

# Annual Reports

to 30 June 2022

**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 027 245 4390

Email [murray.patchell@kpsl.co.nz](mailto:murray.patchell@kpsl.co.nz)

Website [www.ngatimanawaincorporation.co.nz](http://www.ngatimanawaincorporation.co.nz)

## Farm Advisor

Peter Livingston

## Solicitor

Helen Nathan

Morrison Kent

## Bankers

Bank of New Zealand



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# 2022 Annual General Meeting

At Painoaiho Marae,  
on Saturday 27th May 2023  
at 10.00am.

## Agenda

1. Apologies.
2. Minutes.
3. Annual Reports & Financial Statements.
4. Appointment of Share Valuer.
5. Review of Committee fees and Chairman's Honorarium.
6. Election of two members to the committee of management.
7. General Business.

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

Tawhiri Morehu  
*Chairman*



# Minutes of the (Postponed) Annual General Meeting of Shareholders

Held at Painoiaho Marae on Saturday 24th September 2022 at 10.00am

<b>Chairman</b>	Tawhiri Morehu	
<b>Secretary</b>	Murray Patchell	
<b>Mihi &amp; Karakia</b>	Jack Tupe	
<b>Attendance</b>	33	
<b>Apologies</b>	14	(Yvonne Rewi/Diane Grace) Carried
<b>Minutes:</b>	Of the previous annual general meeting held on 28th November 2019 were read by the Secretary and confirmed.	(Yvonne Rewi/Renata White) Carried
<b>Chairman's Report:</b>	Chairman tabled and read his report explaining that the 2021 AGM had been delayed due to Covid and the 2022 AGM may be deferred until the new year. RESOLVED: "That the Chairman's report be adopted."	(Tawhiri Morehu/Renata White) Carried
<b>Farm Report:</b>	Peter Livingston presented his farm report. RESOLVED: "That the farm report be received."	(Cherry McCorkindale/Stan Heather) Carried
In presenting his report Peter focussed on:		
<ul style="list-style-type: none"> <li>• Long term investment over many years paying off.</li> <li>• Record Milksolids payout at \$9.30 kg (previous high \$8.60)</li> <li>• More work to be done on environmental factors</li> <li>• Land use planning underway.</li> </ul>		
<b>Financial Report:</b>	Murray Patchell tabled the financial statements for the year ended 30 June 2021. RESOLVED: "That the financial report for the year ended 30 June 2021 be received."	(Renata White/Yvonne Rewi) Carried
<b>Share Valuer:</b>	RESOLVED: "That BDO Rotorua be appointed share valuer."	(Pouwhare Rewi/Renata White) Carried
<b>Distribution:</b>	The Secretary explained the shareholders grant policy and that the committee had paid the 2021 grant in December 2021 and would propose to process the 2022 grant in December 2022 if the AGM is delayed. He also suggested that the level of grants could be looked at.  RESOLVED: "That the \$60,000 owners grants be ratified and that the committee review the 2022 grant amount for payment in December 2022."	(Yvonne Rewi/Cherry McCorkindale) 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."

(Tawhiri Morehu/Virgil Iraia) Carried

Virgil Iraia queried if the trust was investing ethically with its portfolio. Murray advised that while Craigs had not been given specific directions on that the portfolio did not hold any investments of concern.

Hoki Kahukiwa suggested the Trustees look at lifting the amounts of the education grants. Chair advise the committee will look at that.

### Election

Murray Patchell advised that there were 4 candidates standing for 3 committee positions so an election is required. He advised the meeting has the option of voting either on an individual shareholder basis or if 5 people request it by a poll vote.

RESOLVED: "That the Election be held on a one person, one vote basis."

(Maramena Vercoe/Hoki Kahukiwa) Carried

The 4 candidates the addressed the hui. Voting papers issued and collected. After counting by the Secretary, the results were:

Stan Heather	21
Renata White	19
Pouwhare Rewi	18
Virgil Iraia	8

Stan Heather, Renata White and Pouwhare Rewi re-elected for 3year terms.

**General Business:** RESOLVED: "That a koha of \$3,000 be made to Painoiho Marae for hosting the AGM."

(Yvonne Rewi/Tawhiri Morehu) Carried

Meeting closed at 11.16am with karakia from Jack Tupe.

Signed as a correct record



Tawhiri Morehu  
Chairman





# Chairman's Report 2022

## Tēnā koutou katoa

A warm welcome to you all for attending our AGM today. This hui is for our 2022 AGM that was held over until this year due to the Covid enforced delay of our 2021 AGM that was not held until September 2022. All going well we will be back again in November to hold our 2023 AGM. We are at Painoaiho again as Tipapa Marae was booked and Rangitahi Marae is undergoing renovations.

As we reported last year our Incorporation is in good shape. The high milksolid payout over the last two years combined with strong production, prudent expenditure and good farm management has resulted in a very strong financial outcome. The highlight of this is that we have been able to pay off \$1million from our mortgage in the last year. With interest rates going over 8% this means we are saving \$80,000 a year on our interest costs. That money can be put to better use on the farm or paying off more debt.

A huge thankyou to all our team that have worked so hard to achieve these results. However we can't be complacent as on farm costs keep rising, inflation is high, that labour market is tight and the milk price is dropping. But we are in a strong position to take on the challenges and continue to grow our Incorporation.

We have held a planning session and had hoped to make further progress on this. We invited Wally Lee from MPI to visit our farm and discuss funding a land capability study as a key component of our future strategies. However with the summer Cyclones causing so much damage in coastal areas the government has reallocated funding to other areas that need help. We will continue to monitor the availability of funding and progress that when we can.

Also working in the background is the feasibility investigation into sheep milking by Maori Land owners. We are at stage 2 of this investigation and we will consider this in more detail when we have all the reports in.

In 2021 the 5 yearly rent review for our forest lease was concluded and annual rental increased from \$24,780 to \$31,640. That was the 2018 review that had been delayed. We are now at the next 5 year review and valuers are currently working on the numbers. In the meantime the forest lessee Rayonier Matariki has indicated their possible interest in selling their forest. We are in discussions with them about this process and we will have a serious look at whether the Incorporation can buyout this lease and own the trees. The lease still has 52 years to run until its expiry in 2075.

As requested at the last AGM we looked at the level of Shareholder grant payments and the committee agreed to lift the minimum payment from \$75 to \$100. Those grant payments were made in December 2022. The next round of grant payments will be in December 2023 after our next AGM.

Under the Committee 3 year rotation process Pat McManus and Henry Nuku come up for re-election this year. Henry has decided not to stand again and we take this opportunity to thank him for his many years of service on the committee. Henry came on to the committee along with Maramena in 2010 to fill vacancies after the passing of Bill Bird and the retirement of Barlow Anderson. A new committee member will be selected today.

It has been many years since committee fees were last reviewed and so we are bringing this take to the hui today. Committee fees and the Chairman's Honorarium are fixed by the shareholders in general meeting. Our business has grown significantly in recent years as have the dynamics of the farming and financial world we operate in. Committee fees reflect the time, commitment, skills, knowledge, responsibility and decision making of committee members and we hope you appreciate our work and agree to an appropriate reward for our efforts.

Sadly our long serving Solicitor Graeme Dennett passed away in January. He has been our legal adviser since the Incorporation was formed in 1972. We have since appointed Helen Nathan at Morrison Kent to do our legal work.

We remind everyone that you can keep up to date by visiting our website [www.ngatimanawaincorporation.co.nz](http://www.ngatimanawaincorporation.co.nz). If anyone has recently succeeded to shares they can download the registration forms and get these back to the Secretary. Also remember that when doing successions for land Trusts you need to notify the Maori Land Court if you are entitled to succeed to our Incorporation shares and they will contact us for details. Otherwise these will be missed as the Court does not hold our share register.

I would like to thank our hard working team of committee members, our farm manager Stan and Aroha and all our farm workers, our farm adviser Peter Livingston and Secretary/Accountant Murray Patchell for all their efforts in making our Incorporation the successful business that it is.

My thanks to all shareholders joining us today and to Painoaiho 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 last 12-month period could go down as one of the wettest in living memory! Whilst this is a message we commonly hear, and is true to a degree, there have been a couple of other very wet years over the last decade or so, these being in 2011 and 2018. We'd love to see a bit more sun! At least this time around the temperatures have been warm and pasture growth rates consistently good across the bulk of the 2022 / 23 year. No summer drought!!

Farming has always had its fair share of "ups and downs", a rollercoaster ride for those who don't want a dull moment! The last 12 – 18 months have been no different. The dairy payout for milksolids hit a record level in 2022 at \$9.25 / kg and in excess of \$8.00 / kg MS is likely to be received in 2023. The challenging part of the equation for all farmers in this 2023 financial year is the rising cost of production, high interest rates and inflation in the 10 – 15% range for farm inputs. Industry compliance requirements are also becoming increasingly costly.

This will continue into 2023 / 24 by all accounts, meaning our operating margins will be further "squeezed". The solution is to continue to strive to improve efficiency and productivity whilst working hard to manage input costs in a stronger fashion. We've been here before, one senses!

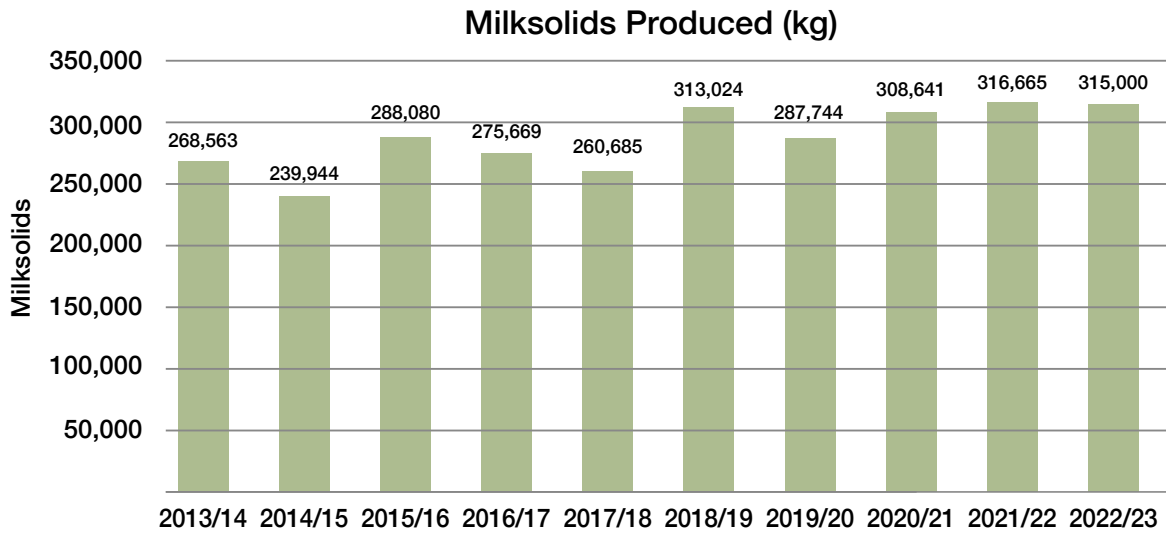
## 2. The 2022 season

A positive outcome overall for the Incorporation with a lift in milk production. As we have indicated in previous years, there has been a long period of re-investment by the Committee of Management to address infrastructure and other asset deficiencies. The payback on this has been strong but there is still plenty of room for improvement.



The farm system has been adjusted to a mix of spring and autumn calving for an “all year round” lactation, this in turn reducing the wastage rate of cows and spreading production risk.

The following graph shows the milk production trend over the last few years.



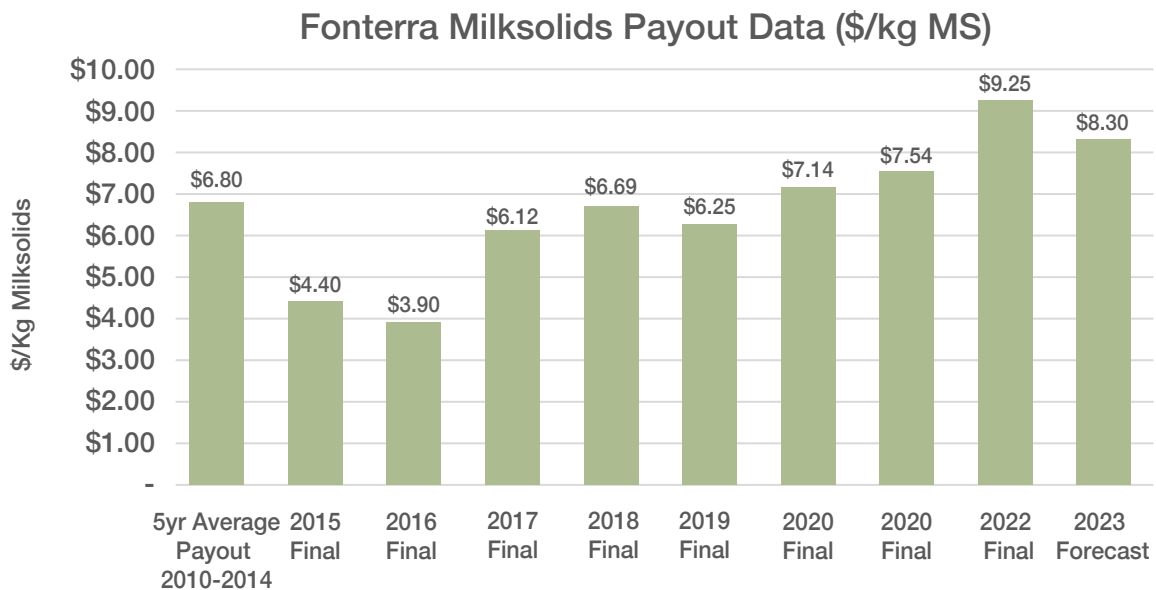
It should be noted however that the farm does at times also rear up to 350 calves each year, this being 150-175 more than that needed for the herd replacement number.

These beef cross cattle are run on the Kopuriki Road Lands and sold at 16 – 24-month-olds. The idea here is to capture extra productivity and profit from better utilising the Karatia Lands. The concept of rearing more of the calves born to our dairy cow herds, rather than selling them as “four-to-seven-day old bobbies”, is becoming more prevalent in the dairy industry as it tries to improve its animal welfare profile and capture more value from the calf crop born each year.

The farm remains relatively “self-contained” by growing various crops including maize, lucerne, chicory and plantain, so over the last decade very little extra feed has been required from outside. This strategy is a goal the management team set several years ago.

### 3. Dairy and Beef Industry Update

The Fonterra payment to suppliers for milk solids produced has remained very strong over the last two to three years. The five year average is now \$7.75 / kg MS.





A dividend on Fonterra shares is also received by the Incorporation.

The average dividend on shares over time has been around 20 – 22 cents. And this should continue in both 2023 and 2024.

In addition, the beef market is very strong, and this is helping keep prices for yearling beef animals reared, plus cull dairy cows, high. We see the beef schedule still holding well, at around \$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.

There is an on-going challenge to “*balance the books*” however due to the rapidly rising costs of most key inputs. The main three are feed, fertiliser, and labour. Economists predict that farm related inflation at 8 – 12% / annum is here for another year at least.

#### 4. Environmental Profile

The Incorporation has a Farm Environment Plan and measures for its’ Nitrogen and Phosphorus losses to groundwater, as well as an estimate of the current Greenhouse Gas Emission rate.

All of these are in line with or relatively low compound to many other farmers in the region.

<b>Nitrogen</b>	Rate of 35kg N / ha / annum which is typical for farms of this nature on the free draining pumice soils.
<b>Phosphorous</b>	Rate of 1.2kg P / ha / annum which is about “normal” for pumice soils on this relatively flat contour.
<b>Greenhouse Gases (GHG)</b>	Emission rate of 7.7t C02 equivalent/ha. This is well below the NZ dairy farm average of around 10.4 t / ha (range is mainly 5.5t – 17t/ ha/annum)

The agricultural industry awaits an announcement from the government as to how farming will be required to start contributing towards GHG reduction. It is thought this will initially be as a “*tax or levy*” at the produce / processor level commencing January 2025. After that farmers may have to have their own “*farm model*” against which reduction profiles to 2030 will be set.

There are many other “environmental” related projects underway, or in the pipeline, across the agricultural landscape. These are around protecting wetlands, enhancing biodiversity, establishing effective shade and shelter for livestock and reducing soil / water degradation.

#### 5. Summary

The Incorporation has a sound record of operation, produces good profit levels and has strongly focused on debt reduction of late. This has been timely with the sharp increase in interest rates since 2021 and a high impact from on-farm inflation we have not seen in over 35 years. The latter is consistently eroding the profit gains from higher milk and meat returns and improving production. The next 5–7-year period is a turning point for the Incorporation and its farming operation, as we consider how best to use the land and other resources on the back of a reset, pushed by new industry compliance and acceptable environmental “best practice”. There is a lot of mahi to complete still as we set sights on a more diverse Land Use portfolio in the future. Building resilience in the face of climate change is also at the forefront of strategic plans. Sitting “still” in a “comfort bubble” is not an option, the Incorporation must move ahead.

#### Peter Livingston

Director / Agribusiness Consultant

#### Disclaimer:

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# Summary of Financial Results

The Incorporations financial statements were prepared by PKF Tauranga Chartered Accountants 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 2022. Here is a summary of the key financial points.

## Net Operating Surplus:

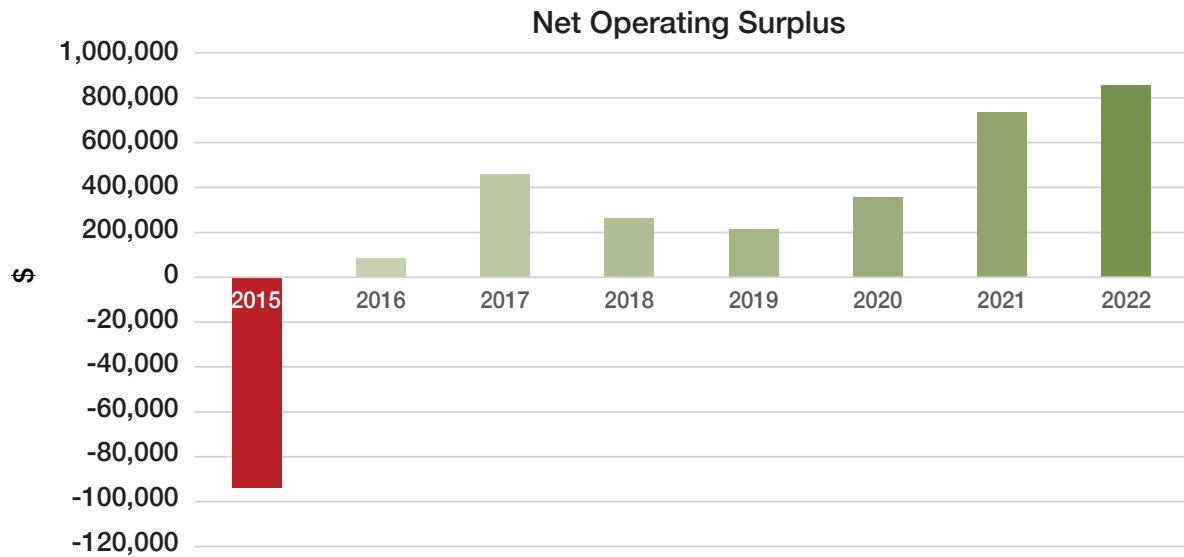
	2022	2021
<b>Income</b>		
Milk Solids Income	2,923,917	2,329,644
Cattle Trading Surplus	269,412	529,069
Dividends Received	64,732	31,665
Forest lease rental	53,935	16,818
Lease Income	16,350	16,950
Rebates and other income	28,563	27,924
<b>Total Income</b>	<b>3,356,909</b>	<b>2,952,070</b>
<b>Less Expenditure</b>		
Farm Operating Expenses	1,722,407	1,478,839
Mortgage Interest	136,367	137,700
Depreciation	156,022	162,281
Administration costs	130,666	133,944
Forestry Planting	35,445	3,840
Rates	95,971	73,393
Repairs and Maintenance	139,583	131,724
Vehicle Expenses	52,276	58,204
Insurance	34,659	35,180
<b>Total Expenditure</b>	<b>2,503,396</b>	<b>2,215,105</b>
<b>Operating Surplus</b>	<b>\$853,513</b>	<b>\$736,965</b>
<b>Less Taxation</b>	<b>\$101,411</b>	
<b>Net Profit After Tax</b>	<b>\$752,102</b>	<b>\$736,965</b>

Cattle trading includes movements in livestock valuation over the year. Forest lease income includes back rent on the 2018 rent review.

Prior year tax losses expired so the Incorporation is now paying tax at 17.5%. As Provisional tax is also payable now for the following year total tax payable this year will be \$203,000.

Refer to the full annual accounts for more detail on income and expenditure.

## Net Operating Surplus/Deficit



Net Operating Surplus at balance date of 30 June 2022 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 \$156,022.

The Incorporation has maintained strong cashflow over the last three years which has enabled the retirement of debt. However on farm costs remain high with inflation running at around 7% p.a. and milksolids price has dropped from over \$10 per KG of milksolids to a forecast \$8 per kg so the future requires budgetary caution.

Distribution by way of shareholders grants totaled \$38,186 paid out in December 2022. The next grant payment will be discussed at the 2023 AGM in November for payment in December 2023.

### Assets and Liabilities:

	2022	2021
<b>Assets</b>		
Cash at Bank	307,165	515,735
Current Assets (Receivables, Prepayments)	645,337	566,407
Silage	130,400	93,100
Livestock	2,147,350	2,394,500
Shares (Fonterra etc)	931,832	1,177,667
Land & Buildings	13,813,955	13,899,340
Vehicles & Equipment	431,456	316,077
NZ Units (Carbon)	1,541,280	880,152
<b>Total Assets</b>	<b>\$19,948,775</b>	<b>\$19,842,978</b>
<b>Less Liabilities</b>		
Current Liabilities (Accounts payable)	194,440	208,647
Tax payable	100,903	
Bank Mortgage	2,496,690	3,607,170
Unclaimed Dividends	240,396	240,829
<b>Total Liabilities</b>	<b>3,032,429</b>	<b>\$4,056,646</b>
<b>Net Assets (Equity)</b>	<b>\$16,916,346</b>	<b>\$15,786,332</b>



Land is valued at the rating valuation as at 1 September 2021. Buildings are independently valued every two years with the next valuation now underway.

The bank loans were on fixed rates at 5.51%p.a in 2022. Current bank rate is 8.65% p.a.

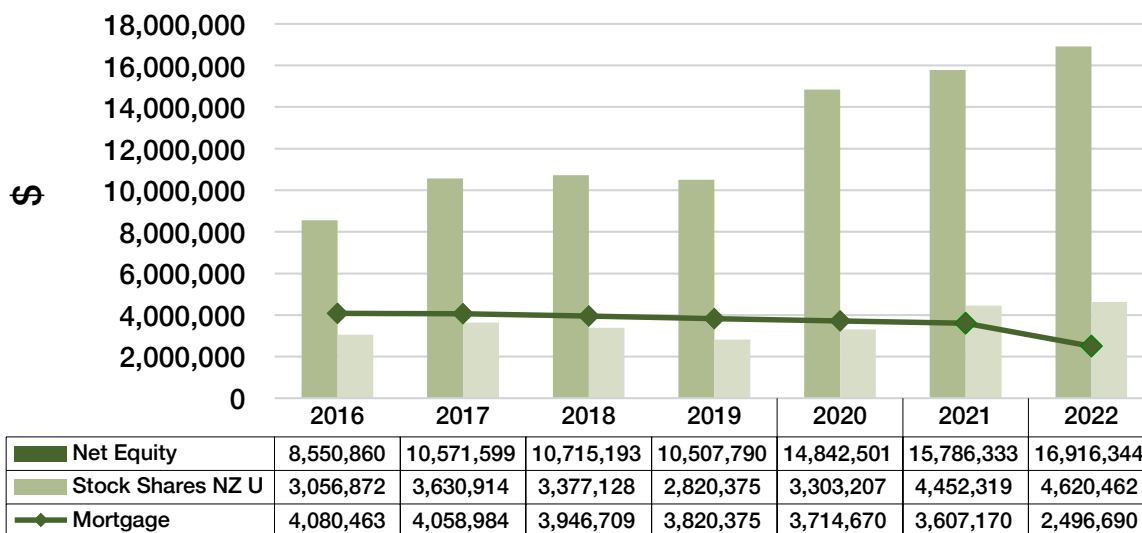
Vehicles and equipment values increased due to tractor replacement (\$155,000). Pine trees have been planted at a cost of \$17,651.

**Movement in Asset Values**

Fonterra Shares reduced in value by \$245,835 at a market price of \$2.90 per share as at 30 June 2022. Current Market price is around \$2.80 per share. Fonterra will make a capital repayment tax free in October 2023 of 50 cents per share. That will mean a payment of \$143,575 to the Incorporation. However that repayment will then likely reflect in a decrease in the market value of shares.

The total value of NZ Units (carbon credits) increased by \$661,128 in the 2022 year at a price of \$76 per unit. However NZ Units are volatile and subject to changes in market factors and Government Policy and the price has since eased back to \$54 per unit.

**Net Equity/Mortgage/Stock and Shares**



Overall Net equity increased by \$1,130,012 in the year ended 30th June 2022. The BNZ mortgage was reduced by \$1.1m in the 2022 financial year. There is an option to redraw these funds if required. The balance of \$2.5m is well covered by livestock, shares and NZ Units worth \$4.6m which means there is no risk to the land.

**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).

The net equity for 1 share is \$66.46.

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

Information on successions can be located on the Maori Land Court website located at this address

<https://maorilandcourt.govt.nz/your-maori-land/succession>

Murray Patchell, CA  
Secretary



# Tangiharuru Apa Trust

Annual Report to 31 March 2022

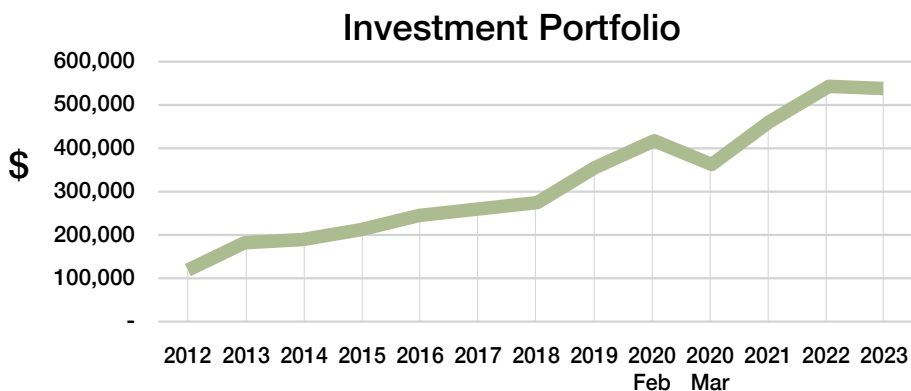
<b>Income and Expenditure</b>	<b>2021</b>	<b>2022</b>
<b>Income</b>		
Dividends and Interest	47,889	49,284
	<b>\$47,889</b>	<b>\$49,284</b>
<b>Less Administration Expenses</b>		
Advertising	1,902	1,148
General Expenses	377	514
Investment Management Fees	2,965	3,648
Printing & Stationery	87	99
Secretarial and Accounting	11,605	7,504
Trustees Fees and Expenses	1,998	1,903
	18,934	14,816
<b>Surplus for Year</b>	<b>\$28,955</b>	<b>\$34,468</b>
<b>Less Grants Paid</b>		
Education Grants	8,100	12,725
	<b>\$8,100</b>	<b>\$12,725</b>
<b>Funds for Reinvestment</b>	20,855	21,743
<b>Investment Gains</b>	85,387	21,802
<b>Net Gain</b>	<b>\$106,242</b>	<b>\$43,545</b>
<b>Assets</b>	<b>2021</b>	<b>2022</b>
Cash and Investments	68,660	33,521
Investment Portfolio	463,424	542,109
Shares in Ngahuinga Motumako Trust	3,229,099	4,003,701
<b>Total Assets</b>	<b>\$3,761,184</b>	<b>\$4,579,331</b>

The value of the investment portfolio at 31 March 2022 was \$542,109. Global investment markets have been weak over the last 18 months and as at 7th May 2023 the portfolio was valued at \$538,280.

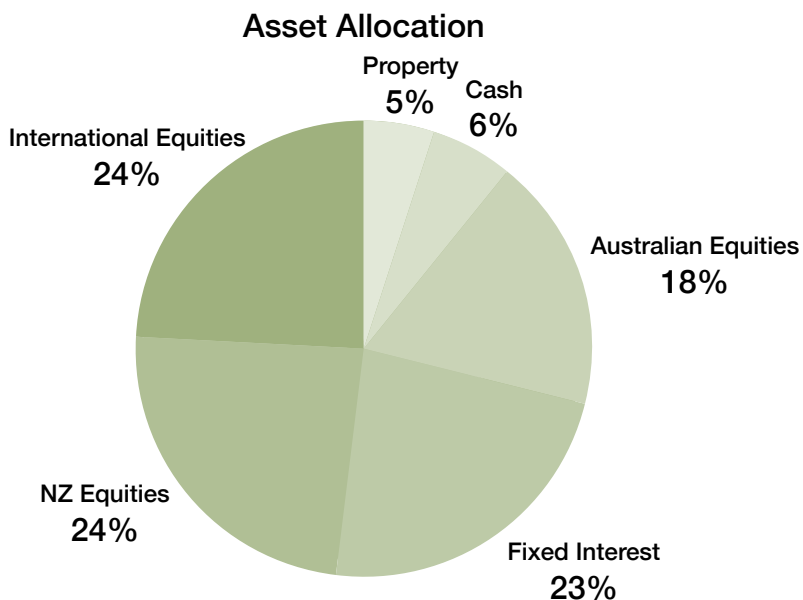
The Trust holds 87,603 shares in Ngahuinga Motumako Lands Trust and the value of these shares increased by \$774,602 in the year ended 31 March 2022.

The investment portfolio is managed by Craigs Investment Partners. For the 12 months to 31 March 2022 the portfolio had a return of 7.2 % p.a. and for the year ended 31 March 2023 a return of .49% From inception in 2012 the annualised return has been 10.17% 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 2022

The Trust partnered with the Maori Education Trust in 2022 and our students received an additional top up payment of 40% on the amounts below and an additional amount for students at Victoria and Massey Universities through tripartite agreements.

### Tertiary

First Name	Surname	Tertiary Institution	Course	Grant
Tepora	Apirana	University of Canterbury	Master of Maori and Indigenous Leadership (Level 9)	150
Heta	Higgins	Auckland University of Technology	Bachelor of Health Science (Level 7)	150
Sarah	Merito	Anamata	Bachelor of Applied Counselling (Level 7)	150
April	O'Brien	Manaaki Ora Trust	Diploma in Whanau Ora (Level 5)	150
Brett	Ogilvie	University of Otago	Bachelor of Arts and Science (Level 7)	150
Catrin	Ogilvie	University of Otago	Bachelor of Arts/ Bachelor of Science (Conjoint) (Level 7)	150
Briana	Reweti	Open Polytechnic	Diploma in Legal Executive Studies (Level 6)	75
Leeuwin	Ririnui	Massey University	Bachelor of Computer and Information Sciences (Level 7)	150
Javan	Rivers	Auckland University of Technology	Bachelor of Health Science (Nursing) (Level 7)	150
Destiny	Robinson	Toi Ohomai Institute of Technology	Bachelor of Nursing (Level 7)	150
Shanon	Tahuriorangi	University of Auckland	Bachelor of Science (Level 7)	150
Jacqueline	Rolleston-Steed	Te Whare Wananga o Awanuiarangi	Master of Indigenous Studies (Level 9)	150
Aorere	Waaka	University of Otago	Bachelor of Health Sciences (Level 7)	150
Destiny	Anderson	Manukau Institute of Technology	Bachelor of Nursing (Level 7)	250
Tepora	Apirana	University of Canterbury	Master of Maori and Indigenous Leadership (Level 9)	250
Jewell	Carlson	Eastern Institute of Technology	Bachelors of Sport and Exercise Science	250
Jasmine Rosalind	Hati	Toi Ohomai Institute of Technology	Bachelor of Applied Social Work (Level 7)	250
Nga Pikitia	Hennings	University of Waikato	Bachelor of Science (Level 7)	250
Te Paea-Mei	Hennings	University of Waikato	Bachelor of Science in Aquaculture	250

## Proprietors of Ngatimanawa Incorporation



Nathaniel	Henson	University of Otago	Bachelor of Applied Science (Level 7)	250
Turuhira	Hotene	University of Auckland	Post-graduate Diploma in Business Enterprise (Level 8)	250
Nazaryth	Jay-Koopu	University of Waikato	Bachelor of Business (Level 7)	250
Ron	Lee	Toi Ohomai Institute of Technology	Diploma in Sport, Recreation and Exercise (Multi-sector) (Level 6)	250
Amelia	Mahutoto	University of Auckland	Bachelor of Health (Level 7)	250
Christopher	Molloy	Otago Polytechnic	Diploma in Applied Addictions Counselling (Level 7)	125
Nikylah	Ngaheu	University of Auckland	Bachelor in science (majoring in biomedical science)	250
Laurie	Porima	University of Canterbury	Masters of Maori and Indigenous Leadership	125
Javana	Rangihuna	Otago Polytechnic	Bachelor of Midwifery (Level 7)	250
Atera	Apirana	University of Waikato	Bachelor of Management Studies - Doubler Major Marketing, Maori & Indigenous Studies	350
Marcia	Hennings	University of Waikato	Master of Business Administration (Level 9)	350
Kirsten	Brown	Victoria University of Wellington	Bachelor of Commerce (Level 7)	450
Saphire	Kalman	Toi Ohomai Institute of Technology	Bachelor of Social Work (Level 7)	450
Nicholas	Waaka	University of Auckland	Bachelor of Medicine & Bachelor of Surgery (Level 7)	650
Ahera	Carlson	University of Waikato	Master of Business and Management (Level 9)	750
<b>TOTAL</b>				<b>\$8375</b>

### Secondary School:

First Name	Surname	Tertiary institution	Year	Grant
Manaia	Hall	Rotorua Girls High School	13	150
Manaia	Karaha	Hamilton Boys High School	12	150
Kaleb	Morehu	Hato Paora College	12	150
Tuawhio	Porima	Lindisfarne College	13	150



# 2023 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 2023 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. Additional topup will be provided by MET
6. The amount for secondary students is \$150.
7. The Trust will also make available 3 scholarships of \$1500 each known as:  
**Maurice Bird Scholarship**  
**Pererika Twist Scholarship**  
**Agriculture/Forestry Scholarship**
8. The Trust has partnered with the Maori Education Trust (MET) and applications must be made on line through the MET Portal by 30th April 2023..
9. Incomplete or late applications will be rejected. The Trust or MET reserve the right to request further information from applicants.
10. Grants will be paid tax free from MET direct to successful applicants.
11. Any policy interpretation is entirely at the discretion of the Trustees.

# Financial Statements

Ngatimanawa Incorporation  
For the year ended 30 June 2022

Prepared by PKF Tauranga Limited

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# Compilation Report

## Ngatimanawa Incorporation For the year ended 30 June 2022

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 2022.

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

### Responsibilities

The Committee of Management is solely responsible for the information contained in the financial statements and have determined that the Special Purpose Reporting Framework used is 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.

### Independence

We have no involvement with Ngatimanawa Incorporation other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

### 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.

PKF Tauranga Limited is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.



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PKF Tauranga Limited

Chartered Accountants

23 Brown Street

Tauranga

Dated: 28 April 2023



## Directory

### Ngatimanawa Incorporation For the year ended 30 June 2022

#### Nature of Business

Farming, agriculture, forestry and investment

#### Date of Formation

18 May 1972

#### Incorporation Number

70922

#### Address of Communications

PO Box 987

Rotorua 3040

#### Committee Members

Tawhiri Morehu (Chairperson)  
Stan Heather (Trustee / Farm Manager)  
Patrick McManus (Trustee)  
Henry Nuku (Trustee)  
Pouwhare Rewi (Trustee)  
Maramena Vercoe (Trustee)  
Renata White (Trustee)

#### IRD Number

021-795-402

#### Tax Status

Maori Authority

#### Secretary

Murray Lloyd Patchell

#### Chartered Accountants

PKF Tauranga Limited

23 Brown Street, Tauranga

#### Bankers

Bank of New Zealand

## Secretary's Statement

### Ngatimanawa Incorporation For the year ended 30 June 2022

I, Murray Lloyd Patchell, Secretary of the Ngatimanawa Incorporation, hereby state in accordance with 276A (2) (b) of Te Ture Whenua Maori 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 2022.

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.



Murray Lloyd Patchell

Secretary

Date 15/05/23

# Approval of Financial Report

**Ngatimanawa Incorporation**  
**For the year ended 30 June 2022**

The Committee of Management is pleased to present the approved financial report including the historical financial statements of Ngatimanawa Incorporation for the year ended 30 June 2022.

APPROVED

For and on behalf of the Committee of Management;



Committee Member

Date 15/05/23



Committee Member

Date 15/05/23

# Milksolids Account

## Ngatimanawa Incorporation For the year ended 30 June 2022

Milksolids Trading Statement  
Ngatimanawa Incorporation

For the year ended 30 June 2022

	2022		2021	
	KgMS	Total \$	KgMS	Total \$
<b>Monthly Production</b>				
July	10,033	50,003	2,902	36,070
August	29,773	141,417	24,621	123,747
September	40,326	193,812	35,906	168,358
October	47,237	256,516	43,614	214,808
November	43,804	388,174	40,175	201,816
December	31,135	174,739	37,033	166,864
January	26,371	335,596	35,069	235,857
February	21,372	264,060	22,349	222,474
March	25,272	245,356	19,386	163,264
April	18,515	208,818	16,336	173,567
May	14,743	160,516	10,353	116,358
June	7,173	82,748	13,867	156,699
<b>Current Season Total Income</b>	<b>315,754</b>	<b>2,501,756</b>	<b>301,611</b>	<b>1,979,881</b>
<b>Last Season Deferred Income</b>				
Deferred Income		422,161		349,763
<b>Gross Income from Milk Production</b>		<b>2,923,917</b>		<b>2,329,644</b>

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

## Dairy and Beef Cattle Trading Account

Ngatimanawa Incorporation  
For the year ended 30 June 2022

	2022	2021
<b>Cattle Trading Account</b>		
<b>Sales of Stock</b>		
Bobby Calves	15,267	4,720
Heifer Calves	1,365	-
Bull Calves	-	11,722
Sales - R 2yr Heifers	48,350	-
Sales - R 1yr Bulls	141,430	69,531
MA Cows	224,173	60,125
Sales - M A Bulls	91,099	-
Sales - R 2yr Beef Steers & Bulls	13,840	134,745
<b>Total Sales of Stock</b>	<b>535,522</b>	<b>280,844</b>
<b>Purchases</b>		
Purchases - R 2yr Bulls	18,960	-
<b>Total Purchases</b>	<b>18,960</b>	<b>-</b>
Trading Surplus	516,562	280,844
	<b>2022</b>	<b>2021</b>
<b>Trading Summary</b>		
Trading Surplus	516,562	280,844
Less Movement in Biological Assets	247,150	(248,225)
Gross Surplus	269,412	529,069

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

# Forestry Account

## Ngatimanawa Incorporation For the year ended 30 June 2022

	2022	2021
<b>Forestry Income &amp; Expenses</b>		
<b>Income</b>		
Forest Lease	53,935	16,818
<b>Total Income</b>	<b>53,935</b>	<b>16,818</b>
<b>Expenses</b>		
Forestry Expenses	35,445	3,840
<b>Total Expenses</b>	<b>35,445</b>	<b>3,840</b>
Net Forestry Income	18,490	12,978

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

# Farm Working Account

## Ngatimanawa Incorporation For the year ended 30 June 2022

	2022	2021
<b>Revenue from Farm Trading</b>		
Milksolids Account Profit (Loss)	2,923,917	2,329,644
Cattle Trading Account Profit (Loss)	269,412	529,069
Forestry Account Profit (Loss)	18,490	12,978
<b>Total Revenue from Farm Trading</b>	<b>3,211,819</b>	<b>2,871,690</b>
<b>Farm Working Expenses</b>		
<b>Farm Operating</b>		
ACC Levies	7,071	8,744
Animal Health	93,378	88,025
Breeding	31,873	35,555
Calf Rearing	874	5,033
Cartage - Livestock & General	26,788	22,779
Dairy Shed	74,815	41,733
Crop & Re-grassing	244,004	220,006
Planting - Natives	3,470	-
Dairy NZ Levy	19,182	20,512
Electricity	47,009	43,994
Farm Stores	-	3,992
Fertiliser - Urea & Cartage	324,689	315,836
Grazing	42,932	32,083
Hay & Silage	227,658	231,533
Heath and Safety	991	1,870
Lease Bulls	3,920	10,780
Maize & Feed	137,030	19,819
Protective Clothing	2,381	1,604
Resource Consent Expenses	-	800
Telephone & Tolls	3,940	3,484
Weed & Pest Control	5,869	13,547
Wages	424,532	357,110
<b>Total Farm Operating</b>	<b>1,722,407</b>	<b>1,478,839</b>
<b>Repair &amp; Maintenance</b>		
Repairs & Maintenance	25,656	1,315
Farm Buildings	(16,250)	32,275
Effluent System	3,367	5,496
Farm Houses	32,405	12,505
Fences	8,947	22,681
R & M - Plant & Equipment	49,991	38,515
Races & Drains	15,826	12,652
Water Supply	19,641	6,286
<b>Total Repair &amp; Maintenance</b>	<b>139,583</b>	<b>131,724</b>



2022 2021

	2022	2021
<b>Farm Vehicle Expenses</b>		
Fuel & Oil	25,200	19,935
Vehicle Repairs/Hire	19,320	19,394
Tractor Repairs	7,757	18,875
<b>Total Farm Vehicle Expenses</b>	<b>52,276</b>	<b>58,204</b>
<b>Rates &amp; Insurance</b>		
Insurance	29,634	30,155
Rates	93,812	71,918
Rates - Water	2,159	1,475
Insurance - Committee	5,025	5,025
<b>Total Rates &amp; Insurance</b>	<b>130,631</b>	<b>108,573</b>
<b>Farm Administration</b>		
Supervision	25,379	28,227
Lease Land	1,516	3,032
Legal Costs	1,951	735
Payroll Processing Fees	1,243	1,044
Secretarial and Accounting	53,366	55,384
Share Register	6,000	8,577
Survey Costs	2,150	-
Valuation Fees	4,000	700
<b>Total Farm Administration</b>	<b>95,606</b>	<b>97,698</b>
<b>Total Farm Working Expenses</b>	<b>2,140,503</b>	<b>1,875,038</b>
Surplus Before Distributions/Remuneration	1,071,316	996,651
<b>Depreciation and Amortisation</b>		
Depreciation	156,022	161,807
Gain/(Loss) on Disposal	-	474
<b>Total Depreciation and Amortisation</b>	<b>156,022</b>	<b>162,281</b>
Net Farm Surplus (Loss)	915,294	834,370

# Statement of Profit or Loss

## Ngatimanawa Incorporation For the year ended 30 June 2022

	NOTES	2022	2021
<b>Revenue</b>			
Net Farming Income		915,294	834,370
<b>Total Revenue</b>		<b>915,294</b>	<b>834,370</b>
<b>Other Income</b>			
Fonterra Dividend - Business Income		57,430	28,394
Dividend Received		7,302	3,271
Interest Received		4	-
Land Lease Income		9,000	9,000
Rebates Received		26,820	12,707
Rental Income		7,350	7,950
Sundry Income		1,739	15,217
<b>Total Other Income</b>		<b>109,645</b>	<b>76,541</b>
<b>Expenses</b>			
<b>Administration</b>			
Advertising, Stationery, Printing		1,201	4,115
Annual General Meeting		-	6,000
Bank Charges		144	150
Chairman's Honorarium		5,000	5,000
Committee Fees & Expenses		11,732	18,825
Consultancy		13,363	-
General Expenses		2,019	2,155
Koha		1,600	-
<b>Total Administration</b>		<b>35,060</b>	<b>36,246</b>
<b>Interest, Rent and Lease</b>			
Interest - Other		217	1
Loan Interest		136,149	137,698
<b>Total Interest, Rent and Lease</b>		<b>136,366</b>	<b>137,700</b>
<b>Total Expenses</b>		<b>171,426</b>	<b>173,945</b>
<b>Surplus Before Distributions/Remuneration</b>		<b>853,513</b>	<b>736,966</b>
<b>Net Farm Surplus (Loss)</b>		<b>853,513</b>	<b>736,966</b>
<b>Net Surplus (Loss) for the Year</b>		<b>853,513</b>	<b>736,966</b>
<b>Taxation and Adjustments</b>			
Income Tax Expense		101,411	-
<b>Total Taxation and Adjustments</b>		<b>101,411</b>	<b>-</b>
<b>Net Profit (Loss) After Tax</b>		<b>752,102</b>	<b>736,966</b>

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

# Statement of Changes in Equity

## Ngatimanawa Incorporation For the year ended 30 June 2022

	2022	2021
<b>Equity</b>		
<b>Retained Earnings (Taxable)</b>		
Opening Balance	1,175,112	438,146
Net Profit (Loss) For The Year	752,102	736,966
<b>Total Retained Earnings (Taxable)</b>	<b>1,927,213</b>	<b>1,175,112</b>
<b>Retained Earnings (Tax Free)</b>		
Opening Balance	357,434	394,124
Shareholders grants	(38,186)	(36,690)
<b>Total Retained Earnings (Tax Free)</b>	<b>319,248</b>	<b>357,434</b>
<b>Capital</b>		
Opening Balance	132,032	132,032
<b>Total Capital</b>	<b>132,032</b>	<b>132,032</b>
<b>Capital Reserves</b>		
Opening Balance	788,625	788,625
<b>Total Capital Reserves</b>	<b>788,625</b>	<b>788,625</b>
<b>Revaluation Reserve</b>		
Opening Balance	13,333,130	13,093,175
Movements	416,096	239,955
<b>Total Revaluation Reserve</b>	<b>13,749,225</b>	<b>13,333,130</b>
<b>Total Equity</b>	<b>16,916,344</b>	<b>15,786,332</b>

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

# Balance Sheet

## Ngatimanawa Incorporation As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Bank		307,165	515,735
Trade and Other Receivables		600,043	539,386
Prepayments		33,319	27,015
Consumable Supplies		130,400	93,100
GST Receivable		11,975	-
Biological Assets		2,147,350	2,394,500
Income Tax Receivable		-	6
<b>Total Current Assets</b>		<b>3,230,251</b>	<b>3,569,743</b>
<b>Non-Current Assets</b>			
Investment in Shares		931,832	1,177,667
Property, Plant and Equipment		14,245,411	14,215,417
New Zealand Units (20,280)		1,541,280	880,152
<b>Total Non-Current Assets</b>		<b>16,718,523</b>	<b>16,273,236</b>
<b>Total Assets</b>		<b>19,948,774</b>	<b>19,842,978</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables		111,585	125,904
GST Payable		-	19,402
Income Tax Payable		100,903	-
Employee Entitlements		58,625	44,757
Forest Lease Received in Advance		23,730	18,585
Housing Bond		500	-
Loans - Current Portion		35,542	107,500
<b>Total Current Liabilities</b>		<b>330,885</b>	<b>316,147</b>
<b>Non-Current Liabilities</b>			
Loans -Non Current Portion		2,461,148	3,499,670
Unclaimed Dividends		240,396	240,829
<b>Total Non-Current Liabilities</b>		<b>2,701,544</b>	<b>3,740,499</b>
<b>Total Liabilities</b>		<b>3,032,430</b>	<b>4,056,646</b>
<b>Net Assets</b>		<b>16,916,344</b>	<b>15,786,332</b>
<b>Equity</b>			
Capital		132,032	132,032
Capital Reserve		788,625	788,625
Revaluation reserves		13,749,225	13,333,130
Retained Earnings		2,246,461	1,532,546
<b>Total Equity</b>		<b>16,916,344</b>	<b>15,786,332</b>

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

## Schedule of Investments

### Ngatimanawa Incorporation For the year ended 30 June 2022

	2022	2021
<b>Available for Sale Financial Assets</b>		
Ballance Agri-Nutrients Ltd (10,830)	87,723	87,723
Fonterra Co-operative Group Ltd (287,150)	832,735	1,079,684
Livestock Improvement Co-op (1,789)	1,789	1,789
Livestock Improvements Corporation Ltd (6,610)	9,585	7,668
<b>Total Available for Sale Financial Assets</b>	<b>931,832</b>	<b>1,176,864</b>

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

# Notes to the Financial Statements

## Ngatimanawa Incorporation For the year ended 30 June 2022

### 1. Reporting entity

Ngatimanawa Incorporation is a Māori Incorporation which 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.

The Incorporation is engaged in the business of Farming, agriculture, forestry and investment.

### 2. Statement of accounting policies

#### 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 Incorporation's income tax requirements and internal use.

#### *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.

#### Historical cost

These financial statements have been prepared on a historical cost basis, except as noted otherwise below. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

#### Changes in Accounting Policies

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

#### 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 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.

## **Inventories**

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

The cost of inventories includes the cost of direct materials, direct labour and a proportion of the manufacturing overhead, based on the normal capacity of the facilities, expended in putting the inventories in their present location and condition.

## **Biological assets**

Biological assets are measured at fair value less point-of-sale costs, with any change therein recognised in the income statement. Point-of-sale costs include all costs that would be necessary to sell the assets.

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 (2021: Herd).

## **Accounts receivable**

Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

## **Property, plant and equipment**

The entity has the following classes of property, plant and equipment:

<b>Account</b>	<b>Method</b>	<b>Rate</b>
Land and Improvements	No Depreciation	N/A
Buildings	Diminishing Value	0%
Buildings	Straight Line	0% - 11.4%
Plant and Equipment	Diminishing Value	0% - 60%



Development Expenditure	Straight Line	0%
-------------------------	---------------	----

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Upon derecognition, the asset revaluation reserve relating to the asset disposed shall be transferred to retained earnings.

Depreciation has been calculated in accordance with rates permitted under the Income Tax Act 2007 except for those revalued assets stated otherwise.

### Property, plant and equipment - revaluation

Land and Improvements are valued at the Rating Valuations dated 1 September 2019. These valuations are carried out every three years.

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.

### Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

### Goodwill

Goodwill is an intangible asset representing the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognised.

Goodwill is measured at cost less any accumulated impairment losses. Cost is the excess of consideration paid over the acquirer's interest in the net fair value of identifiable assets of the acquired business at the date of acquisition. Goodwill is assessed for impairment at least annually.

### 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 entity 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 the entity 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 then the resulting difference is recognised as an impairment loss in profit or loss for that period.

### Financial instruments - financial assets

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

#### *Cost*

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

#### *Fair value*

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

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

### **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.

### **Provisions**

Provisions are recognised when the entity has an obligation which can be reliably measured at balance date as a result of a past event and it is probable that the entity will be required to settle the obligation.

Where the entity expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at balance date. Movements in the best estimate are recorded in profit or loss.

### **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.

### **Leases**

Plant and equipment, and land are leased by the Incorporation.

#### *Finance lease*

Finance leases which effectively transfer to the entity substantially all of the risks and rewards incidental to ownership of the leased item are capitalised at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

#### *Operating lease*

Operating lease payments, where the lessors effectively retain substantially all the risk and benefits of ownership of the leased items, are recognised as an expense in profit or loss on a straight line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

#### **New Zealand Units (NZU's)**

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

Subsequent to receipt, NZU's are measured at fair value. Impairment losses are recognised through the statement of income should their carrying amount exceed the recoverable amount.

#### **Income tax**

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue.

#### **Goods and services tax**

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

### **3. Audit**

These financial statements have not been audited.

### **4. Related parties**

There have been no material related party transactions other than those have already been disclosed as follows:

	2022	2021
<b>Committee Fees paid</b>		
Tawhiri Morehu (Chairman's Honaraium)	5,000	5,000
Tawhiri Morehu	1,800	2,700
Partick McManus	2,108	1,911
Maramena Veroce	1,200	2,400
Rewi Pouwhare	1,608	900
Henry Nuku	1,608	2,305
Renata White	1,500	3,411
Stan Heather	1,908	2,700
Venue & Catering	-	2,498
<b>Total Committee Fees paid</b>	<b>16,732</b>	<b>23,825</b>

2022

2021

## 5. Inventories

### Balance at the end of the year:

Livestock on hand	2,147,350	2,394,500
<b>Total Balance at the end of the year:</b>	<b>2,147,350</b>	<b>2,394,500</b>
<b>Total Inventories</b>	<b>2,147,350</b>	<b>2,394,500</b>

### Schedule of dairy cattle on hand at Market Value at 30 June 2022

Dairy Cattle	Opening Qty	Opening value	Closing Qty	Closing value
R 1yr Heifers	457	281,450	148	81,400
R 2yr Heifers	209	292,600	221	253,200
MA Cows	980	1,630,100	911	1,611,150
R 1yr Steers	1	850	0	0
R 2 yr Steers	0	0	0	0
R 1yr Bulls	196	117,600	300	151,100
R 2yr Bulls	43	43,000	35	50,500
R 3yr Bulls	17	28,900	0	0
<b>Total</b>	<b>1,903</b>	<b>2,394,500</b>	<b>1,615</b>	<b>2,147,350</b>

## 6. BNZ Loans

As at balance date, the Incorporation has the following borrowings with Bank of New Zealand:

Loan	BNZ Term Loan - 09
Fixed Portion	\$2,107,000
Interest Rate	5.51% per year
Maturity Date	20 September 2022

Loan	BNZ Term Loan - 11
Fixed Portion	\$149,210
Interest Rate	5.51% per year
Maturity Date	21 July 2025

Loan	BNZ Term Loan - 12
Fixed Portion	\$240,480
Interest Rate	5.51% per year
Maturity Date	25 September 2030

The loans are secured by 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.

	2022	2021
<b>7. Property, plant and equipment</b>		
<b>Land</b>		
Land & Improvements	15,812,458	15,810,178
Accumulated depreciation - improvements	(2,077,694)	(1,973,151)
<b>Total Land</b>	<b>13,734,763</b>	<b>13,837,027</b>
<b>Buildings</b>		
Buildings at cost	19,449	19,449
Accumulated depreciation - buildings	(13,170)	(13,029)
<b>Total Buildings</b>	<b>6,279</b>	<b>6,420</b>
<b>Plant and Equipment</b>		
Plant and equipment at cost	604,854	601,258
Accumulated depreciation - plant and equipment	(426,730)	(398,550)
<b>Total Plant and Equipment</b>	<b>178,123</b>	<b>202,708</b>
<b>Furniture and Fittings</b>		
Furniture and fittings at cost	25,264	25,264
Accumulated depreciation - furniture and fittings	(22,135)	(21,504)
<b>Total Furniture and Fittings</b>	<b>3,129</b>	<b>3,760</b>
<b>Vehicles</b>		
Vehicles at cost	451,383	288,893
Accumulated depreciation - vehicles	(198,050)	(175,524)
<b>Total Vehicles</b>	<b>253,333</b>	<b>113,369</b>
<b>Other Development Expenditures</b>		
Fixed assets	69,784	52,133
<b>Total Other Development Expenditures</b>	<b>69,784</b>	<b>52,133</b>
<b>Total Property, plant and equipment</b>	<b>14,245,411</b>	<b>14,215,417</b>
	2022	2021

## 8. Income Tax expense

Net Profit (Loss) Before Tax	853,513	736,966
<b>Additions to Taxable Profit</b>		
Livestock tax adjustment	28,238	216,327
Depreciation on buildings	1,653	2,150
Increase (decrease) in Holiday Pay Provision	1,137	3,757
Other tax adjustments	2,840	(160)
<b>Total Additions to Taxable Profit</b>	<b>33,867</b>	<b>222,074</b>
<b>Deductions from Taxable Profit</b>		
Deferred Milksolids	72,399	65,868

	2022	2021
Losses Carried Forward	219,263	1,112,434
<b>Total Deductions from Taxable Profit</b>	<b>291,661</b>	<b>1,178,302</b>
Taxable Profit (Loss)	595,719	(219,263)
Tax Payable at 17.5%	104,251	-
<b>Deductions from Tax Payable</b>		
Opening Balance	6	45
Prior period tax paid (refunded)	(6)	(39)
Imputation credits on dividends received	2,840	-
Resident withholding tax paid	508	-
<b>Total Deductions from Tax Payable</b>	<b>3,348</b>	<b>6</b>
Income Tax Payable (Refund Due)	100,903	(6)
	2022	2021

## 9. Maori Authority Credit Account

### At balance date MACA credits available to shareholders were:

Opening Balance	194,001	194,006
<b>Credits</b>		
Imputation credits converted to losses	-	-
Income Tax Paid	-	-
Resident Withholding Tax Paid	508	6
Imputation credits on dividends received	2,840	34
<b>Total Credits</b>	<b>3,348</b>	<b>40</b>
<b>Debits</b>		
Imputation Credits Attached to Dividends	-	-
Income Tax Refund	6	45
<b>Total Debits</b>	<b>6</b>	<b>45</b>
<b>Closing Balance</b>	<b>197,343</b>	<b>194,001</b>

## 10. Capital commitments

There are no other known material capital commitments at balance date (2021:\$0)

## 11. 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 (2021: \$0).

## 12. 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.



# NGATIMANAWA INCORPORATION



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