



# Annual Reports to 30 June 2023

**NGATIMANAWA INCORPORATION**





# Directory

## Committee of Management

Tawhiri Morehu (Chairman)

Patrick McManus

Pouwhare Rewi

Maramena Vercoe

Renata White

Stan Heather

Charlie Teddy

## 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

AG First

## Solicitor

Helen Nathan

Morrison Kent

## Bankers

Bank of New Zealand



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# 2023 Annual General Meeting

At Painoaiho Marae,  
on Saturday 18th November 2023  
at 10.00am.

## Agenda

1. Apologies.
2. Minutes.
3. Annual Reports & Financial Statements.
4. Appointment of Share Valuer.
5. Distribution.
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 2023 (Postponed) Annual General Meeting of Shareholders

Held at Painoaiho Marae on Saturday 27th May 2023 at 10.00am

- Chairman** Tawhiri Morehu  
**Secretary** Murray Patchell  
**Mihi & Karakia** Jack Tupe  
**Attendance** 47  
**Apologies** 26  
**Minutes:** Of the previous annual general meeting held on 28th November 2019 were read by the Secretary and confirmed. (Yvonne Rewi/Pouwhare Rewi) Carried
- Chairman's Report:** Chairman tabled and read his report.  
RESOLVED: "That the Chairman's report be received." (Tawhiri Morehu/Jack Tupe) Carried
- Farm Report:** Peter Livingston presented his farm report.  
RESOLVED: "That the farm report be received." (Tawhiri Morehu/Hoki Kahukiwa) Carried  
In presenting his report Peter focussed on:
- The last year had been one of the wettest on record.
  - The farm is being prepared for environmental factors coming.
  - The farm milks all year round and is mostly self contained for feed.
  - Future land use options are being investigated.
- Financial Report:** Murray Patchell tabled the financial statements for the year ended 30 June 2022 and presented a summary overview. He explained that he was now working in conjunction with PKF Tauranga, Chartered Accountants for preparation of annual accounts.  
RESOLVED: "That the financial report for the year ended 30 June 2022 be received." (Pat McManus/Ema Kalman) Carried
- Share Valuer:** RESOLVED: "That PFK Tauranga, Chartered Accountants be appointed share valuer." (Renata White/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." (Barnett Vercoe/Patti Sutton) Carried  
Discussion took place on widening scholarships to include other professional vocations, increasing grants and providing for health grants. Committee will take on board these suggestions for consideration. A number of shareholders thanked the committee for the education grants.
- Review of Committee Fees and Chairman's Honorarium**  
As advertised the Secretary opened the discussion with a proposal that committee fees be increased from \$300 to \$1000 per meeting before tax and the Chairman's Honorarium from \$5000 p.a. to \$10,000 p.a. before tax. He said fees had not been reviewed for 15 to 20 years and there had been a significant lift in comparable fees. After discussion the following resolutions were passed:

RESOLVED: "That committee meeting fees be increased to \$1000 gross per meeting."

(Hoki Kahukiwa/Henry Nuku) Carried  
18 For / 9 Against  
Committee members abstained

RESOLVED: "That the Chairmans' Honorarium be increased to \$10,000 p.a. gross."

(Hoki Kahukiwa/Henry Nuku) Carried  
22 For / 5 Against

## Election

Three nominations were received for the two positions available. The candidates spoke to the meeting.

RESOLVED: "That the Secretary and Peter Livingston be appointed Scrutineers."

(Barnett Vercoe/Renata White) Carried

Voting papers issued and collected. After counting by the Scrutineers the results were:

Patrick McManus	16
Charles Teddy	13
Hapimana Higgins	3
Invalid	14 (not affecting the outcome)

Patrick McManus and Charles Teddy elected for 3 year terms.

## General Business:

1. Hapimana Higgins raised concerns he had with Wai-irohia and Moewhare Papakainga and requested a meeting with the committee. Chairman advised the committee will get back to him with a date and time. Ema Kalman said she has some background history so she will also attend the hui.

2. Leonard Grace requested a letter of support for marae funding. Secretary to contact him.

3. Margaret Dunne queried land at Kopuriki (Koro Popo) and why this is included in the Incorporation. She had concerns with how it was being managed and felt it should be returned to the whanau. The Chair advised this would need to be researched.

4. Margaret Dunne said whanau had been denied access to water that used to come from Kiri-o-tui. The chairman advised that water is consented by the regional council and they will need to take that up with the council.

5. A queried was raised about rebuilding a house that had burnt down and the chairman advised that the committee would need to look at that.

6. Terewai Kalman on behalf of her mother congratulated the committee on their results. They have issues regarding access to their property that had not been resolved due to the committee requesting evidence. She requested a meeting with the committee at which they will present their evidence.

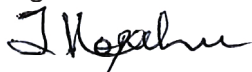
7. Margaret Dunne was concerned with Bulls grazing on the Urupa which is not part of the Incorporation and requested they be removed.

8. RESOLVED: "That a koha of \$3,000 be made to Painoaiho Marae for hosting the AGM."

(Henry Nuku/Gwyneth Howden) Carried

Meeting closed at 12.20pm with karakia from Jack Tupe.

Signed as a correct record



Tawhiri Morehu  
Chairman



# Chairman's Report 2023

## Tēnā koutou katoa

A warm welcome to you all for attending our AGM today. We are back on our usual November AGM cycle after our 2022 AGM was held in May this year due to Covid delays.

At the May hui Pat McManus was re-elected for a three year term and Charlie Teddy was elected to replace Henry Nuku who decided to retire off the committee. At today's AGM Maramena Vercoe and myself stand for re-election. The committee meets formally every 3 months to inspect the farm, review operations and finances and deal with matters arising. Committee members participation is very good and members are all fully engaged in managing the Incorporations business.

There has been a lot of concern and uncertainty in recent months with economic and political headwinds in front of us. Some of the income concerns have eased with a lifting of milk prices leading to an improvement in the forecast for the next season that will get us above break even levels. Milk pricing is still not as strong as we have seen at times but a relief all the same to be moving in the right direction. Our management team have worked hard to manage on farm costs and defer projects where possible. There are still many global tensions affecting oil prices and supply chains so we need to keep on top of costs. As we all know there has been a change of Government and we will keep a close watch on how the new Government deals with issues facing farmers.

The 5 yearly Forestry lease rent review came up on 1 April 2023. There were a number of challenges through the valuation and negotiation process but we secured a great result in the end with rental for the next 5 years increasing to \$49,000 p.a. That is a 55% increase over the old rent of \$31,640 p.a. We are very grateful of the work of our Secretary Murray Patchell in helping secure this outcome. The Lessee Matariki has decided to put its central north islands forests up for sale and this process is underway. We did look at the possibility of purchase but considered that it was not financially viable to do this currently.

We decided to set aside some of the forest rental into an investment fund to provide some growth and recognition of this putea arising from the forestry which will one day come back to the Incorporation. This will also provide a contingency fund that could be accessed in the future. Initially \$100,000 has been placed with Craigs Investments with the intention that we will add the forestry rental annually. Investment markets have been quite challenging lately but our investment fund has grown to be worth \$106,405 currently.

We were hopeful of securing some MPI funding for a land use capability study to progress our strategic planning however due to funding limits this has not happened yet.

As mentioned at our last hui a feasibility investigation into sheep milking by Maori Land owners funded by MPI has been underway. We have received the initial reports that are quite positive but we don't think the timing is right yet for the Incorporation to convert land into sheep milking that requires a significant capital investment and borrowing.

We have successfully negotiated 5 year environmental agreements with the Bay of Plenty regional Council for restoration and preservation of the Hinengawari and Putakotare areas. See maps on pages 12 and 13.

The committee have approved the sum of \$60,000 for distribution to shareholders and we recommend that this be paid as a shareholders grant to shareholders that have provided their addresses and bank accounts as in previous years. The minimum grant is \$100. See table on page 11.

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 to continue managing and growing business.

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



# 2023 Shareholders Grants Policy

A Shareholders grant in lieu of a dividend was adopted for the 2023 AGM. This grant is payable to the shareholders registered at 1st December 2023 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 2023 Shareholders Grant is as follows:

1. For identification purposes the grant will be called the “2023 Shareholders Grant”.
2. The sum of \$60,000 has been set aside for 2023 Shareholders Grants.
3. The minimum payment is \$100.
4. Payments to be made only to bank accounts and shareholders addresses must be held.
5. Payments will be calculated according to shareholding bands as per the attached schedule.
6. 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.
7. Sufficient funds will be retained to cover any Shareholders who are located after the payment date.
8. 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.
9. 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.
10. 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.
11. Entitlement to the payment will expire on the date of the next AGM.
12. 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.....

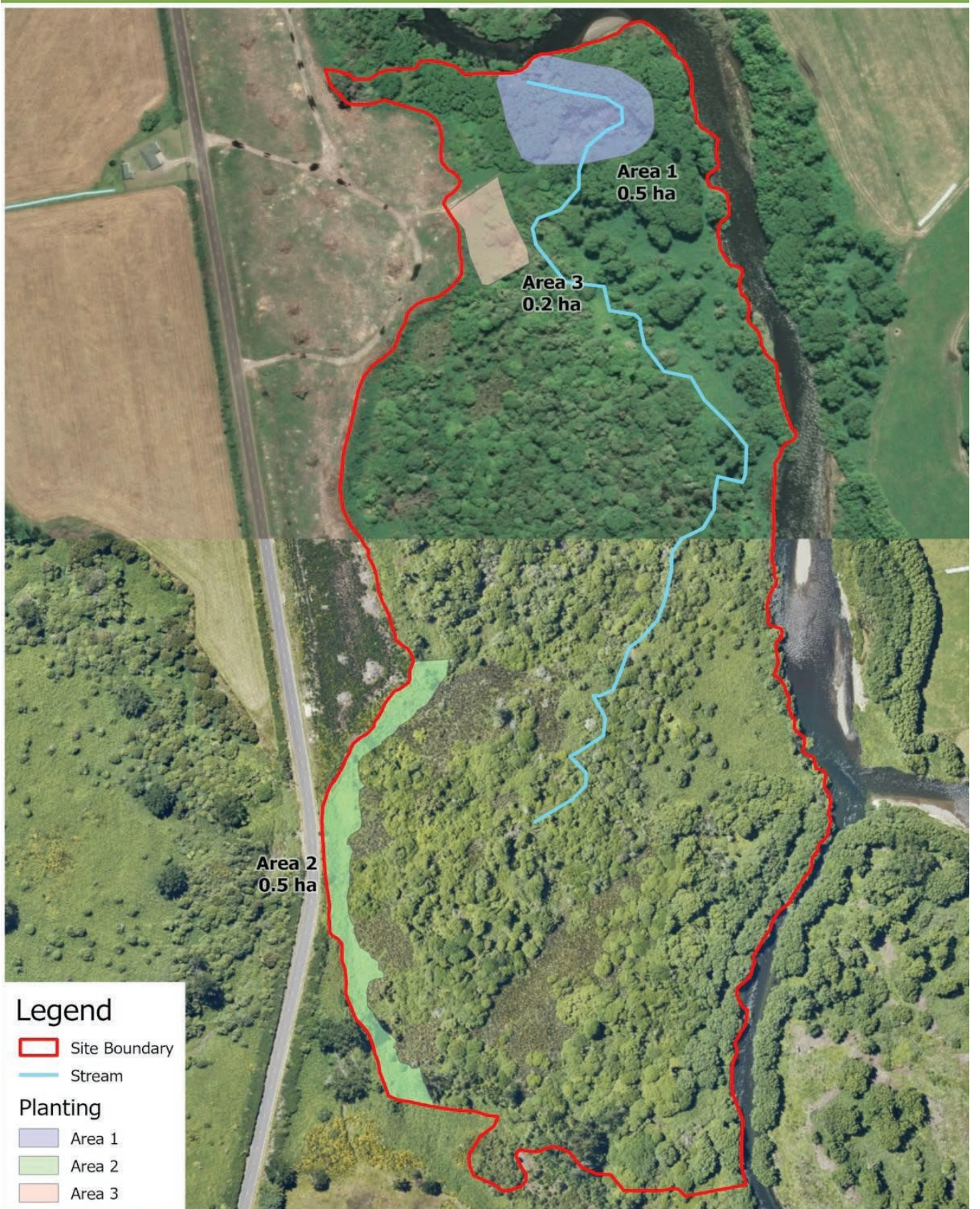




# Shareholders Grant Structure

Grant structure for distribution in lieu of dividend (\$60,000)

Group	Share Range	Grant Payment	Owners with address and bank a/c
1	0 to 399.99	100	345
2	400 to 499.99	118	13
3	500 to 599.99	142	8
4	600 to 699.99	165	0
5	700 to 799.99	189	3
6	800 to 899.99	212	7
7	900 to 999.99	236	11
8	1000 to 1099.99	260	3
9	1100 to 1199.99	283	1
10	1200 to 1299.99	306	1
11	1300 to 1399.99	330	1
12	1400 to 1499.99	353	2
13	1500 to 1599.99	377	1
14	1600 to 1699.99	401	5
15	1700 to 1799.99	424	0
16	1800 to 1899.99	448	0
17	1900 to 1999.99	471	0
18	2000 to 2099.99	589	2
19	2500 to 2599.99	707	1
20	3000 to 3099.99	942	2
21	4000 to 4099.99	1,178	2
22	5000 to 8207	1,933	1
			<b>TOTAL 409</b>



Created by: N Willems  
Date: 26 August 2022  
Map ref: BOPR-18-159-MAP031  
Scale 1:3,000  
New Zealand Transverse Mercator

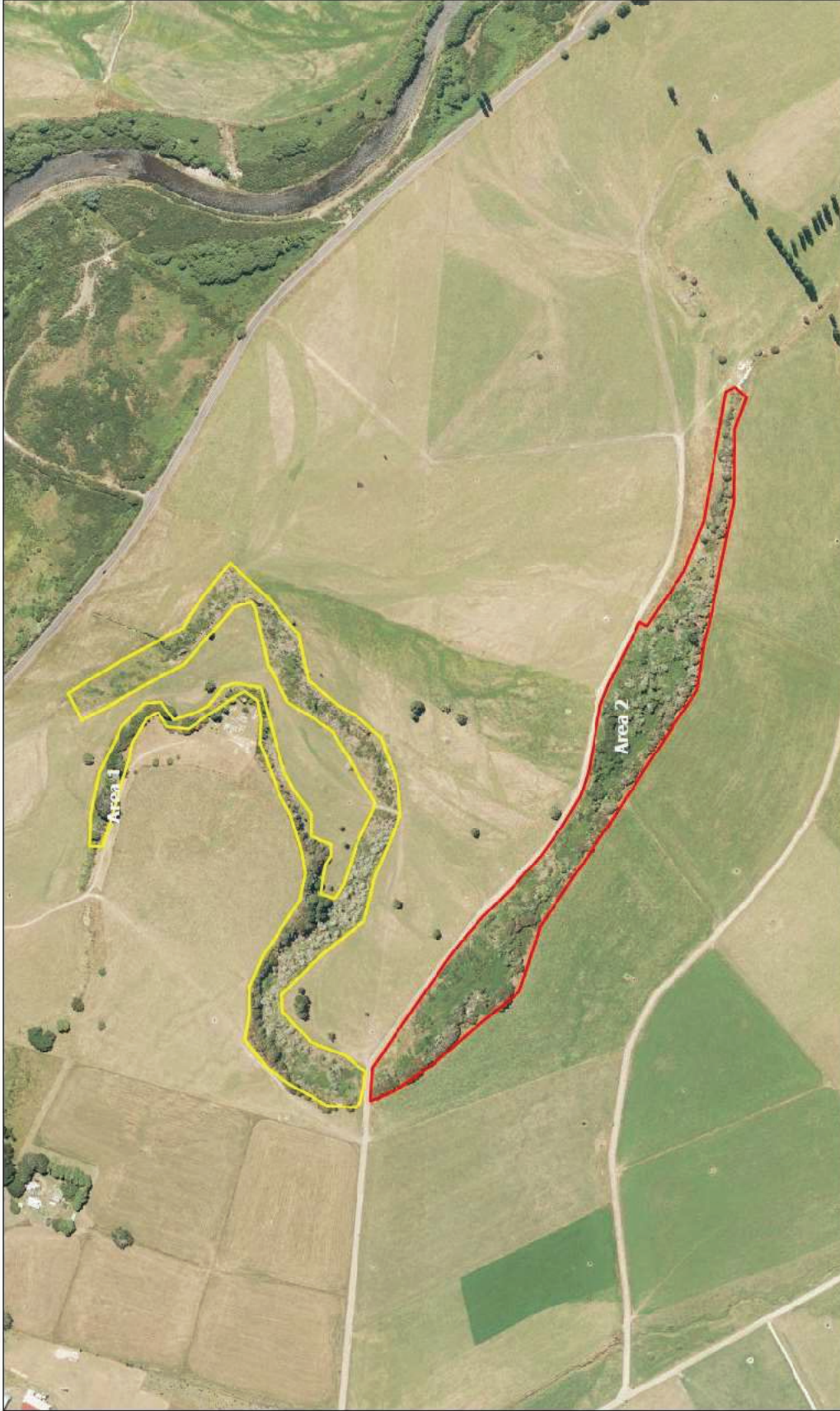
### Hinengawari Planting Areas



Data sources: Commissioned by Bay of Plenty Regional Council, used with permission.  
Aerial photography sourced from LINZ and licensed by BOPLASS Ltd, CC by 4.0 Licence



Appendix 1: Map of protection areas and work sites



Putakōtare management areas



# Farm Report

Independent  
Agriculture  
& Horticulture  
Consultant  
Network



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## 1. Background

The weather “*gurus*” tell us that the dominant “*La Nina*” pattern, bringing moisture day after day for the last 18 months, has finally departed. We are now in an “*El Nino*” phase of weather which usually brings stronger, persistent westerly wind-flows and probably a drier summer to those in the East. A return to “*normal*” for Murupara over the coming months perhaps!!

The 2022/2023 year brought good pasture growth in almost every month, a much lower dairy milk payout, and a significant rise in the costs for most farm inputs. It had to happen at some stage though, given the cyclical nature of farming, noting a sharp fall off the market peaks for milk and meat. This is strongly reflected in the net returns to all farmers for the 2022/2023 year, after a period of two to three years where the profit levels had remained much higher than the long-term industry average. Whilst the Incorporations’ profit level felt the impact from the same market forces, the financial result overall was still favourable, and this reflects the level of performance the farm operation has hit over the last decade. The road ahead may continue to be “*rocky*” for a while however, so extra effort is needed from all in controlling input costs and hitting productivity targets.

## 2. The 2022/2023 season

Another strong performance productively was achieved last season. Milksolids hit 314,570 kg for the season. This was similar to the previous year and 1.5% up on the “*rolling five year average*”. The following graph displays the steady progress the dairy farm is making.



The Incorporation has continued to invest in farm and herd improvement. There is still plenty of room for 5 to 7% lift in productivity in the short to medium term.

The farm has generally remained “self-contained” in nature, for the provision of feed and stock grazing. It relies mainly on pasture and crops grown on the dairy milking platform (Whirinaki Block). This is supported by grass, lucerne and maize silage transferred to the Dairy farm from the Kopuriki Road lands. Beef and grazing are also mainly there, with additional support from the grazing of replacement heifers on the Matera Ahuwhenua Trust Farm. This is a sustainable farm model at present.

Beef calves were reared again in 2022/2023. During the year 300 beef calves were reared to be carried at Karatia and sold one to two years later. As at 30<sup>th</sup> of June 2023 the farm was carrying nearly 450 beef cross cattle, all reared from the Incorporations dairy herd. The farm sells minimal numbers of calves as four day old “bobbies”. The farm wintered 1,027 cows in 2023. Of these around 300 were milking through winter, having been a mix of Autumn calvers and ‘carryover’ empties, with the balance calving in Spring.

This policy of a split Autumn / Spring calving continues to work in a favourable fashion for the Incorporation. The farm was able to make plenty of extra silage in 2022/2023 with a “wetter than normal” Summer and Autumn, and there was a larger area of maize grown for silage.

### 3. Dairy and Beef Returns

Whilst we might have hoped for a repeat of the FYE 2022 Fonterra payment of \$9.25/kgMS, it was not to be. The final FYE 2023 payment was \$8.22/kgMS, still above the five-year average of \$7.68/kg. At first glance one would expect to be happy with this. However, the reality is that on-farm inflation over the last 18 months has been more than double the “normal” rate at 15 to 17%, severely eroding the profit margin gained over the previous three-year period. For Ngatimanawa Incorporation the situation is a little different to most other dairy farmers as the sale of beef adds to the revenue pool. The following graph shows the milk payout from Fonterra since 2017. The current 2023/24 year does not look quite so bright, with an expected payout of well under \$8/ kg MS based on current forecasts.

Beef returns have also dropped slightly since the 2021/2022 peak but a \$5.75 to \$6.25 / kg beef schedule across much of the year keeps this market very buoyant. This is expected to continue in the short-term. It was a good decision to rear progeny out of the Incorporations own dairy herd to utilise the Karatia Lands more efficiently and diversify the revenue base.

### 4. Land Use Study and the Environment

The changing weather patterns and “warming climate” are no secret to those of us in farming. Like most other New Zealand farmers, the Incorporation is looking at how this might impact on the sustainability of the existing farm system and what other land use options exist. To this end funding from MPI has been sought to help complete a study of options and opportunities for Ngatimanawa B4 Incorporation, looking out over the timeframe covering the next 20 to 30 years. Whilst livestock farming is likely to remain a cornerstone of the profit base for some time to come, other crops including those for food production and horticulture are all on the table for evaluation. The nutrient loss rates to groundwater, using resources such as water more efficiently, meeting new environmental standards and negotiating climate change, are all to be factored into the study to identify options ahead that fit with the Incorporations’ strategic direction. The costs of investment, and associated cost:benefit analysis, can then be checked.

The Incorporation will also need to consider what species of pasture and crops will suit a sustainable livestock farm system as the weather patterns change. Warmer summer/autumn periods might not suit the current types of plants we grow or perhaps there will be a heightened challenge from new pests and diseases! Will we have similar access to water as we know it now? These types of things could all impact on the ability to sustain the land, its’ natural environment and use the whenua efficiently to meet the needs for future generations. The options evaluated will not only consider productivity, profitability, kaimahi but also the environmental impact / benefits.

The current Farm Environment Management Plan will have a Freshwater Farm Plan component added by late 2025. Coupled with how farming will contribute to reducing greenhouse gas emissions, there is an opportunity to cast the net wide in terms of assessing all options. As pointed out in May at the last AGM, Ngatimanawa B4 Incorporation has a relatively low environmental footprint now, but the goal is to be even more “savvy” in this area.



## Summary

The 2022/2023 season was certainly a more challenging one than the previous two. Returns from both milk and beef were well down, farm operating costs up by 12% for the Incorporation and overhead costs also rose. In the face of the numerous challenges, the productive base was maintained. The Incorporation still managed to pay down more of the term debt last year, a good move considering the rising costs of borrowing money.

The farm and its management team continue to adapt to ever changing rules around industry compliance. Change is inevitable over the next two to three decades. Doing what we have always “*simply done*” in farming is not necessarily an option in the future. The Incorporation has invested wisely in achieving the last phase of business growth and land / herd development and will need to approach the next two to three decades with a very open mind.

Thanks to the Committee of Management and Murray Patchell for their guidance and support along the journey. Special thanks to farm staff and management who carry out the hard mahi.

### Peter Livingston

Director / Agribusiness Consultant

#### 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 PKF 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 2023. Here is a summary of the key financial points.

## Net Operating Surplus:

	2022	2023
<b>Income</b>		
Milk Solids Income	2,923,917	2,594,802
Cattle Trading Surplus	269,412	363,001
Dividends Received	64,732	77,765
Forest lease rental	53,935	31,640
Lease Income	16,350	16,800
Rebates and other income	28,563	14,682
<b>Total Income</b>	<b>\$3,356,909</b>	<b>\$3,098,690</b>
<b>Less Expenditure</b>		
Farm Operating Expenses	1,722,407	1,929,243
Mortgage Interest	136,367	184,254
Depreciation	156,022	126,179
Administration costs	130,666	206,897
Forestry Planting	35,445	4,255
Rates	95,971	91,325
Repairs and Maintenance	139,583	218,148
Vehicle Expenses	52,276	64,543
Insurance	34,659	41,333
<b>Total Expenditure</b>	<b>\$2,503,396</b>	<b>\$2,866,177</b>
<b>Operating Surplus</b>	<b>\$853,513</b>	<b>\$232,513</b>
<b>Less Taxation</b>	<b>\$101,411</b>	<b>\$34,804</b>
<b>Net Profit After Tax</b>	<b>\$752,102</b>	<b>\$197,709</b>

Cattle trading includes movements in livestock valuation over the year.

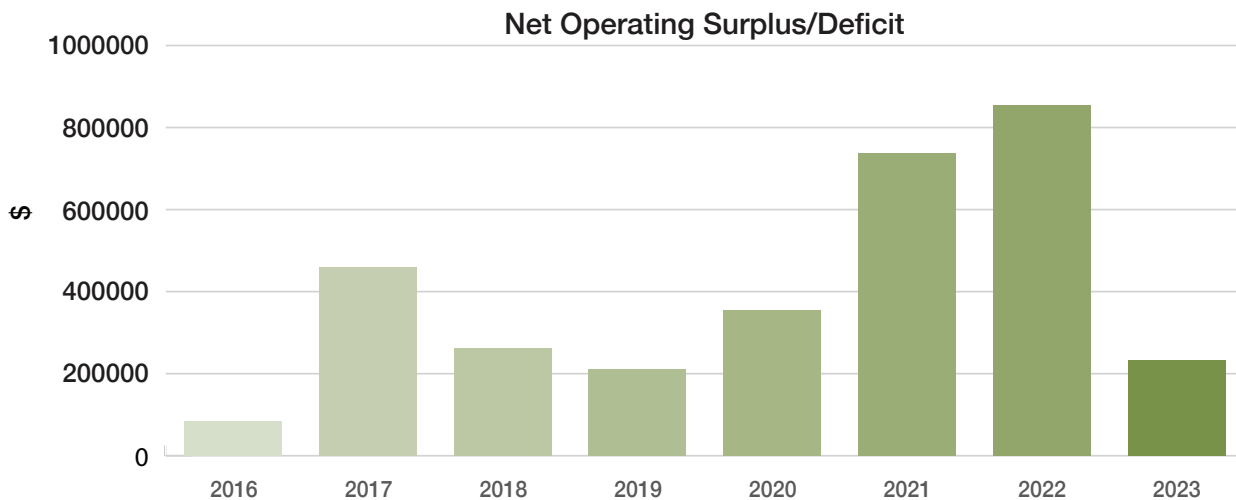
Direct on Farm costs were up \$206,836 being 12% over 2022 year compared with cpi inflation of 7%.

Interest rates have increased by over 3%p.a. resulting in additional interest cost of \$47,887 despite loan repayments made.

Administration costs increased over 2022 due to:

- Two AGMs held in the 2023 Financial year
- Increase in the committee fee rate
- Planning work undertaken
- Set up costs for the website
- Survey costs incurred

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



Net Operating Surplus for the year ended 30 June 2023 is determined for accounting and tax purposes on an accrual basis including the final milk payout which is not paid until October. The Incorporation cash position received a significant boost in October 2023 with the payment of an increased dividend and non taxable capital distribution from Fonterra totaling \$303,325.

As already reported 2023 net surplus was impacted by the lower milksolid payout at \$8.22 per kg. Results are very sensitive to the milksolid payment – a \$1 per kilo increase in milksolid price means additional income of \$300,000 over a season.

Distribution by way of shareholders grants totaled \$38,186 paid out in December 2022.

## Assets and Liabilities

	2022	2023
<b>Assets</b>		
Cash at Bank	307,165	203,980
Current Assets (Receivables, Prepayments)	645,337	620,408
Silage	130,400	219,750
Livestock	2,147,350	2,200,039
Shares (Fonterra etc)	824,038	907,630
Craigs Investment Portfolio	107,794	
Land & Buildings	13,813,955	13,837,232
Vehicles & Equipment	431,456	396,472
NZ Units (Carbon)	1,541,280	831,480
<b>TOTAL ASSETS</b>	<b>\$19,948,775</b>	<b>\$19,216,991</b>
<b>Less Liabilities</b>		
Current Liabilities (Accounts payable)	194,440	260,639
Tax payable	100,903	33,988
Bank Mortgage	2,496,690	2,443,000
Unclaimed Dividends	240,396	240,328
<b>TOTAL LIABILITIES</b>	<b>\$3,032,429</b>	<b>\$2,977,955</b>
<b>NET ASSETS (EQUITY)</b>	<b>\$16,916,346</b>	<b>\$16,239,036</b>

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

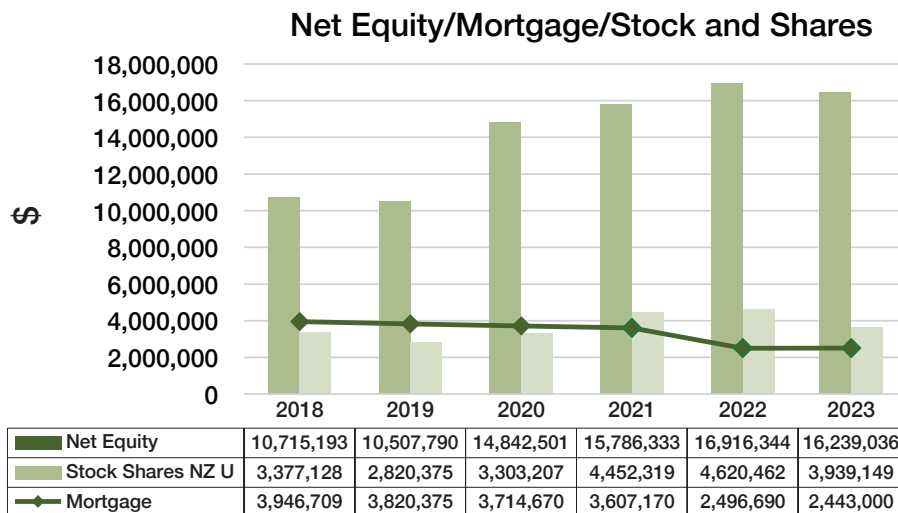




## Movement in Asset Values

Fonterra Shares reduced in value by \$130,079 (15.6%). The price per share at 30 June 2023 was \$2.45 and this has since dropped to \$2.20 per share.

The total value of NZ Units (carbon credits) decreased by \$709,800 in the 2023 year. The price per unit at 30 June 2023 was \$41 per unit having been at \$76 per unit a year earlier. The price has since risen to \$70 per unit the market is volatile and subject to changes Government Policy.



Overall Net equity decreased by \$677,308 in the year ended 30th June 2023 mostly due to the drop in value of the Carbon credits. The BNZ mortgage was reduced by \$53,690 in the 2023 financial year after a \$1.1m repayment in 2022. There is an option to redraw these funds if required. The loan balance of \$2.4 m is well covered by livestock, shares and NZ Units worth \$3.9m 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 \$63.80.

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 2023

<b>Income and Expenditure</b>	<b>2023</b>	<b>2022</b>
<b>Income</b>		
Dividends and Interest	55,092	49,284
	<b>\$55,092</b>	<b>\$49,284</b>
<b>Less Administration Expenses</b>		
Advertising	179	1,148
General Expenses	543	514
Investment Management Fees	3,949	3,648
Printing & Stationery	15	99
Secretarial and Accounting	11,039	7,504
Trustees Fees and Expenses	0	1,903
	<b>15,725</b>	<b>14,816</b>
<b>Surplus for year</b>	<b>\$39,740</b>	<b>\$34,468</b>
<b>Less Grants Paid</b>		
Education Grants	9,375	12,725
	<b>\$9,375</b>	<b>\$12,725</b>
Funds for Reinvestment	\$30,365	21,743
Investment Gains (Loss)	(16,931)	21,802
<b>Net Gain</b>	<b>\$13,434</b>	<b>\$43,545</b>
<b>Assets</b>	<b>2023</b>	<b>2022</b>
Cash and Investments	51,892	33,521
Investment Portfolio	537,564	542,109
Shares In Ngahuinga Motumako Trust	3,610,061	4,003,701
<b>Total Assets</b>	<b>\$4,199,517</b>	<b>\$4,579,331</b>

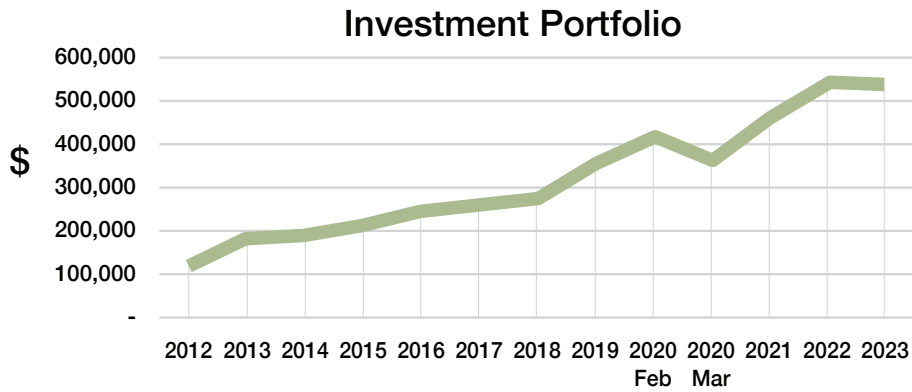
The value of the investment portfolio at 31 March 2023 was \$537,564. Global investment markets have been weak over the last 2 years. Currently portfolio valued at around \$534,046. No new funds have been added into portfolio. Surplus funds are held on bank deposit.

## Proprietors of Ngatimanawa Incorporation

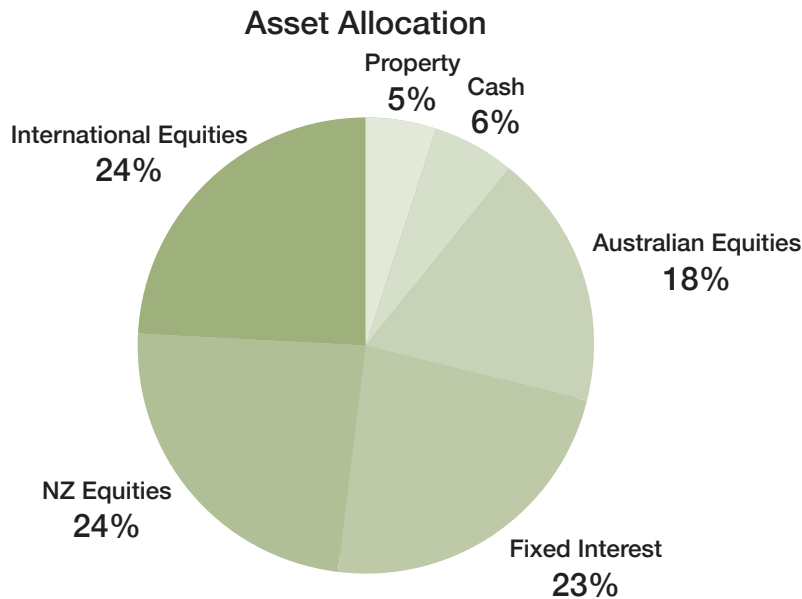


The Trust holds 87,603 shares in Ngahuinga Motumako Lands Trust and the value of these shares decreased by \$393,640 in the year ended 31 March 2023 due to the drop in value of NZ Units (Carbon credits) held by Ngahuinga.

The investment portfolio is managed by Craigs Investment Partners. For the 12 months to 31 March 2023 the portfolio had a return of .49%. From inception in 2012 the annualised return has been 10.28% 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 2023

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
Ahera	Carlson	The University of Waikato	Diploma in Te Tohu Paetahi	150
Aorere	Waaka	Otago University	Bachelor of Health Sciences	150
Alexandra	Ogilvie	Otago University	Bachelor of Arts and Science	250
Javana	Rangihuna	Otago Polytechnic	Bachelor of Midwifery	250
Hera	Merito	Anamata	Bachelor of Applied Counselling	250
Heta	Higgins	Auckland University of Technology	Bachelor of Health Science (oral health)	250
Shanon	Tahuriorangi	University of Waikato	Bachelor of Computer Science	250
Zelda	Te Pairi	Te Wananga o Aotearoa - Waiwhero campus	Bachelor of Maori and Indigenous Arts	350
Nga Pikitia	Hennings	University of Waikato	Bachelor of Science	350
Ron	Lee	University of Waikato	Bachelor of Health, Sport and Human Performance	350
Jasmine	Hati	Te Wananga o Awanuiarangi	Bachelor of Arts - Majoring in social posit and indigenous studies	350
Nazaryth	Jay-Koopu	University of Auckland	Bachelor of Buisness	350
Kahotea	Gardiner	University of Auckland	Bachelor of Arts	350
Merirangitiria	Rewi	Wintec Te Pūkenga	Master's Degree in Art (Communication)	450
Atera	Apirana	University of Waikato	Bachelor of Management Studies with Honors	450
TOTAL				\$4,550



Secondary School:

First Name	Surname	Tertiary institution	Year	Grant
Bradley	Anderson	Tauranga Boys College	13	150
Manaia	Karaha	Hamilton Boys High School	13	150
Strawberry	Tito	Rotorua Girls High School	12	150
Olivia	Tahuriorangi	Rotorua Girls High School	12	150





# Tangiharuru Apa Trust

Trustees: The committee of Management of Ngatimanawa Incorporation

## 2023 Education Grants Policy

1. Persons who qualify for an education grant will be descendants of Tangiharuru and Apa.
2. Applicants must supply a clear whakapapa either endorsed by a recognised Ngati Manawa Kaumatua or Ngatimanawa Incorporation Committee member.
3. 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 and 13 Secondary Students.
4. 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.
5. 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

Additional top up 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 2024.
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 2023

Prepared by PKF Tauranga Limited

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# Compilation Report

## Ngatimanawa Incorporation For the year ended 30 June 2023

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 2023.

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 New Zealand Ltd is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).



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PKF Tauranga Limited

Chartered Accountants

23 Brown Street

Tauranga

Dated: 31 October 2023

# Directory

## Ngatimanawa Incorporation For the year ended 30 June 2023

### 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) - Retired May 2023  
Pouwhare Rewi (Trustee)  
Maramena Vercoe (Trustee)  
Renata White (Trustee)  
Charles Teddy (Trustee) - Appointed May 2023

### 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 2023

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 2023.

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.



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Murray Lloyd Patchell

Secretary

8 November 2023

Date .....

# Approval of Financial Report

## Ngatimanawa Incorporation For the year ended 30 June 2023

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 2023.

APPROVED

For and on behalf of the Committee of Management;



\_\_\_\_\_  
Committee Member

Date .....8 November 2023



\_\_\_\_\_  
Committee Member

Date .....8 November 2023

# Milksolids Account

## Ngatimanawa Incorporation For the year ended 30 June 2023

Milksolids Trading Statement Ngatimanawa Incorporation

For the year ended 30 June 2023

	2023		2022	
	KgMS	Total \$	KgMS	Total \$
<b>Monthly Production</b>				
July	8,367	49,533	10,033	50,003
August	25,025	142,675	29,773	141,417
September	36,700	207,585	40,326	193,812
October	38,750	218,891	47,237	256,516
November	38,211	216,924	43,804	388,174
December	35,419	199,044	31,135	174,739
January	29,750	246,216	26,371	335,596
February	22,090	194,717	21,372	264,060
March	26,026	274,095	25,272	245,356
April	25,070	168,497	18,515	208,818
May	20,052	152,069	14,743	160,516
June	9,110	144,245	7,173	82,748
<b>Current Season Total Income</b>	<b>314,570</b>	<b>2,214,491</b>	<b>315,754</b>	<b>2,501,756</b>
<b>Last Season Deferred Income</b>				
Deferred Income		380,311		422,161
<b>Gross Income from Milk Production</b>		<b>2,594,802</b>		<b>2,923,917</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 2023

	2023	2022
<b>Cattle Trading Account</b>		
<b>Sales of Stock</b>		
Bobby Calves	16,198	15,267
Heifer Calves	-	1,365
Sales - R 2yr Heifers	35,453	48,350
Sales - R 1yr Bulls	36,300	141,430
MA Cows	92,932	224,173
Sales - M A Bulls	74,268	91,099
Sales - R 2yr Beef Steers & Bulls	55,162	13,840
<b>Total Sales of Stock</b>	<b>310,312</b>	<b>535,522</b>
<b>Purchases</b>		
Purchases - R 2yr Bulls	-	18,960
<b>Total Purchases</b>	<b>-</b>	<b>18,960</b>
Trading Surplus	310,312	516,562
	<b>2023</b>	<b>2022</b>
<b>Trading Summary</b>		
Trading Surplus	310,312	516,562
Add (Less) - Movement in Biological Assets	52,689	(247,150)
Gross Surplus	363,001	269,412

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 2023

	2023	2022
<b>Forestry Income &amp; Expenses</b>		
<b>Income</b>		
Forest Lease	31,640	53,935
<b>Total Income</b>	<b>31,640</b>	<b>53,935</b>
<b>Expenses</b>		
Forestry Expenses	4,255	35,445
<b>Total Expenses</b>	<b>4,255</b>	<b>35,445</b>
Net Forestry Income	27,385	18,490

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 2023

	2023	2022
<b>Revenue from Farm Trading</b>		
Milksolids Account Profit (Loss)	2,594,802	2,923,917
Cattle Trading Account Profit (Loss)	363,001	269,412
Forestry Account Profit (Loss)	27,385	18,490
<b>Total Revenue from Farm Trading</b>	<b>2,985,188</b>	<b>3,211,819</b>
<b>Farm Working Expenses</b>		
<b>Farm Operating</b>		
ACC Levies	8,780	7,071
Animal Health	86,722	93,378
Breeding	56,095	31,873
Calf Rearing	34,675	874
Cartage - Livestock & General	20,996	26,788
Dairy Shed	72,294	74,815
Crop & Regrassing	267,877	244,004
Planting - Natives	936	3,470
Dairy NZ Levy	18,888	19,182
Electricity	57,272	47,009
Fertiliser - Urea & Cartage	460,670	324,689
Grazing	45,000	42,932
Hay & Silage	172,477	227,658
Health and Safety	2,167	991
Lease Bulls	3,640	3,920
Maize & Feed	135,195	137,030
Protective Clothing	5,097	2,381
Resource Consent Expenses	2,882	-
Soil & Herbage Testing	1,489	-
Telephone & Tolls	4,079	3,940
Weed & Pest Control	18,739	5,869
Wages	453,273	424,532
<b>Total Farm Operating</b>	<b>1,929,243</b>	<b>1,722,407</b>
<b>Repair &amp; Maintenance</b>		
Repairs & Maintenance	34,121	25,656
R&M - Flooding Damage	4,850	-
Farm Buildings	-	(16,250)
Effluent System	2,748	3,367
Farm Houses	14,050	32,405
Fences	93,690	8,947
R & M - Plant & Equipment	4,877	49,991
Races & Drains	55,508	15,826
Water Supply	8,303	19,641
<b>Total Repair &amp; Maintenance</b>	<b>218,148</b>	<b>139,583</b>



	2023	2022
<b>Farm Vehicle Expenses</b>		
Fuel & Oil	36,366	25,200
Vehicle Repairs/Hire	26,055	19,320
Tractor Repairs	2,122	7,757
<b>Total Farm Vehicle Expenses</b>	<b>64,543</b>	<b>52,276</b>
<b>Rates &amp; Insurance</b>		
Insurance	36,418	29,634
Rates	87,135	93,812
Rates - Water	4,192	2,159
Insurance - Committee	4,915	5,025
<b>Total Rates &amp; Insurance</b>	<b>132,660</b>	<b>130,631</b>
<b>Farm Administration</b>		
Supervision	34,001	25,379
Lease Land	3,032	1,516
Legal Costs	4,819	1,951
Payroll Processing Fees	1,635	1,243
Secretarial and Accounting	68,982	53,366
Share Register	11,755	6,000
Survey Costs	7,850	2,150
Valuation Fees	2,898	4,000
<b>Total Farm Administration</b>	<b>134,972</b>	<b>95,606</b>
<b>Total Farm Working Expenses</b>	<b>2,479,565</b>	<b>2,140,503</b>
Surplus Before Distributions/Remuneration	505,623	1,071,316
<b>Depreciation and Amortisation</b>		
Depreciation	105,452	156,022
Loss on disposal of Assets	20,727	-
<b>Total Depreciation and Amortisation</b>	<b>126,179</b>	<b>156,022</b>
Net Farm Surplus (Loss)	379,444	915,294

# Statement of Profit or Loss

## Ngatimanawa Incorporation For the year ended 30 June 2023

	NOTES	2023	2022
<b>Revenue</b>			
Net Farming Income		379,444	915,294
<b>Total Revenue</b>		<b>379,444</b>	<b>915,294</b>
<b>Other Income</b>			
Fonterra Dividend - Business Income		71,788	57,430
Dividend Received		5,977	7,302
Interest Received		2,280	4
Land Lease Income		9,000	9,000
Rebates Received		10,802	26,820
Rental Income		7,800	7,350
Sundry Income		1,600	1,739
<b>Total Other Income</b>		<b>109,247</b>	<b>109,645</b>
<b>Expenses</b>			
<b>Administration</b>			
Advertising, Stationery, Printing		3,619	1,201
Annual General Meeting		9,580	-
Bank Charges		354	144
Chairman's Honorarium		10,000	5,000
Committee Fees & Expenses		31,844	11,732
Consultancy		1,646	13,363
General Expenses		1,186	2,019
Koha		4,000	1,600
Subscriptions		1,531	-
Website Expenses		8,165	-
<b>Total Administration</b>		<b>71,925</b>	<b>35,060</b>
<b>Interest, Rent and Lease</b>			
Interest - Other		6,226	217
Loan Interest		178,028	136,149
<b>Total Interest, Rent and Lease</b>		<b>184,254</b>	<b>136,366</b>
<b>Total Expenses</b>		<b>256,179</b>	<b>171,426</b>
<b>Surplus Before Distributions/Remuneration</b>		<b>232,513</b>	<b>853,513</b>
<b>Net Farm Surplus (Loss)</b>		<b>232,513</b>	<b>853,513</b>
<b>Net Surplus (Loss) for the Year</b>		<b>232,513</b>	<b>853,513</b>
<b>Taxation and Adjustments</b>			
Income Tax Expense		34,804	101,411
<b>Total Taxation and Adjustments</b>		<b>34,804</b>	<b>101,411</b>
<b>Net Profit (Loss) After Tax</b>		<b>197,708</b>	<b>752,102</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 2023

	2023	2022
<b>Equity</b>		
<b>Retained Earnings (Taxable)</b>		
Opening Balance	1,927,213	1,175,112
Net Profit (Loss) for The Year	197,708	752,102
<b>Total Retained Earnings (Taxable)</b>	<b>2,124,922</b>	<b>1,927,213</b>
<b>Retained Earnings (Tax Free)</b>		
Opening Balance	319,248	357,434
Shareholders grants	(40,989)	(38,186)
<b>Total Retained Earnings (Tax Free)</b>	<b>278,259</b>	<b>319,248</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	13,749,225	13,333,130
Movements	(834,027)	416,096
<b>Total Revaluation Reserve</b>	<b>12,915,198</b>	<b>13,749,225</b>
<b>Total Equity</b>	<b>16,239,036</b>	<b>16,916,344</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 2023

	NOTES	30 JUN 2023	30 JUN 2022
<b>Assets</b>			
<b>Current Assets</b>			
<b>Cash and Bank</b>			
BNZ Cheque (\$300k OD)		42,135	307,165
BNZ - Oncall Account		161,845	-
<b>Total Cash and Bank</b>		<b>203,980</b>	<b>307,165</b>
Trade and Other Receivables		583,626	600,043
Prepayments		36,782	33,319
Consumable Supplies		219,750	130,400
GST Receivable		-	11,975
Biological Assets		2,200,039	2,147,350
<b>Total Current Assets</b>		<b>3,244,177</b>	<b>3,230,251</b>
<b>Non-Current Assets</b>			
Investment in Shares and debentures		907,630	931,832
Property, Plant and Equipment		14,233,704	14,245,411
New Zealand Units (20,280)		831,480	1,541,280
<b>Total Non-Current Assets</b>		<b>15,972,813</b>	<b>16,718,523</b>
<b>Total Assets</b>		<b>19,216,990</b>	<b>19,948,774</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables		175,775	111,585
GST Payable		2,033	-
Income Tax Payable		33,988	100,903
Employee Entitlements		58,721	58,625
Forest Lease Received in Advance		23,730	23,730
Housing Bond		380	500
Loans - Current Portion		64,000	35,542
<b>Total Current Liabilities</b>		<b>358,627</b>	<b>330,885</b>
<b>Non-Current Liabilities</b>			
<b>Loans - Non Current Portion</b>			
Loans		2,379,000	2,461,148
<b>Total Loans - Non Current Portion</b>		<b>2,379,000</b>	<b>2,461,148</b>
Unclaimed Dividends		240,328	240,396
<b>Total Non-Current Liabilities</b>		<b>2,619,328</b>	<b>2,701,544</b>
<b>Total Liabilities</b>		<b>2,977,955</b>	<b>3,032,430</b>
<b>Net Assets</b>		<b>16,239,036</b>	<b>16,916,344</b>
<b>Equity</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	30 JUN 2023	30 JUN 2022
Capital		132,032	132,032
Capital Reserve		788,625	788,625
Revaluation reserves		12,915,198	13,749,225
Retained Earnings		2,403,181	2,246,461
<b>Total Equity</b>		<b>16,239,036</b>	<b>16,916,344</b>

## Schedule of Investments

### Ngatimanawa Incorporation For the year ended 30 June 2023

	2023	2022
<b>Available for Sale Financial Assets</b>		
Ballance Agri-Nutrients Ltd (10,830)	87,723	87,723
Craig's Investment Portfolio	107,794	-
Fonterra Co-operative Group Ltd (287,150)	702,656	832,735
Livestock Improvement Co-op (1,789)	1,789	1,789
Livestock Improvements Corporation Ltd (6,610)	7,668	9,585
<b>Total Available for Sale Financial Assets</b>	<b>907,630</b>	<b>931,832</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 2023

### 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 (2022: 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:

Account	Method	Rate
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%
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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 from 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 assets 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.

### **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:

	2023	2022
<b>Committee Fees and expenses paid</b>		
Tawhiri Morehu (Chairman's Honorarium)	10,000	5,000
Tawhiri Morehu	4,400	3,403
Charles Teddy	1,124	-
Partick McManus	4,881	1,705
Maramena Veroce	4,800	900
Rewi Pouwhare	4,208	1,608
Henry Nuku	3,400	1,008
Renata White	4,631	1,200
Stan Heather	4,400	1,608
<b>Total Committee Fees and expenses paid</b>	<b>41,844</b>	<b>16,432</b>
	2023	2022

### 5. Biological Assets

<b>Balance at the end of the year:</b>		
Livestock on hand	2,200,039	2,147,350
<b>Total Balance at the end of the year:</b>	<b>2,200,039</b>	<b>2,147,350</b>
<b>Total Biological Assets</b>	<b>2,200,039</b>	<b>2,147,350</b>

### Schedule of dairy cattle on hand at Market Value at 30 June 2023

Dairy Cattle	Opening Qty	Opening value	Closing Qty	Closing value
R 1yr Heifers	148	81,400	78	35,100
R 2yr Heifers	221	253,200	346	315,725
MA Cows	911	1,611,150	957	1,635,565
R 1yr Bulls	300	151,100	77	34,650
R 2yr Bulls	35	50,500	161	133,100

R 3yr Bulls	0	0	27	45,900
<b>Total</b>	<b>1,615</b>	<b>2,147,350</b>	<b>1,646</b>	<b>2,200,040</b>

## 6. BNZ Loans

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

Loan	BNZ Term Loan - 13
Facility Limit	\$2,507,000 (Floating)
Facility Start date	21 September 2023
Maturity Date	22 September 2025

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.

	2023	2022
<b>7. Property, plant and equipment</b>		
<b>Land</b>		
Land & Improvements	15,824,677	15,812,458
Accumulated depreciation - improvements	(2,096,763)	(2,077,694)
<b>Total Land</b>	<b>13,727,914</b>	<b>13,734,763</b>
<b>Buildings</b>		
Buildings at cost	31,639	19,449
Accumulated depreciation - buildings	(13,944)	(13,170)
<b>Total Buildings</b>	<b>17,694</b>	<b>6,279</b>
<b>Plant and Equipment</b>		
Plant and equipment at cost	653,665	604,854
Accumulated depreciation - plant and equipment	(454,342)	(426,730)
<b>Total Plant and Equipment</b>	<b>199,324</b>	<b>178,123</b>
<b>Furniture and Fittings</b>		
Furniture and fittings at cost	25,264	25,264
Accumulated depreciation - furniture and fittings	(22,655)	(22,135)
<b>Total Furniture and Fittings</b>	<b>2,609</b>	<b>3,129</b>
<b>Vehicles</b>		
Vehicles at cost	348,297	451,383
Accumulated depreciation - vehicles	(153,307)	(198,050)
<b>Total Vehicles</b>	<b>194,991</b>	<b>253,333</b>
<b>Other Development Expenditures</b>		

Fixed assets	91,171	69,784
<b>Total Other Development Expenditures</b>	<b>91,171</b>	<b>69,784</b>
<b>Total Property, plant and equipment</b>	<b>14,233,703</b>	<b>14,245,411</b>
	<b>2023</b>	<b>2022</b>

## 8. Income Tax expense

Net Profit (Loss) Before Tax	232,513	853,513
<b>Additions to Taxable Profit</b>		
Livestock tax adjustment	(78,912)	28,238
Depreciation on buildings	1,561	1,653
Increase (decrease) in Holiday Pay Provision	12,828	1,137
Other tax adjustments	2,325	2,840
<b>Total Additions to Taxable Profit</b>	<b>(62,198)</b>	<b>33,868</b>
<b>Deductions from Taxable Profit</b>		
Deferred Milksolids	(41,850)	72,399
Losses Carried Forward	-	219,263
<b>Total Deductions from Taxable Profit</b>	<b>(41,850)</b>	<b>291,661</b>
Taxable Profit (Loss)	212,165	595,719
Tax Payable at 17.5%	37,129	104,251
<b>Deductions from Tax Payable</b>		
Opening Balance	(100,903)	6
Prior period tax paid (refunded)	100,904	(6)
Imputation credits on dividends received	2,325	2,840
Resident withholding tax paid	815	508
<b>Total Deductions from Tax Payable</b>	<b>3,141</b>	<b>3,348</b>
Income Tax Payable (Refund Due)	33,988	100,903
	<b>2023</b>	<b>2022</b>

## 9. Maori Authority Credit Account

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

Opening Balance	197,343	194,001
<b>Credits</b>		
Imputation credits converted to losses	-	-
Income Tax Paid	100,904	-
Resident Withholding Tax Paid	815	508
Imputation credits on dividends received	2,325	2,840
<b>Total Credits</b>	<b>104,044</b>	<b>3,348</b>
<b>Debits</b>		
Imputation Credits Attached to Dividends	-	-

	2023	2022
Income Tax Refund	-	6
<b>Total Debits</b>	<b>-</b>	<b>6</b>
<b>Closing Balance</b>	<b>301,387</b>	<b>197,343</b>

## 10. Capital commitments

There are no other known material capital commitments at balance date (2022: \$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 (2022: \$0).

## 12. Events subsequent to balance date

On 18 August 2023, Fonterra Co-operative Group Limited advised its shareholders that it will cancel and repurchase one (1) in every six (6) shares held with them as at 9:00pm on Wednesday 16 August 2023. This was repurchased at \$3.00 per share. As a result, 47,858 shares held by the Trust valued at \$143,574 were cancelled and repurchased by Fonterra.

The Forestry lease was reviewed, and an agreement was entered with Ngatimanawa Forest Ltd on 14th August 2023 to increase the annual rent to \$49,000 plus GST commencing on 1 April 2023.

Apart from the above, there were no other material events subsequent to the balance date that would affect the fair presentation of these financial statements.

# NGATIMANAWA INCORPORATION



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