

TE TAWA KAITI LANDS TRUST

TAKU MANA, TAKU IHI, TAKU WEHI O TE TAWA KAITI

2019

ANNUAL REPORT



*Ka horo i ē! Ka horo i ē!
Ka horo koā te tihī o Maungapōhatu, ka horo
Tēnei a Tūhoe ka hikitia i te ara o Riri-whakauaua,
o Riri-whakanekeneke Kūmea mai a Ruatāhuna ki raro rā
Ka whakararā koā te waha o Tūhoe
Ki ngā kōpua-ā-wai e rua ki Whakatāne, ki Rangitāiki e
Kume nei i te whenua, kume nei i te tangata
Auē, auē, auē, hā!*

**WELCOME YOU THE OWNER/BENEFICIARIES TO
THIS YEARS ANNUAL GENERAL MEETING FOR
TE TAWA KAITI LANDS TRUST 2019**



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Notice is given that the Annual General Meeting of owners of Te Tawa Kaiti Lands Trust will be held at Tauarau Marae, Ruatoki on Saturday 27 February 2021 at 10.00 am. Registrations commence at 9.00 am.

NGĀ TAKE RARANGI

1. Karakia - Mihimihi - Apologies - Attendance Register
2. Confirm minutes from Annual General Meeting held on the 13 April 2019
Resolution: That the previous Annual General Meeting minutes be received and noted as a true and correct record
3. Chairmans' Report
Resolution: That the Chairmans' Report for 2019 be received and approved
4. Finance, K Goldsmith, Goldsmiths Chartered Accountants
Audited Financial Statements for the year ended 31 May 2019
Resolution: That the audited Financial Statements for the year ended 31 May 2019 be received and approved
5. Appointment of Auditor William Buck for Te Tawa Kaiti Lands Trust 2018 - 2020
Resolution: That the appointment of William Buck, Auditor for Te Tawa Kaiti Lands Trust 2018 - 2020 be received and approved
6. Te Tawa Dairy Unit, C Purcell, LIC, Farmwise
7. Kaiti Maize Unit, R Studer, Studer-Doherty Ltd
Resolution: That the Te Tawa Dairy Unit and Kaiti Maize Unit Reports 2019 be received and approved
8. Housing & Papakainga Concept
9. General Business

TINA

Will be served at 1.00 pm upon conclusion of the meeting.

NGĀ KAWA

- 🌀 Celebration of achievements
- 🌀 Questions after each presentation
- 🌀 Questions from attendees must be relevant to the item of business
- 🌀 Be respectful of speakers



MATAWHĀNUI & UARA

MATAWHĀNUI

Te Tawa Kaiti is renowned for enhancing and growing talented people, and achieving commercial success that affirms our legacy.

- MANA TANGATA 🌀 People
- MANA TAUHOKOHOKO 🌀 Commercial Success
- ŌHĀKI 🌀 Legacy



UARA

For our trustee governance team, these values clarify “what we believe in, how we will behave, and provide boundaries to guide our agreed and consistent behaviours.”

- 🌀 Manaaki
- 🌀 Whakawhanaunga
- 🌀 Wairua
- 🌀 Kaitiaki



NGĀ KŌRERO O TE HUI-Ā-TAU 2019

TE TAWA KAITI LANDS TRUST

Minutes of the AGM, 13 April 2019, Tauarau Marae, Ruatoki

Time: 9.40 am
Karakia: Teihi Tihi
Mihimihi: Hakeke McGarvey, Moana Tihi
Present: Attendance register
Trustees: Hakeke McGarvey, Moana Tihi, Te Pika Nuku Ratana, Monty Williams, Hera Tahi
Accountant: Ken Goldsmith
Farm Consultant: Craig Purcell
Maize: Regan Studer
Executive Officer: Hinehou Timutimu

1. QUORUM

Owner/beneficiaries present, quorum is confirmed.
MOVED BY, H McGarvey and seconded M Tihi that the quorum be noted.
RESOLVED THAT, the AGM is declared open.
Carried.

2. APOLOGIES

Judie Tihi, Tawera whanau, Marshall whanau, Tahi whanau, Edith Marshall, Mahaki whanau, Taiko Mahaki
MOVED BY, M Tihi and seconded by P Nuku that the Apologies be received.
RESOLVED THAT, the Apologies be accepted.
Carried.

3. PREVIOUS AGM MINUTES

8 July 2018 taken as read
MOVED BY, M Tihi and seconded by M Williams to receive and endorse the minutes of the previous agm held on 28 July 2018 be accepted.
RESOLVED THAT, the minutes of the previous agm dated 28 July 2018 be approved.
Carried.

4. MATTERS ARISING

MOVED BY, M Tihi and seconded by P Nuku that Matters Arising be accepted.
RESOLVED THAT, the Matters Arising be approved.
Carried

5. CORRESPONDENCE

Nil tabled

6. CHAIRMANS REPORT

Presented by M Tihi
A full and comprehensive report was presented to the meeting by M Tihi.
MOVED BY, M Tihi and seconded by M Williams to receive and endorse the Chairman's Report be accepted.
RESOLVED THAT, the Chairman's Report be approved
Carried.

7. EXECUTIVE OFFICER UPDATE

Presented by H Timutimu
An overview of the Trust's business was presented to the meeting by H Timutimu.

8. AUDITED FINANCIAL STATEMENT 31 MAY 2018

Presented by Ken Goldsmith, Chartered Accountant
The Audited Financial Statement and Independent Auditors Report was presented by K Goldsmith.
Key points;

- Bank monitor the Trust accounts monthly
- Bank have no issues with providing a bank loan to the Trust
- Trust have been approved a loan to purchase the herd, machinery and equipment

MOVED BY, H McGarvey and seconded by H Tahi to receive and endorse the Audited Financial Statement for the year ended 31 May 2018 be accepted.
RESOLVED THAT, the Financial Statements 31 May 2018 be approved.
Carried

8.1 APPOINT AUDITOR

MOVED BY, M Tihi and seconded by H McGarvey to receive and endorse the recommendation of the appointment of William Buck, Auditor be accepted.

RESOLVED THAT, the appointment of William Buck Auditor be approved.

Carried

9. MAIZE & FARM REPORTS

9.1 Maize Unit Report

Presented by R Studer

- 1st year maize contracting for the Trust
- Maize is doing very well
- Maize for grain is ready for harvest and will be started within the next 2 weeks
- Maize for grain is transported to the plant in Waharoa for drying and process
- Maize silage was grown at the river part B79, 12.4 ha and was harvested in March as dry matter to provide on farm feed to the cows.
- Areas harvested were part B79 at the river, and part B79 by the urupa
- Approximately 15 ha, close to 300 tonne

A query was raised regarding annual return expected for the next maize harvest?

Maize areas post harvest that are suitable for growing alternative crops or grass?

Maize silage paddock post harvest, consider planting with grass?

R Studer clarified the expected return on the maize would be approximately \$500,000.00. Some areas were planted into grass following the maize for grain harvest last year and the grass did not grow. This was ploughed back into the ground when this years seed were planted. The reason for this is that the grass was planted too late and the ground was very wet.

MOVED BY, K Mahaki and seconded by P Nuku to receive and endorse the Maize Unit Report be accepted.

RESOLVED THAT, the Maize Report be approved
Carried

9.2 Dairy Unit Report

Presented by C Purcell

Key points of discussion;

- Drought has impacted on this years milk production
- Farm is well placed
- Last season for the current 50/50 sharemilkers
- Trust has purchased a mixed herd from the sharemilkers
- 70 R2 heifers owned by Trust will land on farm 1 June 2019
- Farm has a lot of potential
- Milk production target 2019/2020 season 125,000 ms/kg
- David Riini newly appointed Contract Milker for the season 2019/2020

What are the farm planning to do with their bobby calves? Will they keep them on farm with their mothers or will they go to the works?

The farm consultant confirmed that the bobby calves would continue to go to the works. Keeping them with their mothers would incur feed costs and decrease milk production.

MOVED By, Tip Kohunui and seconded by Keeti Mahaki to receive and endorse the Dairy Unit Report be accepted.

RESOLVED, that the Dairy Unit Report be approved

Carried

10. GENERAL BUSINESS

i. Appointment of Contract Milker for TTKT - an acknowledgment and warm welcome by Hakeke McGarvey on behalf of Te Tawa Kaiti Lands Trust to the newly appointed Contract Milker 2019-2020 season David Riini.

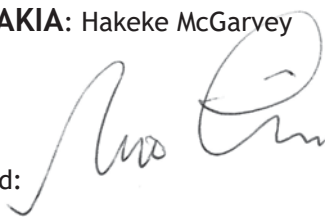
ii. Roaming horses - are a general nuisance, ongoing issue with damage to fences etc

MEETING CLOSED: 11.45 am

KARAKIA: Hakeke McGarvey

Signed:

Date:



TE PŪRONGO A TE HEAMANA



*Ko Te Mauku, ko Taiarahia ngā maunga
Ko Kotorenui, ko Ohinemataroa ngā awa
Ko Ngati Rongo, ko Ngati Koura, ko
Te Whanau Pani ngā hapu
Ko Owhakatoro, ko Otenuku, ko Ohotu
nga marae
Ko Moses Moana Ti Rama Roa Tīhi ahau*

I am privileged to present this year's report on the activities of the Trust.

As we enter our 30th year as an organisation, there is much to celebrate and reflect upon.

It was in 1989, our owners made the decision to establish Te Tawa Kaiti Lands Trust.

The trustees worked hard by doing better things on the land. Te Tawa lands were leased as support blocks for dairying and Kaiti blocks contracted out to grow maize for grain.

2019 realised the Trusts' long term vision of Dairy Farming while at the same time, building business and adding value to the Maize unit. Our foundation continues to grow from strength to strength.

Throughout 2019, the trustees took approach to continue to up skill by attending multiple conferences and professional development programmes.

The Trust implemented a strategic approach to build professional relationships and engaged with external SME (subject matter experts) such as; Genetic Technologies Ltd, Doherty Studer Ltd, Pioneer, Ballance, PGG Wrightson, Business Torque Systems Ltd, DairyNZ, Farmsource, Fonterra, LIC, Farmwise.

The biggest challenge for the year for us all was Covid-19. As an essential service the Trust was able to continue operations despite the disrupted economy.

The Trust adapted to change with resilience and ease. The resilience was evident in the outstanding metrics such as in targets not only being met but exceeded. Connectivity was crucial for the Trusts' team, social media apps were advantageous and quickly adopted as part of our daily functions. During lockdown level 2 Aunty Hera hosted the first face to face meeting held in two months.

In recognition of the shared journey, the Trust featured in the April edition of Inside Dairy. The article highlights and commends the personal growth of the trustees, article enclosed on page 40.

This reporting year has been extremely successful in that the Trust initiated its' journey in the Dairying Industry, it continued operations during a global pandemic and exceeded Maize output expectations.

The Trust has a diverse group of individuals that compliment and enhance the strength of each other - dedication is at the heart and purpose of the team.

'Te Oranganui o nga Uri o Te Tawa Kaiti'

No reira, tena koutou, tena koutou, tena koutou katoa.

Mo Tīhi
Chairman

TE HANGA O TE WHARE

This report is an account of activities carried out in the reporting period 1 June 2018 to 31 May 2019 to align with the financial reporting period

In terms of Te Tawa Kaiti Lands Trust representation as at 31 May 2019 the Trust was governed and managed as follows;

- Governance: five responsible trustees appointed by MLC
- Operations: Advisors & EO: four Contractors: two staff: two casual



NGĀ WHAKAHAERE

The Trusts' proactive approach to any major repairs and maintenance across both units has been beneficial, cost saving and timely. We are fortunate to have skill base in the team and the resources to react immediately in times of crisis.

- Both the Dairy and Maize units have continued to reach and exceed their annual targets - big wins!
- Fonterra shares were successfully purchased
- No overdraft used to purchase the shares
- No debt or mortgage over the whenua
- Maize harvest exceeded target by 100 tonne
- Winter grazing was secured
- Forward purchased on farm feed for the winter months
- Dairy unit - heavy machinery, implements purchased
- Installation of Levno milk and fuel monitoring system - recording in real time
- Ongoing repairs and maintenance to Maize unit (fencing, weed spraying, culvert repairs, drain cleaning, tree clearing)
- Annual house inspection (dairy unit) identified repairs to; deck, kitchen, flooring, roof

Included as value add, a development component for the contract milker and staff was provided by the Trust, these included;

- Dale Carnegie - Step Up to Leadership Course, Develop your Leadership Potential
- Bayvets - Health and Safety in Cows Workshop
- Health and Safety Audit and Review: K.I.S. Ltd completed the Trusts' annual audit and review. To ensure continuity for H&S best practice, the Trust engaged K.I.S. monthly to provide onsite training, support and advice.



MANA KĀWANATANGA

• Te Puni Kokiri, Whenua Maori Fund

In 2018, Te Tawa Kaiti, Owhakatoro and Tataiwhetu agreed to participate in a cluster project, in 2019 funding was awarded to the cluster for an initiative designed to educate Maori Lands Trusts' in best practice governance, the business of dairying from the ground roots up, and to develop succession pathways for rangatahi.

• Provincial Growth Fund: Waterways, Riparian Planting and Fencing

Owhakatoro, Te Tawa Kaiti, Tataiwhetu and Te Manawa o Tuhoe agreed to submit an application. Unfortunately' this was unsuccessful with funding awarded to Regional Council.

• Ministry of Primary Industries: Freshwater Fund

The PGF application was resubmitted to MPI, unfortunately this was also unsuccessful.

• Environment Bay of Plenty

Regional council regulatory and compliance requirements are up to date.

• Te Komiti o Runga

Forum for hapu delegates that meet monthly.

• Members of Federated Farmers

Farmers working for Farmers, advocating for better outcomes on all issues that matter to the farmers business, from advocacy in Government submission, appeals, reviews, legal help, adverse events support and advise a national, regional and local levels on social, environmental and economic issues. Ensuring farmers and their communities are treated fairly and given a voice.

• Ruatoki Lands & Farms

A cluster forum that seeks to explore strategies that may have a positive influence on Maori engagement and employment in Agri business

• Members of Employers & Manufacturers Assn (EMA)

The Trust are active members and attend their quarterly briefings. EMA focus is on supporting business through advice, learning and advocacy to create a business environment for their members across all sectors and industries.



Te Ūmanga o Te Tawa Kaiti

WHAKAWHANAUNGATANGA

The Trust continues to build on positive relationships

- Pioneer Annual Maize Growers' Conference, Wairakei, Taupo
- Farmsource open days
- Fonterra Annual Shareholders' Conference, Dunedin
- Fonterra site visit: Darfield Site, Clandeboye Site, Barenbrug, Stirling Site
- Fonterra Know Your Business Conference, Auckland
- Business Torque Systems Ltd, Rural Governance Development Programme
- Ruatoki Maori Dairy Cluster on farm discussion groups
- Farmsource discussion groups
- Dale Carnegie Ltd, Professional Development courses
- BOP Chamber of Commerce, Professional Development, Advice
- Agri-Womens Development Trust
- Dairy Womens' Network
- Hazaardco: Health and Safety provider for both Dairy and Maize Units
- DairyNZ, workshops
- Te Puni Kokiri
- Ministry of Primary Industry
- Federation of Maori Authorities (FOMA)
- Maori Land Court
- EBOP

PĀRONGO WHAKAMŌHIO

Centralising the Trusts' administrative and office systems was identified as a key priority to lifting efficiency and creating connectivity in real time.

Covid19 brought about many changes, including the demand and reliance on technology for connectivity through the various media platforms to ensure daily business functions and operations were continuous.

Prior to lockdown the Trust engaged with Flatline Computers, Whakatane to provide a cloud based system, security of data storage on the servers, authenticated access for the users and provision of devices for the trustees to access files, data, email, board management software app Boardpro and other functions applicable to the Trusts' business functions.

Effective communication with members is challenging, having a regular panui and a website will provide opportunity for owner/beneficiary engagement.



PIONEER
MAIZE ANNUAL
CONFERENCE
WAIRAKEI TAUPO
2019





CLOVER BREEDING PROGRAMME		
Year 1	Create variation <i>Provenance</i>	10 F1 lines
Year 2	F2 Seed production	10 F2 lines
Year 3-4	Selection <i>High Density</i>	10,000 pairs
Year 5	Seed production	20 lines
Year 6-7	Row trials <i>High Density</i>	20 lines
Year 8	Seed production	1,2 lines
Year 9-11	Advanced trials <i>High Density</i>	1,2 lines
Year 12	Variety <i>High Density</i>	1 line

RAUTAKI TĀMATA



RAUTAKI PIRINGA

As we continue to grow and enhance our business, our networks and relationships, we identified gaps and have prioritized as goals for the Trust. It is important that the trustees continue to build on the positive developments and achievements over the last two years, therefore their approach to the next layer has a deliberate emphasis.

'Kua Āmio ki Tōna Tīmatanga'

Full Circle - 'fostered, nurtured and practiced' underpins Te Tawa Kaiti. We aspire to greater things for our people and future generations. We believe our values and how we practice those values are what sets us apart from the rest.

Identified within **Full Circle** are concepts **Te Ahi o Te Whenua** and **Te Ahi o Te Manawa** aimed to encapsulate specific projects and activities to realise the Trusts' annual goals.

'TE AHI O TE WHENUA - AHUWHENUA'

'Ngā ahikaa, ngā moemoea'

Te Tawa Dairy Unit is identified as an area of priority focus for the trust. To further develop infrastructure that will improve efficiency is key to lifting performance. The Trust place a high value on where they see themselves, not just being the best but strive to be better. Identified as high priority capital projects this year are: Housing upgrade, Weeds management and control, Race contouring and repairs, Milk Plant retrofit upgrade.

Te Ahi o Te Whenua is the vehicle that will drive and navigate Te Tawa Dairy Unit towards reaching their end goal. The trusts' ethos Te Tawa Kaiti links and connects ourselves, our people, our land and our taonga through the day to day operations and interactions.

'Ka timata ki te whakakī i tana kete matauranga ki te awahina i etahi atu i roto i ngā mahi Ahuwhenua'

'TE AHI O TE MANAWA'

'Ngā hononga, he whakaruruhau'

The Trusts' Housing & Papakainga concept encompasses a two-pronged collective approach. Housing concentrates on business compliance and provision of on farm housing for staffing. 'Papakainga' incorporates a collective approach that firstly seeks permission from the beneficiaries/owners to pursue.



KUA ĀMIO KI TŌNA TĪMATANGA



Te Whakapakari i te kaha o Te Tawa

MANA TANGATA

KOHA

A koha was given to Paora Morunga and his whanau who lost all their home and belongings to a house fire. Pakeke/kaumatua beef packs were distributed during covid19.

MARAE BEEF PACKS (TAUARAU, PANETEURE AND OWHAKATORO)

Te Tawa Pāmu provision of processed beef packs for each 3 marae; Taurarau, Paneteure and Owhakatoro is a small gesture, intended as a non cash benefit to reach the wider owner/beneficiaries of the Trust, to be distributed over the course of the next week.

GRANT INITIATIVES

In 2017, the trustees presented to the owners a 3-Phase Grants approach, after discussion it was decided that priority be placed on the Trusts' pending purchase of the Dairy Unit.

In December 2020, the trustees initiated Phase 1 - Kaumatua Grants'. We had a very good response with 28 grant applications received and dispersed.

Applications for 2021 Kaumatua Grants will open in November 2021

FOCUS FOR 2021 YEAR

Review Grants Policy and framework

MANA TAIAO

ENVIRONMENT, WAI, WHENUA

Wairuatanga is responsible for preserving and developing the core assets of the Trust which includes our whenua, our wai;

- Tiaki - Fonterra: The Tiaki Sustainable Dairying Programme has been designed exclusively for the use of Fonterra farmers. It enables them to tap into specialised regional knowledge, expertise and services to support best practice farm management, proactively stay ahead of regulatory requirements, and satisfy evolving consumer and market expectations.
- Funding applications were submitted to PGF and MPI for Waterways and Riparian Planting. Unfortunately our application was declined.
- Nga Whenua Rahui - the Trust awaits the outcome of their funding application submitted for the riparian planting project.
- EBOP Effluent Discharge Compliance achieved 2020.
- Dumping of Rubbish: This is an ongoing issue for the Trust, at the river and Te Tawa Road, Ruatoki.

FOCUS FOR 2021 YEAR

Continue to manage risk, particularly

Health and Safety

Review H&S Audit Review Policy

Strengthen systems and implement robust processes



Kaiti ki te kawē tikanga mō te Ūmanga

MANA HUA OHANGA

COMMUNICATION, EDUCATION AND SCHOLARSHIP PROGRAMMES

Hua Ohanga supports the development of our whanau to empower them to take on roles and responsibilities in the Trust, in the community and region. Hua Ohanga is responsible for people and culture - ensuring all of our employees, contractors, advisors understand and apply our values and tikanga.

TERTIARY SCHOLARSHIPS 2021

Our tertiary scholarships are contestable and are designed to build leadership, connecting talented people to our tikanga and legacy. Through the scholarship we support studies with preference that are related to our organization and our businesses.

Each scholarship provides the successful applicant with financial support for fees and study resources. Each applicant must be in their 2nd year of study in disciplines that align to the Trusts' business: Primary Agriculture and Environmental Science.

Applicants must whakapapa to Te Tawa Kaiti Lands Trust, with successful applicants becoming part of our network.

Applications for the 2021 academic year will open in early March 2021.

WANANGA - TE TAWA KAITI

Targeted wānanga as a means to foster Te Tawa Kaiti is under development. Initially these are planned to be held annually between October - December. Designed to invest in the personal development our Te Tawa Kaiti Whanau Whanui, inclusive of our key stakeholders who through business enterprise connect into Te Tawa Kaiti.

The wānanga will focus on Te Tawa Kaiti, identity, culture, traditional values, self-motivation, outdoor recreation, whakapapa, te reo me ona tikanga, marae tikanga and kawa, waiata, hitori.

Wananga planning may include alternating between our 3 marae: Owhakatoro, Tauarau and Paneteure. Activities will be marae-based with an outdoor component in our native tuhoe homelands and bush.

FOCUS FOR 2021 YEAR

Develop for implementation the Cultural Strategy for Te Tawa Kaiti which includes a focus on whakapapa te reo for owners and employees

Develop the framework to measure and report on progress towards achieving our goals set down in Te Tawa Kaititanga



PŪRONGO TAHUA

Audited Financial Statements for the year ended 31 May 2019

Resolution: That the audited Financial Statements for the year ended 31 May 2019 be received and approved

K Goldsmith, Goldsmith Chartered Accountants

Appointment of Auditor William Buck for Te Tawa Kaiti Lands Trust 2018 - 2020

Resolution: That the appointment of William Buck, Auditor for Te Tawa Kaiti Lands Trust 2018 - 2020 be received and approved

Te Tawa Kaiti Lands Trust

Financial Statements

For the Year Ended 31 May 2019

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

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**TRUST DIRECTORY
AS AT 31 MAY 2019**

Vested:	7 June 1989
IRD Number:	052-875-730
Principal Activity of Trust:	Grain growing & dairy farming
Trustees:	Moses Moana Tiramaroa Tihi - Chairman Hakeke Jack McGarvey Te Pika Nuku Te Rapaki Monty Williams Hera Tahī Penny Pimia Nicholas (resigned 29/10/2018)
Bankers:	ANZ Bank New Zealand Limited 236 The Strand Whakatane, 3120
Accountants:	Goldsmiths Chartered Accountants Level 1 189 The Strand Whakatane, 3120
Auditors:	William Buck Audit (NZ) Ltd Level 2, 60 Durham Street Tauranga, 3140
Land Area:	324.6407ha Core Whenua 57.4249ha General Title Ruatoki C13 & C14
Total Shares:	424,101.48
Total Owners:	1002
Block Details:	Ruatoki B Sections 23, 25, 26B, 27, 31, 32, 33B2C2, 35B2, 38, 79 & Ruatoki C Sections 11, 12, 15, 17, 18B2, 21, 22B, 23 (Aggregated) and Ruatoki Blocks C13 & C14

Te Tawa Kaiti Lands Trust

Independent auditor's report to the Trustees

Report on the Audit of the Financial Statements

Opinion

We have audited the special purpose financial statements of Te Tawa Kaiti Lands Trust (the Trust), which comprise the balance sheet as at 31 May 2019, the statement of profit or loss including supporting schedules and statement of movements in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements of the Trust are prepared, in all material respects, in accordance with the accounting policies outlined in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Trust.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared to enable the Trust to report to its owners, financiers and the Inland Revenue Department.

ACCOUNTANTS & ADVISORS

Level 2, 60 Durham Street
Tauranga 3110, New Zealand
PO Box 222
Tauranga 3144, New Zealand
Telephone: +64 7 927 1234
williambuck.co.nz

William Buck Audit (NZ) Limited

Trustees' Responsibilities

The trustees are responsible on behalf of the Trust for the preparation of financial statements prepared in accordance with the accounting policies disclosed in Note 1 to the financial statements, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The trustees are also responsible for the selection of accounting policies that are appropriate for the Trust.

In preparing the financial statements, the trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>

This description forms part of our independent auditor's report.

The engagement director on the audit resulting in this independent auditor's report is Richard Dey.

Restriction on Distribution and Use

This report is made solely to the trustees, as a body. Our audit work has been undertaken so that we might state to the trustees those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the trustees, as a body, for our audit work, for this report or for the opinions we have formed.




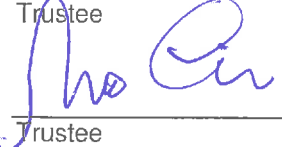
William Buck Audit (NZ) Limited

Tauranga
19 February 2020

**BALANCE SHEET
AS AT 31 MAY 2019**

	Note	This Year	Last Year
Trust Equity And Reserves			
Trust Equity	2	2,944,820	2,642,708
Asset Revaluation Reserve	10	1,582,012	1,582,012
Capital Reserves & Distributions	10	11,272	11,272
Share Adjustment Reserve	10	2,599	2,599
Shares Repurchased Reserve	10	(23,318)	(23,318)
		4,517,386	4,215,273
Current Liabilities			
Bank Overdraft	4	528,466	503,328
Accounts Payable		168,099	22,484
Provision for Taxation	5	60,170	4,384
ANZ Bank - Livestock Loan	9	730,000	-
		1,486,735	530,197
Non Current Liabilities			
Loans	9	348,000	250,000
		\$6,352,121	\$4,995,470
Total Equity & Liabilities			
Current Assets			
Cash at Bank	3	18,041	52,909
Prepayments		900	-
Residential Bond Deposit		500	-
Interest Accrued		14	15
Keith Hay Homes - Deposit		10,000	-
Accounts Receivable		451,141	12,223
GST Refund Due		83,897	3,397
Stock on Hand		741,886	22,208
		1,306,380	90,751
Non Current Assets			
Property, Plant and Equipment			
As per Schedule (at Book Value)	7	4,859,156	4,740,934
Investments			
Shareholding	8	186,585	163,785
		\$6,352,121	\$4,995,470
Total Assets			


 Trustee


 Trustee

18 / 02 / 2020
 Date

18 / 02 / 2020
 Date



DAIRY CATTLE WORKING ACCOUNT FOR THE YEAR ENDED 31 MAY 2019

	<i>Average Price</i>	<i>Qty</i>	<i>2019</i>	<i>2018</i>
Purchases				
Purchases - Rising 1 year Heifers	782	119	93,000	-
Purchases - Rising 2 Year Heifers	1,500	60	90,000	-
Mixed Age Cows	1,775	327	580,425	-
Purchases - Weiner Calves	-	-	-	9,188
		<u>506</u>	<u>763,425</u>	<u>9,188</u>
Cash Surplus (Deficit) to Farm Working Account		<u>(506)</u>	<u>\$(763,425)</u>	<u>\$(9,188)</u>
Opening Stock				
Opening Stock - Rising 1 Heifers	317	70	22,208	-
Closing Stock				
Rising 1yr Heifer	685	119	81,515	22,208
Rising 2yr Heifer	1,274	130	165,620	-
Mixed Age Cows	1,513	327	494,751	-
		<u>576</u>	<u>741,886</u>	<u>22,208</u>
Increase in Livestock Values		<u>506</u>	<u>\$719,678</u>	<u>\$22,208</u>



DAIRY CATTLE RECONCILIATION FOR THE YEAR ENDED 31 MAY 2019

Schedule of Dairy Cattle on Hand

	Qty	Market Value	Total	Qty	Market Value	Total
Rising 1yr Heifer	119	685.00	81,515	70	317.26	22,208
Rising 2yr Heifer	130	1,274.00	165,620	-	-	-
Mixed Age Cows	327	1,513.00	494,751	-	-	-
	<u>576</u>		<u>\$741,886</u>	<u>70</u>		<u>\$22,208</u>

Dairy Cattle Reconciliation

	2019 Qty	2018 Qty
Sales	-	-
Closing Stock	<u>576</u>	<u>70</u>
		70
Opening Stock	70	-
Purchases	506	70
Natural Increase	-	-
	<u>576</u>	<u>70</u>
Deaths and Missing	<u>-</u>	<u>-</u>



MILK PRODUCTION ACCOUNT FOR THE YEAR ENDED 31 MAY 2019

	<i>This Year Milksolids Kg</i>	<i>Last Year Milksolids Kg</i>	<i>This Year</i>	<i>Last Year</i>
Te Tawa Kaiti Farm				
Monthly Production				
August	6,771	6,575	15,009	14,164
September	14,438	14,938	28,942	30,444
October	18,493	18,004	37,105	37,554
November	17,333	16,314	34,779	34,452
December	16,149	14,546	31,229	31,408
January	13,839	13,875	32,112	34,645
February	10,384	12,109	25,717	31,244
March	7,167	11,042	18,329	29,442
April	6,285	7,371	16,578	20,347
May	-	1,863	-	5,287
	<u>110,858</u>	<u>116,637</u>	<u>239,800</u>	<u>268,986</u>
Plus:				
Deferred Milk Payment Previous Season			77,910	64,719
Standard This Season Increase			34,007	38,779
			<u>111,917</u>	<u>103,498</u>
			351,717	372,484
Less:				
Dairy Insight Levies			1,995	2,100
			<u>\$349,722</u>	<u>\$370,384</u>
Net Operating Profit			<u>\$349,722</u>	<u>\$370,384</u>



STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MAY 2019

	<i>This Year</i>	<i>Last Year</i>
Revenue		
Maize Sales	1,144,847	505,642
Total Maize Income	1,144,847	505,642
Less Expenses		
Farm Working Expenses		
Maize Drying Costs	112,355	59,520
Weighbridge Costs	2,309	1,090
Maize Harvesting	78,090	39,960
Ploughing-Maize	17,412	33,732
Maize Cartage	54,438	-
Maize Discing	14,097	12,635
Spreading - Maize	5,376	1,476
Fertiliser - Maize	100,887	92,998
Freight & Cartage - Maize	54,799	54,221
Insurance - Maize	425	949
Maize Seed	61,263	63,519
Planting & Tilling	31,294	17,340
Weed & Pest Control - Maize	1,136	16,297
Soil Conservation & Testing - Maize	348	1,118
Spraying	27,093	8,742
	561,320	403,598
Repairs and Maintenance		
Races, Drains & Ditches - Maize	225	-
	225	-
Net Surplus / (Deficit) From Maize Operations	583,303	102,044
Dairy Farming Operation		
Operating Revenue		
Cash Surplus (Deficit) - Dairy Cattle	(763,425)	(9,188)
Cash Surplus - Te Tawa Kaiti Farm	349,722	370,384
Total Dairy Revenue	(413,703)	361,197



STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MAY 2019

	<i>This Year</i>	<i>Last Year</i>
Less Expenses		
Farm Working Expenses		
Calf Rearing Expenses	313	18,058
Consultancy	2,654	14,683
Breeding Expenses	4,345	-
Farm Dairy	3,030	-
Farm Consultant	28,001	10,885
Fertiliser - Dairy	79,888	59,355
Freight & Cartage - Dairy	348	770
Grass & Crops - Dairy	-	625
Silage - Dairy	36,796	23,832
Grazing	44,135	-
Insurance - Dairy	8,509	6,620
Health & Safety	425	-
Weed & Pest Control - Dairy	1,982	4,080
Rates - Dairy	13,170	8,322
Rent	40,120	41,268
Seeds	-	5,270
Residential Rent & Cabin Hire	8,760	-
Soil Conservation & Testing - Dairy	1,100	-
Hireage - Dairy	-	1,020
Spraying - Dairy	4,593	3,165
Wages	2,779	11,469
	<u>280,948</u>	<u>209,422</u>
Repairs and Maintenance		
Plant & Equipment - Dairy	2,124	14,590
Races, Drains & Ditches - Dairy	2,749	7,367
Farm Buildings - Dairy	3,679	3,910
Fences, Gates & Hedges - Dairy	1,917	3,681
Water Supply - Dairy	1,452	1,377
Effluent - Dairy	865	2,025
Repairs & Maintenance - Dairy Plant	2,668	-
Repairs & Maintenance - Farm Expenses	-	136
	<u>15,455</u>	<u>33,086</u>
	<u>(710,107)</u>	<u>118,688</u>
Net Surplus / (Deficit) From Dairy Operations		
	<u>(126,804)</u>	<u>220,732</u>
Net Surplus / (Deficit) From Farming Operations		
Less Other Expenses		
Motor Vehicle Expenses		
Fuel & Oil	1,134	572
Vehicle Expenses	-	67
Tractor Expenses	569	834
Digger Repairs	1,090	10,270
	<u>2,793</u>	<u>11,742</u>

The accompanying notes and audit report form part of these financial statements.



Goldsmiths
Chartered Accountants

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MAY 2019

	<i>This Year</i>	<i>Last Year</i>
Administration Expenses		
Accountancy Fees	33,572	33,191
Advertising	157	867
Bank Charges	4,642	4,789
Conference Expenses	3,925	-
Consultancy - Governance	1,886	1,300
Entertainment - Deductible	1,203	351
Fees & Permits	1,558	1,391
Legal Fees - Deductible	2,800	2,800
Meeting Expenses	-	100
Postage	161	152
Printing & Stationery	6,327	5,091
Subscriptions	768	857
Telephone	560	588
Travelling Expenses	1,080	1,086
Trustees & Secretarial Meeting Fees	17,401	21,486
Wages - Administration	28,616	-
	104,658	74,049
Standing Charges		
ACC Levy	(240)	806
Electricity	86	-
Insurance - Administration	2,278	2,680
Interest	32,191	35,541
Rates	10,428	15,041
	44,743	54,069
Other Expenses		
Audit Fees	4,982	3,250
AGM Expenses	2,360	160
Catering	750	4,174
Entertainment - Non Deductible	1,234	403
Hireage	-	425
Koha	1,200	1,200
Trustee Expenses	428	1,004
Valuation Services	1,800	-
Non-Deductible Expenses	346	783
	13,100	11,399
Total Expenses	165,294	151,259
Plus Other Revenue		
Insurance Proceeds	-	4,939
PIE Income	-	3,552
Rent Received	553	553
Honey Income	1,845	1,686
Dividend Income	440	4,025
Interest Income	300	541
Rebates	11,029	13,211
	14,167	28,506
Cash Operating Profit (Deficit)	(277,931)	97,980

The accompanying notes and audit report form part of these financial statements.



Goldsmiths
Chartered Accountants

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MAY 2019**

	<i>This Year</i>	<i>Last Year</i>
<i>Decrease (Increase) in Livestock Values</i>	(719,678)	(22,208)
	719,678	22,208
<i>Non-Cash Gains and Losses</i>		
Revaluation of Shareholding	(36,600)	(19,917)
	(36,600)	(19,917)
<i>Non Cash Expenses</i>		
Loss on Disposal of Fixed Assets	1	-
Depreciation	30,581	24,771
	30,582	24,771
<i>Net Surplus</i>	374,565	75,500
Income Tax Expense	72,353	16,532
<i>Net Surplus Transferred To Equity</i>	\$302,212	\$58,969



**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MAY 2019**

	<i>Note</i>	<i>This Year</i>	<i>Last Year</i>
Net Surplus		302,212	58,969
<i>Total Recognised Revenues and Expenses</i>		302,212	58,969
<i>Less</i>			
Tangihanga Grants		(100)	-
<i>Balance Retained as Trustees Income added to Equity</i>		302,112	58,969
Equity at Start of Period		4,215,273	4,156,305
		4,517,386	4,215,273
<i>Total Equity At End Of Period</i>		\$4,517,386	\$4,215,273



The accompanying notes and audit report form part of these financial statements.

Goldsmiths
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

1 **Statement Of Accounting Policies**

These financial statements have been prepared in accordance with the policies determined by the Trustees which are detailed below.

Te Tawa Kaiti Lands Trust was formed by aggregation of a number of blocks ordered at Whakatane on 7 June 1989 pursuant to Section 434A of The Maori Affairs Act 1953 and:

The financial statements have been prepared for:

- . the Trust's owners;
- . Inland Revenue; and
- . the Trust's financiers.

Measurement System

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except where otherwise stated.

Going Concern

These financial statements have been prepared on the basis that the Trust is a going concern.

Property, Plant, Equipment and Depreciation

Land is valued using the rating valuation which provided by Quotable Value Ltd for Whakatane District Council Rating purposes as at 1 September 2016. The Ruatoki Blocks C13 & C14 purchased in 2017 are valued at cost.

Property Improvements, Buildings and Plant & Equipment are stated at historical cost less any accumulated depreciation and impairment loss. 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.

Valuation of Livestock

Livestock at balance date are valued using the Herd scheme for taxation purposes, these valuations being a change from the National Standard Cost valuation used in the previous year.

Taxation

Taxation charged against profits is based on estimated tax payable for the current year. Deferred tax accounting has not been adopted.

Maori Authority

Te Tawa Kaiti Lands Trust has been granted Maori Authority status for taxation purposes.

Accounts Receivable

Accounts Receivable are stated at their estimated realisable value after allowing for all bad debts.

Shareholdings

Shareholdings are measured at fair value. If shares do not have quoted market prices in an active market, and fair value cannot be reliably measured, the shareholdings are measured at cost. Any movements in shares measured at fair value are recognised in the Statement of Profit or Loss.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

Goods and Services Tax

Financial information in these accounts is recorded exclusive of GST with the exception of receivables and payables, which include GST. GST payable or receivable at balance date is included in the appropriate category in the Balance Sheet.

Changes in Accounting Policies

The Trust has elected to use Herd Scheme valuation of livestock in the current year having previously used NSC. Other than this, all other accounting policies have been applied on bases consistent with prior years.

2 Analysis Of Equity

The Trust Deed makes distinction between Trust Capital and Accumulated Trustees Income. The Equity of the Trust consists of the following:

	2019	2018
Capital		
Trust Capital	1,414,000	1,414,000
	<u>1,414,000</u>	<u>1,414,000</u>
Accumulated Trustees Income		
Opening Balance	1,228,708	1,169,740
Add:		
Net Operating Surplus (Deficit)	302,212	58,969
Tangihanga Grants	(100)	-
Closing Accumulated Trustees Income	<u>\$1,530,820</u>	<u>\$1,228,708</u>
Closing Trust Capital	<u><u>\$2,944,820</u></u>	<u><u>\$2,642,708</u></u>

3 Cash at Bank

				This Year	Last Year
	<i>Maturity Date</i>	<i>Remaining Term (Months)</i>	<i>Interest Rate</i>		
ANZ Bank - Serious Saver Account				1,112	855
ANZ Bank NZ Ltd - 00 Account				-	35,245
ANZ Bank NZ Ltd - 02 Account				11,512	11,546
Term Deposit			-		
Heartland Bank (ex PGG)	03/01/2020	8	3.40%	5,418	5,263
				<u>\$18,041</u>	<u>\$52,909</u>

There is a General Security Agreement in place with ANZ Bank dated 15 February 2005.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

4 Bank Overdraft	2019	2018
ANZ Bank NZ Ltd - 00 Account	60,031	-
ANZ Bank Flexi Facility	468,435	404,594
ANZ Bank Temporary Facility	-	98,734
	<u>\$528,466</u>	<u>\$503,328</u>

5 Taxation	2019	2018
Net Surplus per Accounts	374,565	75,500
Addback		
Entertainment - Non Deductible	1,234	403
IRD Penalties	346	161
PIE Income Tax Paid	-	622
PIE Income	-	(3,552)
Revaluation of Shareholding	36,600	19,917
Interest Accrued - Current Year	(14)	(15)
Interest Accrued - Previous Year	15	30
Audit fee accrual	700	200
Koha	-	1,200
Taxable Surplus	<u>413,445</u>	<u>94,467</u>
Taxable Surplus / Loss Carried Forward	<u>\$413,445</u>	<u>\$94,467</u>
Taxation	72,353	16,532
Opening Balance	4,384	(320)
	<u>76,737</u>	<u>16,212</u>
Less		
Terminal Tax Paid	6,864	2,662
Provisional Tax Paid	9,505	8,973
RWT Paid	75	73
Imputation Credits	123	119
Tax Payable as per Statement of Financial Position	<u>\$60,170</u>	<u>\$4,384</u>

The Trust paid further 2019 Provisional Tax of \$10,595.00 on 28 June 2019

6 Maori Authority Credit Account	2019	2018
Opening Balance	254,253	242,426
Add		
Terminal Tax Paid	6,864	2,662
Provisional Tax Paid	9,505	8,973
RWT Paid	75	73
Imputation Credits	123	119
	<u>\$270,820</u>	<u>\$254,253</u>

The closing MACA balance is available to be attached to dividends issued.

The MACA balance at 31 March 2019 was \$263,847 (March 2018: \$251.412)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

7 *Property, Plant And Equipment Summary* **2019**

	<i>Cost/Valuation</i>	<i>Accum Depn</i>	<i>Book Value</i>
Freehold Land	2,745,521	-	2,745,521
Revaluation	1,582,012	-	1,582,012
Property Improvements	124,063	88,074	35,989
Buildings	297,811	21,899	275,912
Plant & Equipment	160,316	46,635	113,681
Motor Vehicles	140,200	34,165	106,035
Office Furniture & Equipment	1,369	1,363	6
	<u>\$5,051,292</u>	<u>\$192,136</u>	<u>\$4,859,156</u>

2018

Freehold Land	2,745,521	-	2,745,521
Revaluation	1,582,012	-	1,582,012
Property Improvements	122,994	84,734	38,260
Buildings	297,811	15,476	282,335
Plant & Equipment	107,227	36,341	70,886
Motor Vehicles	48,200	26,292	21,908
Office Furniture & Equipment	1,369	1,357	12
	<u>\$4,905,134</u>	<u>\$164,200</u>	<u>\$4,740,934</u>

8 *Shareholding*

	<i>Shares</i>	<i>Market Value per Share</i>	<i>This Year</i>	<i>Last Year</i>
Shareholding				
Farmlands Trading Society Ltd	2,232	1.00	2,232	2,232
Ballance Agri-Nutrients Ltd	3,450	8.10	27,945	27,945
Auckland International Airport Ltd	1,440	8.77	12,629	9,936
Horizon Energy Distribution Ltd	95	4.41	419	419
Fonterra Co-Op Shares	24,000	4.00	96,000	62,040
Fonterra Units	11,840	4.00	47,360	61,213
			<u>\$186,585</u>	<u>\$163,785</u>

9 *Loans*

Term Loans

	<i>Maturity Date</i>	<i>Remaining Term (Months)</i>	<i>Interest Rate</i>	<i>This Year</i>	<i>Last Year</i>
ANZ Bank Ltd - Loan 1002	Refinanced	-	-	-	250,000
ANZ Bank Ltd - Loan 1003	31/05/2021	24	4.66%	348,000	-
<i>Current Loans</i>					
ANZ Bank - Livestock Loan	30/05/2020	12	4.66%	730,000	-
				<u>\$1,078,000</u>	<u>\$250,000</u>

The loans are secured by a registered first mortgage over 28 & 102 Te Tawa Road, Tawera.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

10 Reserves	2019	2018
Asset Revaluation Reserve		
Opening Balance	<u>1,582,012</u>	<u>1,582,012</u>
Capital Reserves & Distributions		
Opening Balance	<u>11,272</u>	<u>11,272</u>
Share Adjustment Reserve		
Opening Balance	<u>2,599</u>	<u>2,599</u>
Shares Repurchased Reserve		
Opening Balance	<u>(23,318)</u>	<u>(23,318)</u>

11 Events Occurring After Balance Date

The Trust has committed to moving from a sharemilker to a contract milker arrangement in the 2020 season.

12 Contingent Liabilities

There are no contingent liabilities at year end (31 May 2018: \$Nil).

13 Capital Commitments

The Trust has committed to the purchase of a new bale feeder. The total cost of the bale feeder is \$23,431. The Trust is also committed to share up with Fonterra over the next three years with 1/3 of the total shareholding requiring to be held at the end of the 2020 year (31 May 2018: \$Nil)

14 Related Parties

Jack McGarvey is a Trustee for Te Tawa Kaiti Lands Trust, and also lives in a Trust owned dwelling situated at 124 Ngahina Road. Mr McGarvey lives in the house rent-free while administering Trust business on a daily basis. Other than this, there have been no other related party transactions, and all transactions were at arms-length.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

15 *Reconciliation Of Livestock Values*

Purchases

Rising 1 yr Heifer 119 x 775 = \$93,000

Rising 2 yr Heifer 60 x 1500 = \$90,000

Mixed Age Cows 327 x 1775 = \$580,425

Total Costs \$763,425

Herd Scheme Values

Rising 1 yr Heifer 119 x 685 = \$81,515

Rising 2 yr Heifer 60 x 1274 = \$76,440

Mixed Age Cows 327 x 1513 = \$494,751

Total Values \$652,706

Variance Cost to Herd Value = \$110,719

For taxation purposes



PŪRONGO MŌ NGĀ PĀMU

2020/2021 Season

Area	223 ha total 204 ha Dairy Platform
Stock	460 wintered MA cows 446 cow's peak milked
Stocking rate	2.18 cows/ ha 250 cows twice a day milking 200 cows once a day milking



Stock

- TTKT's second season as herd owners after the purchase of 460 cows
- Contract milking system with David and Marama Riini
- Farmed a twice a day/ once a day system to maximise milk production
 - Older stock milked TAD for increased MS performance
 - Younger stock milked OAD to improve mating performance and stock retention
- Target improved 6 week calving rate by 2%
 - 2019/ 2020 season improved 6 week calving rate by 5%
- Target empty rate of 10-12%
 - Likely to be on target (pregnancy testing early March)
 - 2019/ 2020 season 12%
- Improving herd profile/ quality
- Young stock have been well grown and should enter the herd well

Stock Numbers (12th February 2021)

• Mixed Age Milking Cows	437
• Rising 2 year Heifers	106
• Carryover Cows	23
• Rising 1 year Calves	115
◦ Total Stock	681

Production

(See graphs/ tables attached)

2019/2020 Season

- Achieved farm record production in the 2019/2020 season of 129,210 kg MS (previous three year average is 116,000 kg MS)
 - 633 kg MS/ ha
 - 290 kg MS/ cow
 - 11% increase in production compared to average
 - Longest summer drought in 25 years

2020/ 2021 Season

- Targeting 135,000 kg MS for the 2020/ 2021 season, another farm record
- Currently on track to achieve 135,000 kg MS
- The goal was to have similar production levels to the start of January then increase production levels through to the end of the season
 - We have achieved the first target and currently on track to achieve higher late production
- Very similar early growth pattern compared to the 2019/ 2020 season
- Introduction of a summer crop (turnips) has aided in achieving early summer targets



Supplements

Supplement fed in the 2019/ 2020 season

- Maize 240 TDM
- Baleage approx. 60
- Grass Silage 120 TDM
- System 2 (low feed input system)

Supplement on hand in the 2020/ 2021 season

- Maize 120 TDM (plus a further 200 TDM to be harvested in March)
- Baleage approx. 180
- Grass Silage 100 TDM
- System 2 (low feed input system)

Soil Testing/ Fertiliser

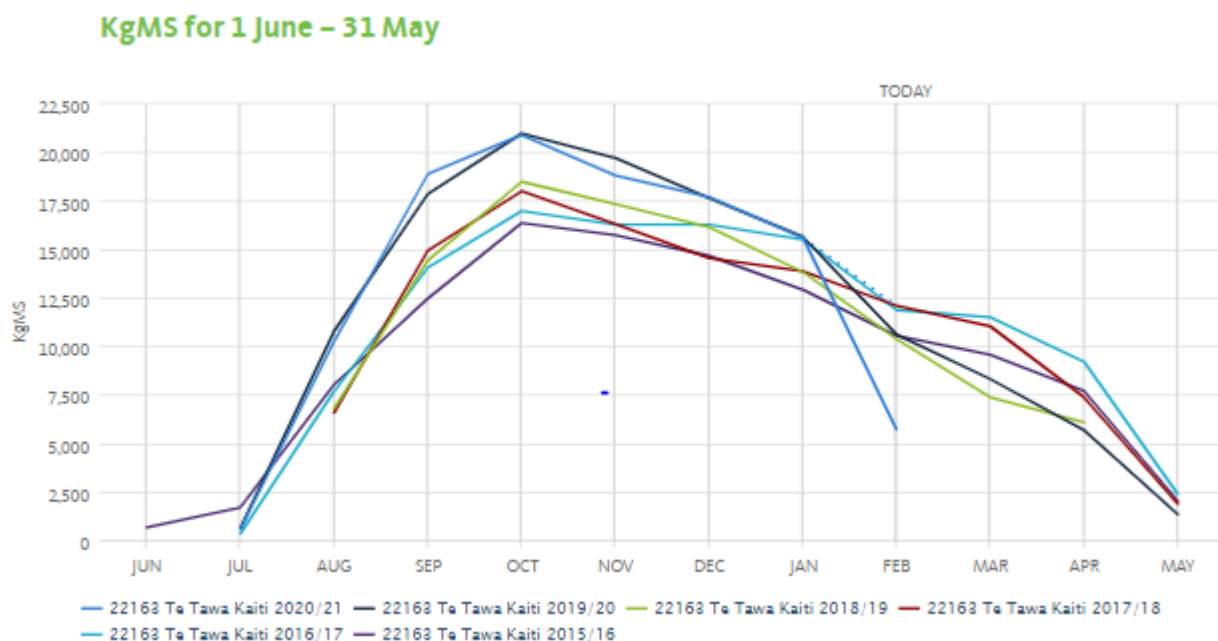
- Bi- annual soil testing has been carried out
- Results showed some deficiencies that have now been addressed
- Timing of fertiliser application has improved - increased pasture grown at critical points
- We remain a relatively low fertiliser user while still improving soil fertility levels - we have a lower use level than current environmental regulations.
- Kaitiakitanga

Infrastructure

- Overall the property is in good working order
- Have improved areas of drainage, races/ laneways, overall weed control (ongoing)
- There is a likelihood of some significant investment in the cowshed, effluent system and housing required in the next 1-5 years
- At this stage, apart from some ongoing improvements/ developments, the farm is in suitable condition to meet targets.

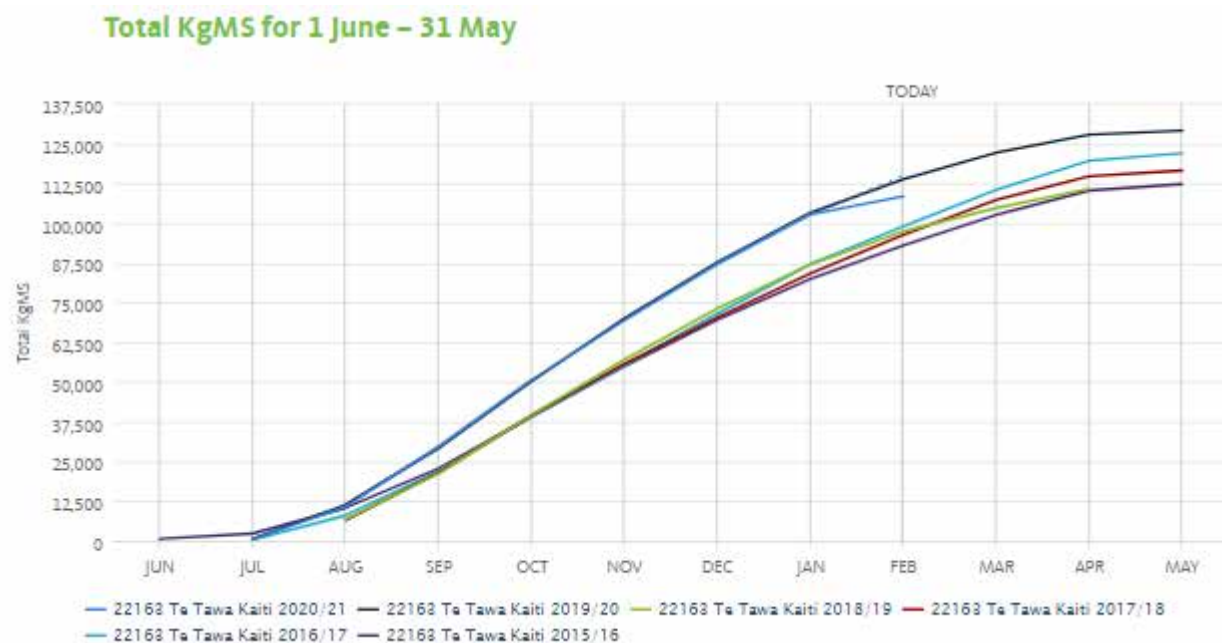
Production Total / Month (kg MS)

- The graph below shows milk production levels over the last six years
 - The 2020/2021 season can be seen in the light blue line
 - The 2019/2020 season can be seen in the black line
- Both had significant increases compared to previous years
- Production July to January very similar for the last two seasons
 - NB: please ignore the deceptive production drop for February - this is a month in progress - the dotted line indicates expected final February production.



Accumulated Production levels (kg MS)

- The graph below shows accumulated seasonal production for the last six years (month on month production).
- Can be seen the large production gains over the last two years
- Very little separation between the 2019/2020 and 2020/ 2021 seasons to date
- Expecting a stronger finish this season that should see the graph line increasing through to May.



Seasonal Summary

2019/ 2020 Season

- Large production increases
- Longest summer drought in 25 years
- Captured financial gains via higher production and increased Fonterra milk payout
- Improvements in stock genetics, performance overall output
- Improvements in soil fertility and pasture grown
- Reduced reliance on maize silage required
- Improved farm strategy execution and management with a very high level of support from the Te Tawa Kaiti Board members
- Overall I would be happy with the farms performance in the 2019/2020 season.
 - Very good progress has been made with potential for further improvements/ increases over the next few years

2019/ 2020 Season

- Continued production increases
- Likely that this seasons payout will increase versus last year - again captured financial gains via higher production
- Continued improvements in stock genetics, performance overall output
- Continued improvements in soil fertility and pasture grown
- Maize supplement required static at 10 ha
- Continue to improve farm strategy execution and management with a very high level of support from the Te Tawa Kaiti Board members.

Overall I would again be happy with the farms performance in the 2020/ 2021 season to date - there continue to be areas of development and improvement that will lead to further on farm performance.

Craig Purcell
Farm Consultant

PŪRONGO MŌ NGĀ KĀNGA

We are pleased to present this, our second maize report for Te Tawa Kaiti's Maize unit. Maize grown on the unit continues to be used as maize silage on the dairy platform as well as being harvested and sold as 'grain'. In the 2019/2020 season around 15 hectares of maize supported the dairy unit with the balance grain.

A key focus that we have had in the past year is ensuring the basics are done right, this starts with getting the field work done in a timely manner which in turn allows us to get the planting completed on time. The biggest drivers of maize yield (success) are both sunshine (heat units) and of course rain. It is hard to predict when or if we're going to get rain over summer, but we know that generally we're going to get hot days from mid-December through to March, so it's vital that we ensure that our maize crop is established by mid-December to capitalise on hot summer days through the summer months. If we get that part done right, we then only have to rely on getting rain, thankfully maize is an efficient user of water so even small rainfall events can keep it going. The ideal is regular 10-20mm amounts in late December early January are ideal as this is when the plant begins to form its cob and the cob is where the energy and value comes from.

As a company and with Te Tawa Kaiti we are committed to ensuring what we do is right from a sustainable environmental perspective, this means that on the Maize unit we regularly sample soil fertility levels to ensure that the fertilisers that we add are all that is necessary and not over doing it. We are also able to know how much nutrients the crop takes from the land so we are mindful to ensure that we replenish the nutrient levels so that they do not fall.



In what has now become a different world, with the onset last year of the COVID-19 pandemic the New Zealand agricultural space has remained resilient and it is pleasing to see our primary industries, particularly farming not being adversely affected. The upcoming year already starts with higher payout forecasts than the previous year as well as the current crop looking very good and on track for a successful harvest.

Looking further forward we are seeing continued strong demand for maize products as well as a move to 'homegrown' options of feed, this has come about from huge issues with shipping of products around the world. This is an opportunity for the maize industry to benefit from this over the coming two years.

Finally, we both congratulate and thank the Te Tawa Kaiti Trust and trustees for a great 2019 Harvest as well as their support for our business. Our small team have thoroughly enjoyed the relationship that we have formed with the Te Tawa Kaiti over the past couple of years and we strive to continue to meet the Trusts' future requirements.

Regan Studer
Doherty Studer Ltd



Lands trust forges ahead

Learning about the business side of dairying has been the key to building a successful enterprise for Te Tawa Kaiti Lands Trust in Ruatoki.

Although several of its trustees had farming experience, Te Tawa Kaiti Lands Trust is relatively new to running a dairy farming business. But taking part in a Māori Agribusiness Extension (MABx) programme has quickly taken them to the next level.

DairyNZ has partnered with the Ministry for Primary Industries to deliver the MABx programme to six Māori dairy businesses in the eastern Bay of Plenty. One of these farms is owned by Te Tawa Kaiti.

From maize to milk

Longstanding trustee and kaumātua Jackie Hakeke McGarvey says the Trust was formed in 1989 by owners of several blocks of land at Ruatoki, south of Whakatane.

"We are continuing that legacy today using the combined skills of our trustees who are from three generations."

For many years, the Trust has grown a commercial maize crop on its Kaiti land blocks (150ha), while it leased its Te Tawa blocks (190ha) to a private dairy farmer. The Trust purchased the dairy unit in 2016. At the start of the 2019/20 season, it bought a herd of 440 Friesian-cross animals, including 70 cows grown in partnership with Te Manawa o Tūhoe.

Executive officer Hinehou Timutimu says the Trust needed a well-developed plan to ensure a smooth transition into the new season, so it was essential to get the basics right from the get-go.

"We set strategic goals, including strengthening the management systems and instigating measures to achieve a best-practice, sustainable operation."

DairyNZ's Waikato regional leader Wilma Foster helped to

get the ball rolling, and Hinehou says Wilma has "walked the walk", setting them on the right track by facilitating goal-setting workshops.

"Getting the basics right at ground level meant the Trust were 'front-footing' into dairying and prepared to take that step forward," says Hinehou.

"From there, we developed our protocols and plans. It's worked – we're making excellent progress."

Continuous learning

To help the trustees become more effective board members, DairyNZ has also helped to facilitate a professional development programme. Through governance workshops, the trustees are identifying gaps in learning, recognising individual strengths, and developing teamwork skills.

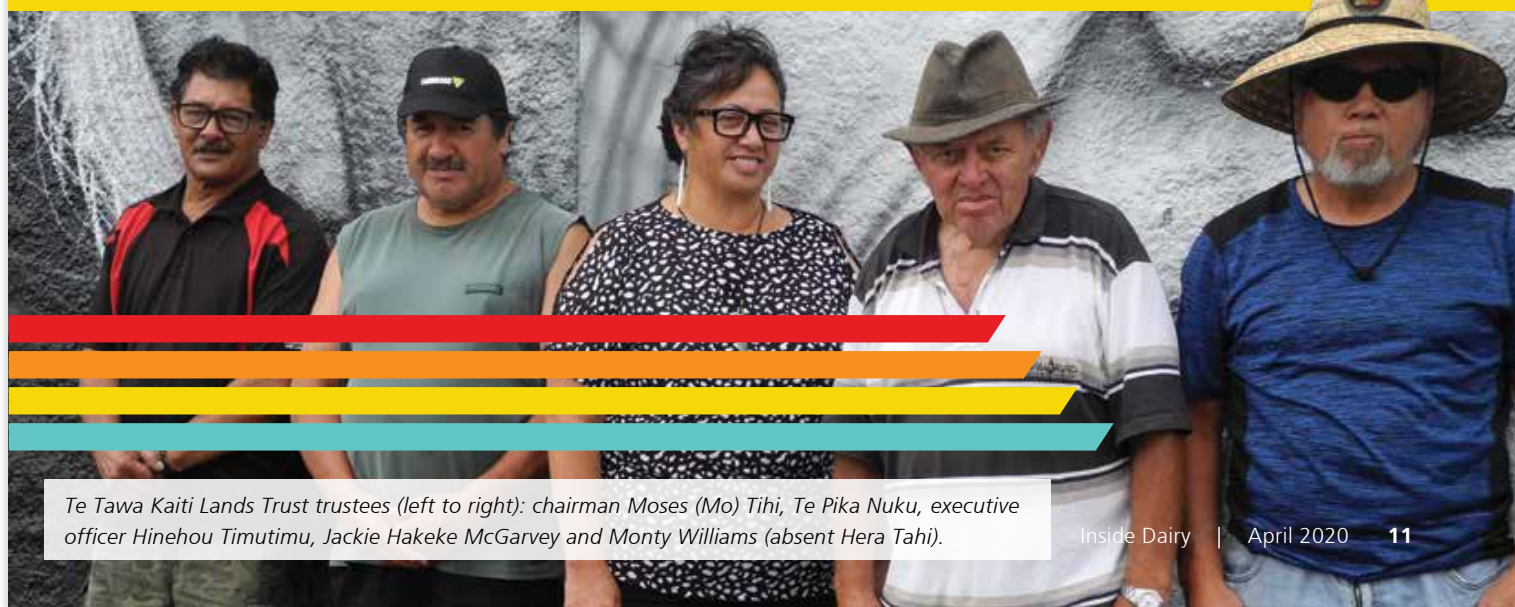
"The tremendous support from DairyNZ, through the MABx programme, has facilitated ongoing learning and is helping us to make positive progress," says chairman Moses Tihi.

Shared journey

Wilma says it's been a privilege to be part of Te Tawa Kaiti's journey.

"I've learnt a lot from the Trust; it's been a mutual learning experience. They've shared their history, culture and love for the land, along with their aspirations for their future. It's been great to help them develop and start to implement their plans.

"It's also exciting to see the personal growth of the trustees over the past three years. I look forward to seeing their future success."



Te Tawa Kaiti Lands Trust trustees (left to right): chairman Moses (Mo) Tihi, Te Pika Nuku, executive officer Hinehou Timutimu, Jackie Hakeke McGarvey and Monty Williams (absent Hera Tahī).



TAKU MANA, TAKU IHI, TAKU WEHI O TE TAWA KAITI

