519
Total Liabilities		4,056,646	4,072,608
Net Assets		15,786,333	14,846,101
Equity			
Capital	4	132,032	132,032
Revaluation Reserve	6	13,333,130	13,093,175
Retained Earnings	7	1,175,112	438,146
Retained Earnings Tax Free	8	357,434	394,124
Capital Reserve	5	788,625	788,625
Total Equity		15,786,333	14,846,101

These Financial Statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report and Notes to the Financial Statements.

Notes to the Financial Statements

Ngatimanawa Incorporation For the year ended 30 June 2021

1. Reporting Entity

These financial statements presented are those of Ngatimanawa Incorporation.

The Incorporation was originally vested in New Zealand under section 438 of the Maori Affairs Act 1955, and continues under section 251 of Te Ture Whenua Maori Act 1993.

2. Basis of Preparation

Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Financial Reporting Framework for For-Profit Entities (SPFR for FPEs) published by New Zealand Institute of Chartered Accountants (NZICA).

The financial statements have been prepared for the purpose of meeting the company's income tax requirements and internal use.

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars (NZD), which is Ngatimanawa Incorporation's functional currency.

Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are disclosed where applicable in the relevant notes to the financial statements.

3. Summary of significant accounting policies

The significant accounting policies adopted by the Incorporation are set out below and except for the changes noted below have been consistently applied to all periods presented in these financial statements.

Financial Instruments

Financial Instruments - Financial Assets

At initial recognition the trust determines the classification of financial assets as either held at fair value, cost or amortised cost. Financial assets are measured initially at fair value, estimated at the transaction price less any associated transaction costs.

Amortised Cost

Includes assets where the trust intends to earn contractual cash flows in the nature of principal and interest payments. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the assets are derecognised or impaired, as well as through the amortisation process.

Cost

Equity instruments are classified as held at cost. Assets are stated at cost less any accumulated impairments loss. Gains and losses are recognised in the profit or loss when the assets are derecognised or impaired.

Fair Value

Financial assets not held at amortised cost or cost are held at fair value and include financial derivatives such as forward contracts and interest swaps. Assets are subsequently measured at fair value only when the fair value of the instrument can be reliably measured based on a quoted price for an identical asset in an active market. Where no active market price is available the price for an instrument shall be measured at a prior year's fair value less any accumulated impairment loss.

Gains and losses are recognised in profit or loss for movements in the fair value of the assets and when the assets are derecognised.

Financial Instruments - Financial Liabilities

Financial liabilities, including borrowings and bank overdrafts, are initially measured at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in profit or loss on an effective yield basis.

Trade and Other Receivables

Trade receivables classified as other non-derivative financial instruments are stated at amortised cost using the effective interest method, less any impairment losses for amounts that have a significant risk of non-collection. When a receivable is identified as being non-collectible it is expensed immediately in profit and loss.

Trade and Other Payables

Trade payables are classified as other non-derivative financial instruments and are stated at amortised cost.

Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Freehold land situated at Kopuriki Road is carried at the rateable valuation.

The cost of any self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

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.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Incorporation and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation

Depreciation is charged at rates that reflect the estimated consumption of economic benefits and useful lives of the assets. Depreciation is charged to the Statement of Comprehensive Income. Land is not depreciated. The depreciation method is diminishing value.

Property, Plant & Equipment 0% - 60%
House Furnishings 10% - 39.6%
Land & Improvements 0% - 18%
Motor Vehicles 12% - 36%
Buildings 0% - 39.6%

Depreciation methods, useful lives and residual values are reassessed on a continual basis.

Revaluations

Land and Improvements are valued at the Rating Valuations dated 1/9/2019. These valuations are carried out every 3 years.

Maori Land Freehold Status

The Incorporation's land is classified as Maori Freehold land as per the Te Ture Whenua Maori Act 1993 and as such there is a restriction on the sale or disposal of this corpus land.

Leased Assets

Leases in terms of which the Incorporation assumes substantially all of the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Incorporation's balance sheet.

Livestock on Hand

Livestock is carried at fair value less point of sale costs, where fair value is based on the market price of livestock of similar age, breed and genetic merit. Herd Scheme values have been adopted for taxation purposes (2020: Herd).

Impairment of Non-Financial Assets

At each balance date, non-financial assets are classified into four categories: assets measured at fair value; assets currently available that the Trust intends to use to the end of its useful life; assets intended to be sold prior to the end of their useful life; and assets damaged or idle at balance date.

Assets measured at fair value or assets that the Trust intends to use to the end of its useful life, are not reviewed for impairment at balance date.

Assets intended to be sold prior to the end of their useful life or assets damaged or idle at balance date are reviewed to

determine if any indicators of impairment exist. If indicators exist the asset is tested for impairment to ensure that the carrying amount of the asset is recoverable.

If the recoverable amount of an asset is determined to exceed its carrying amount the resulting difference is recognised as an impairment loss in profit or loss for that period.

Impairment of property, plant and equipment and intangibles

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit is the greater of its value in use and its fair value less cost to sell. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

Revenue Recognition

Goods Sold

Revenue from the sale of goods is measured at the fair value of the consideration received. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer and when the right to receive payment is established.

Dairy Income

Dairy income is recognised in the statement of comprehensive income when the revenue associated with the transactions can be measured reliably, or an invoice is raised for the rendering of goods. Goods are recognised when the significant risks and rewards of ownership have been transferred, the Incorporation retains neither involvement nor control over the goods sold, it is probable that economic benefits will flow to the Incorporation and the costs incurred in respect of the transaction can be measured reliably.

Rental Income

Rental Income from investment properties is recognised in the statements of financial performance on a straight line basis over the term of the lease. Contingent rentals are recognised as income in the reporting period in which they are earned.

Finance Income and Expenses

Finance income comprises interest income on funds invested dividend income and gains on the disposal of available for sale financial assets. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Incorporation and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance expenses comprise impairment losses, losses arising from transactions denominated in currencies other than the Incorporation's functional currency, and interest recognised on financial assets (except for trade payables).

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Incorporation and the amount of income can be measured reliably).

Other Income

Other income is recognised in the statement of comprehensive income when the revenue associated with the transactions can be measured reliably for the rendering of goods and services.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

No Deferred tax has been recognised at balance date.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Incorporation is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Incorporation will retain a non-controlling interest in its former subsidiary after the sale.

When the Incorporation is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Incorporation discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Incorporation discontinues the use of the equity method at the time of disposal when the disposal results in the Incorporation losing significant influence over the associate or joint venture.

After the disposal takes place, the Incorporation accounts for any retained interest in the associate or joint venture in accordance with NZ IAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Incorporation uses the equity method (see the accounting policy regarding investments in associates or joint ventures above). Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Goods and Services Tax

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST) except:

- where the amount of GST incurred is not recovered from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- for receivables and payables which are recognised inclusive of GST. (The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables).

New Zealand Units (NZU's)

New Zealand Units are valued at an indicative market value. NZU's allocated are initially recognised as Government Grants and treated as an intangible asset at fair value on receipt.

Subsequent to receipt, NZU's are measured at fair value in accordance with NZ IAS 38. Impairment losses are recognised through the statement of comprehensive income should their carrying amount exceed the recoverable amount.

Employee Benefits

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Incorporation in respect of services provided by employees up to the reporting date.

Provisions

Provisions are recognised when the Incorporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Incorporation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in Accounting Policies

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

	2021	2020
4. Equity		
Opening Capital	132,032	132,032
Capital Reserve (Note 5)	788,625	788,625
Revaluation Reserve (Note 6)	13,333,130	13,093,175
Retained Earnings (Taxable) (Note 7)	1,175,112	438,146
Retained Earnings (Tax Free) (Note 8)	357,434	394,124
Total Equity	15,786,333	14,846,101

	2021	2020
5. Capital Reserve		
Opening Balance	788,625	788,625
Total Capital Reserve	788,625	788,625

	2021	2020
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6. Revaluation Reserve**Movements**

Opening Balance	13,093,175	9,074,874
Increase/(Decrease) in NZ Units	233,220	177,450
Increase/(Decrease) in Revaluation on Land	-	3,842,325
Increase/(Decrease) in Available for Sale Shares	6,735	(1,474)
Total Movements	13,333,130	13,093,175

	2021	2020
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7. Retained Earnings (Taxable)

Opening Balance	438,146	82,664
Current Year Earnings	736,966	355,482
Total Retained Earnings (Taxable)	1,175,112	438,146

	2021	2020
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8. Retained Earnings (Tax-Free)

Opening Balance	394,124	429,596
Shareholders Grants	(36,690)	(35,472)
Total Retained Earnings (Tax-Free)	357,434	394,124

9. Revenue

The following is an analysis of the Incorporation's revenue for the year from continuing operations:

	2021	2020
Revenue		
Livestock Sales		
Calves	16,442	15,429
M A Cows	60,125	39,695
1yr Bulls	69,531	-
2yr Beef Steers and Bulls	134,745	-
Total Livestock Sales	280,844	55,124
Milksolids		
Milk Income	2,329,644	2,048,224
Total Milksolids	2,329,644	2,048,224
Other Income		
Fonterra Income	28,394	-
Dividend Received	3,271	2,741
Forest Lease	16,818	14,163
Interest Received	-	256
Land Lease Income	9,000	9,000
Rebates Received	12,707	14,488
Rental Income	7,950	5,100
Sundry Income	15,217	10,821
Total Other Income	93,358	56,570
Total Revenue	2,703,846	2,159,917
	2021	2020

10. Expenses

Farm Expenses

Farm Expenses

ACC Levies	8,744	8,107
Animal Health	88,025	65,091
Breeding	35,555	35,031
Calf Rearing	5,033	12,597
Cartage - Livestock & General	22,779	28,413
Crop & Re-grassing	220,006	157,858
Dairy Shed	41,733	63,713
Electricity	43,994	41,946
Fertiliser - Urea & Cartage	315,836	217,696
Dairy NZ Levy	20,512	-
Grazing	32,083	-
Hay & Silage	231,533	273,285

	2021	2020
Health and Safety	1,870	3,782
Hedge Trimming	-	410
Lease Bulls	10,780	14,250
Maize & Feed	19,819	5,741
Protective Clothing	1,604	2,516
Resource Consent Expenses	800	417
Telephone & Tolls	3,484	3,456
Wages	358,154	365,771
Weed & Pest Control	13,547	7,071
Total Farm Expenses	1,475,890	1,307,150
Repairs & Maintenance		
Repairs & Maintenance	1,315	4,994
R & M - Plant & Equipment	38,515	7,419
Effluent System	5,496	16,245
Farm Buildings	32,275	280
Farm Houses	12,505	13,091
Farm Stores	3,992	617
Fences	22,681	36,614
Races & Drains	12,652	23,716
Water Supply	6,286	48,026
Total Repairs & Maintenance	135,717	151,002
Vehicle Expenses		
Fuel & Oil	19,935	23,576
Tractor Repairs	18,875	10,289
Vehicle Repairs/Hire	19,394	21,627
Total Vehicle Expenses	58,204	55,493
Total Farm Expenses	1,669,811	1,513,646
Administration Expenses		
Advertising, Stationery, Printing	4,115	4,890
Annual General Meeting	6,000	3,000
Bank Charges	150	160
Chairman's Honorarium (Note 20)	5,000	5,000
Committee Fees & Expenses (Note 20)	18,825	19,531
Forestry Expenses	3,840	2,910
General Expenses	2,155	862
Secretarial and Accounting	55,384	58,257
Share Register	8,577	9,346
Supervision	28,227	23,661
Valuation Fees	700	1,636
Total Administration Expenses	132,973	129,253

	2021	2020
Standing & Finance Charges		
Insurance - Committee	5,025	-
Insurance	30,155	31,482
Interest - Bank	-	220
Interest - Other	1	-
Lease Land	3,032	4,763
Legal Costs	735	4,571
Loan Interest	137,698	172,323
Rates	73,393	79,620
Total Standing & Finance Charges	250,040	292,980
Depreciation Expense		
Depreciation	161,807	162,683
Total Depreciation Expense	161,807	162,683
Total Expenses	2,214,630	2,098,561
	2021	2020

11. Other Gains and Losses

Movements in Biological Assets	(248,225)	(385,625)
Loss on Disposal of Fixed Assets	474	-
Total Other Gains and Losses	(247,751)	(385,625)
	2021	2020

12. Income Tax Recognised in the Statement of Financial Position

Opening Balance	45	147
RWT Paid	6	45
Taxation Refund received	(45)	(147)
Total Income Tax Recognised in the Statement of Financial Position	6	45
	2021	2020

The Income Tax Expense for the Year can be reconciled to Accounting Profit as follows:

Net Profit Before Tax per accounts	736,966	351,882
Income Tax Expense Calculated at 17.5%	128,969	61,579
Income tax effects of:		
Livestock tax adjustment	37,857	(27,904)
Depreciation on Buildings	376	416
Deferred Milk Solids	(11,527)	2,743
Increase in Holiday Pay Accruals	658	2,287
Imputation Credits	6	-
Total Income tax effects of:	27,370	(22,458)
Current Tax Expense	156,339	39,121
Losses Brought Forward from prior period utilised	156,339	39,121
Total Income Tax Expense	-	-

	2021	2020
Tax Losses		
Losses Brought Forward	(1,112,434)	(1,339,584)
Tax Losses Utilised	893,366	227,150
Imputation Credits Converted to Losses	(194)	-
Total Tax Losses	(219,263)	(1,112,434)

The Incorporation has losses available to be carried forward to future years of \$219,263 (2020: \$1,112,434) subject to confirmation by the Inland Revenue Department.

The taxation benefits of losses will be provided if:

- the Incorporation complies with conditions for offset imposed by the Income Tax Act 2007, and the amendments thereto
- no change in taxation legislation adversely affects the Incorporation in realising the taxation benefits of those losses, and
- the Incorporation generates assessable income in the future, against which the losses can be offset.

13. Maori Authority Credit Account (MACA)

At balance date Maori Authority credits available to shareholders were \$194,001 (2020: \$194,006).

	2021	2020
14. Cash and Cash Equivalents		
Deloitte Distribution Ac	1,474	2,164
ANZ Call	211	211
BNZ Cheque (\$300k OD)	514,050	98,352
Total Cash and Cash Equivalents	515,735	100,727

The BNZ Cheque Account has an overdraft facility with a limit of \$300,000. The overdraft interest rate is 8.90%.

The overdraft is secured by perfected security interests in all present and hereinafter acquired property of Ngatimanawa Incorporation; all present and hereinafter acquired investment securities held from time to time by the Incorporation that are issued by Fonterra Co-operative Group Ltd, supply #22206; the 2005 Same 95 Tractor; 2014 Massey Ferguson Tractor; a registered first mortgage over property situated at 1028 Kopuriki Road and any other investment securities that are part of any such securities.

	2021	2020
15. Property, Plant and Equipment		
Motor Vehicles		
Motor Vehicles - Dairy unit	288,893	288,893
Less: Accumulated Depreciation	(175,524)	(154,921)
Total Motor Vehicles	113,369	133,971
Plant and equipment		
Plant & Equipment - Dairy Unit	601,258	526,810
Less: Accumulated Depreciation	(398,550)	(379,287)
Total Plant and equipment	202,708	147,522

	2021	2020
Land		
Land & Improvements - Dairy Unit		
Land & Improvements - Dairy Unit	15,075,178	15,075,178
Less: Accumulated Depreciation	(1,973,151)	(1,862,178)
Total Land & Improvements - Dairy Unit	13,102,027	13,213,000
Freehold Land - 1028 Kopuriki Road		
Land and Improvements - Freehold	240,000	240,000
Total Freehold Land - 1028 Kopuriki Road	240,000	240,000
Land and Improvements - Forestry		
Land and Improvements	643,091	643,091
Less: Revaluation 01/09/13	(148,091)	(148,091)
Total Land and Improvements - Forestry	495,000	495,000
Total Land	13,837,027	13,948,000
Housing Furnishings		
House Furnishings - Dairy Unit	25,264	25,264
Less: Accumulated Depreciation	(21,504)	(20,737)
Total Housing Furnishings	3,760	4,527
Buildings		
Buildings	19,449	19,449
Less: Accumulated Depreciation	(13,029)	(12,883)
Total Buildings	6,420	6,565
Development Expenditure		
Water Project Expenditure	49,787	49,072
Development Expenditure	2,346	2,346
Total Development Expenditure	52,133	51,418
Total Property, Plant and Equipment	14,215,417	14,292,004

16. New Zealand Units

As at 30 June 2021, the Incorporation has been allocated a cumulative total of 20,280 NZU's under the New Zealand Emission Trading Scheme (NZ ETS) from the Ministry for the Environment. The units are provided by the Government to compensate the Incorporation for restrictions on future land use that may affect the forestry land value. As at 30 June 2021, the fair value of the 20,280 NZU's amounted to \$880,152 (2020: \$646,932).

Reconciliation of NZU Movement	Units	This Year	Last Year
Opening Balance	20,280	\$646,932	\$427,908
Units Received		-	-
Revaluation of Units recorded in Profit and Loss		-	-
Revaluation of Units recorded in the Asset Revaluation Reserve		\$233,220	\$177,450
Closing Balance	20,280	\$880,152	\$646,932

	2021	2020
17. Available for Sale Financial Assets		
Ballance Agri-Nutrients Ltd	87,723	87,723
Fonterra Co-operative Group Limited	1,079,684	1,060,866
Livestock Improvement Co-op	1,789	1,789
Livestock Improvements Corporation Limited	7,668	5,751
Silver Fern Farms Ltd - Rebate Shares	803	803
Total Available for Sale Financial Assets	1,177,667	1,156,932

Livestock Improvements Co-op

On listing with the NZAX the Incorporation received 10 investment shares for every \$1 nominal share held. Upon redemption of these shares, the value of those issued at no cost will be transferred to Capital Reserves.

	2021	2020
18. Biological Assets/Livestock on hand		
Cattle	2,394,500	2,146,275
Total Biological Assets/Livestock on hand	2,394,500	2,146,275

Biological Assets consist of cattle (livestock). The Incorporation farms livestock for the sale of cattle and calves and the production of milk solids. As at 30 June 2021 the Incorporation had 1,903 cattle (2020: 1,683 cattle).

	2021	2020
Movements are represented as follows:		
Balance at the beginning of the period	2,146,275	1,760,650
Decrease due to sales	(280,844)	(39,625)
Increase due to purchases	-	91,500
Change in fair value due to price, deaths and natural increase	529,069	333,750
Total Movements are represented as follows:	2,394,500	2,146,275

Biological Assets

Schedule of dairy cattle on hand at Market Values at 30 June 2021

Dairy Cattle	Opening Quantity	Opening Value	Closing Quantity	Closing Value
MA Cows	1148	1,675,825	980	1,630,100
R 2yr Heifers	150	198,750	209	292,600
R 1yr Heifers	235	164,500	457	281,450
R 1yr Steers	-	-	1	850
R 3yr Bulls	-	-	17	28,900
R 2yr Bulls	43	43,000	43	43,000
R 1yr Bulls	107	64,200	196	117,600
Total	1,683	2,146,275	1,903	2,394,500

2021 2020

19. BNZ Loans

BNZ Loan - 09		
BNZ Loan - 09	3,107,000	3,171,000
BNZ Loan - 09 current portion	64,000	96,000
Total BNZ Loan - 09	3,171,000	3,267,000
BNZ Loan - 11		
BNZ Loan - 11	151,590	197,710
BNZ Loan - 11 current portion	32,580	30,600
Total BNZ Loan - 11	184,170	228,310
BNZ Loan - 12		
BNZ Loan - 12	241,080	253,200
BNZ Loan - 12 current portion	10,920	16,380
Total BNZ Loan - 12	252,000	269,580
Total BNZ Loans	3,607,170	3,764,890

BNZ Banking Policy

Loan	BNZ Term Loan - 09
Fixed Portion	\$3,171,000
Interest Rate	3.39%
Maturity Date	20 September 2022

Loan	BNZ Term Loan - 11
Fixed Portion	\$184,170
Interest Rate	3.39%
Maturity Date	21 July 2025

Loan	BNZ Term Loan - 12
Floating Portion	\$252,000
Interest Rate	3.39%
Maturity Date	25 September 2030

The loans are secured by perfected security interests in all present and hereinafter acquired property of Ngatimanawa Incorporation; all present and hereinafter acquired investment securities held from time to time by the Incorporation that are issued by Fonterra Co-operative Group Ltd, supply #22206; the 2005 Same 95 Tractor; 2014 Massey Ferguson Tractor; a registered first mortgage over property situated at 1028 Kopuriki Road and any other investment securities that are part of any such securities.

	2021	2020
20. Related Parties		
Committee Fees & Expenses		
Tawhiri Morehu (Chairman's Honararium)	5,000	5,000
Tawhiri Morehu	2,700	2,700
Patrick McManus	1,911	2,708
Maramena Vercoe	2,400	2,503
Rewi Pouwhare	900	1,503
Henry Nuku	2,305	2,798
Renata White	3,411	4,298
Stan Heather	2,700	4,803
Venue & Catering	2,498	1,817
Total Committee Fees & Expenses	23,825	28,131
Total Related Parties	23,825	28,131

21. Capital Commitments

There are no other known material capital commitments at balance date (2020: Nil).

22. Contingent Liabilities

The Incorporation received New Zealand Units (NZUs) from the Ministry of Agriculture and forestry for its pre 1990 forest under the Emissions Trading Scheme. The Incorporation is required to surrender the NZUs if they deforest and introduce a new land use. The financial effect of returning NZUs has not been quantified because the Incorporation has all intention of replanting the land and therefore anticipates no obligation to return NZUs in the future.

Other than the above there are no known material contingent liabilities at balance date (2020: Nil).

23. Events Subsequent to Balance Date

There has been no material events subsequent to balance date that would affect the fair presentation of these financial statements.

24. COVID-19 Pandemic

As a result of COVID-19, a new virus which was identified in China in December 2019 and the subsequent COVID-19 pandemic, the New Zealand Government imposed various restrictions on trading at various times throughout the financial year. As a result of those restrictions, at the reporting date COVID-19 was not present in the community and there were no restrictions on the activities of individuals or trading entities within New Zealand.

At balance date, although there were no restrictions on the activities of individuals or trading entities within New Zealand, substantial restrictions remain at the border. In addition, the New Zealand Government has commenced a COVID-19 vaccination plan which it intends to conclude by the end of the 2021 calendar year.

NGATIMANAWA INCORPORATION



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