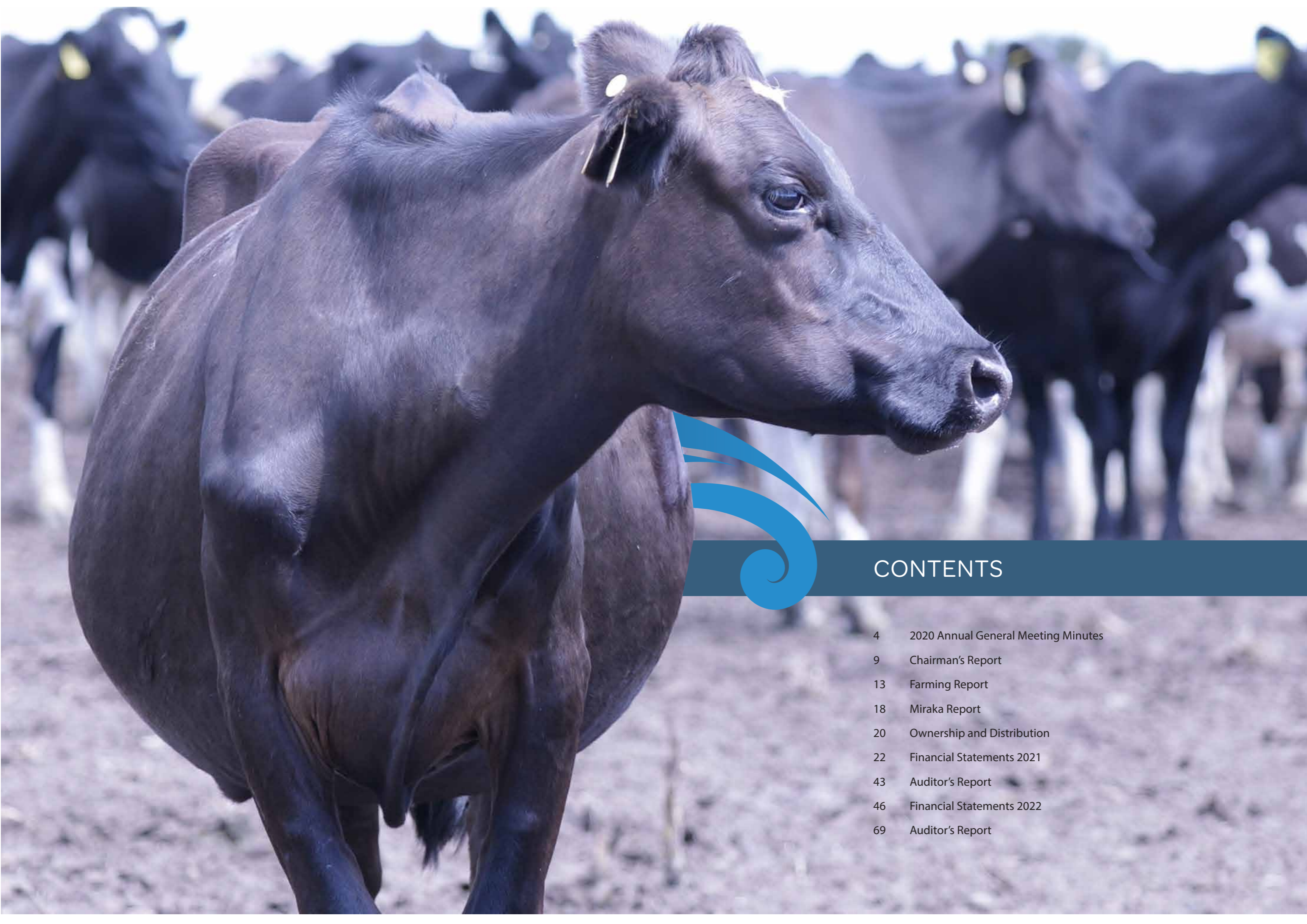




2022
ANNUAL
GENERAL
MEETING



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2020 AGM MINUTES

WEDNESDAY, 16 DECEMBER 2020
5.30PM - 6.30PM
ONLINE AGM

Present:

Trustees: Topia Rameka (Chairman), Danny Loughlin (Deputy Chairman), Heemi Biddle, Metiria Rameka, Skay Rangī.

Attendees: Mark Johnson - Tauhara Farms Limited Partnership Consultant, He Akina - Vernon Rameka (General Manager), Miria Stephens, Wahine Murch.

1. OPEN MEETING

1.1 Introduction

Chairman Topia Rameka attended the meeting online. Trustees Danny Loughlin, Skay Rangī, Heemi Biddle and Farm Consultant Mark Johnson introduced themselves.

The agenda for the meeting was confirmed with the online meeting protocols addressed.

Apologies were submitted prior to the AGM from Trustee Metiria Rameka and Shirlee Curtis. The process for acknowledging apologies was submitted through the online slido feature. There were no other apologies received.

RESOLUTION
That the apologies be received.
Moved: Heemi Biddle Seconded: Hokowaka Akuhata CARRIED UNANIMOUSLY

2. PREVIOUS AGM MINUTES

The previous AGM meeting minutes were read aloud for approval.

RESOLUTION
That the minutes of the previous meeting of the 12th December 2018 be confirmed as a true and accurate record.
Moved: Heemi Biddle Seconded: Jocelyn Rameka CARRIED UNANIMOUSLY

3. REPORTS

3.1 Chairman's Report

The Chairman's Report was read aloud.

The 2020 AGM was being held online to prioritise whānau safety and well-being during the uncertain times of Covid-19.

As a directive from the 2018 AGM, a submission to the Māori Land Court was made to amend the Trust Deed to hold biennial AGMs. This submission was approved.

It is noted that although the Chairman now resides in Wellington, he remains fully committed to the Trust, and acknowledged the ongoing support from the Deputy Chairman Danny Loughlin and fellow Trustees.

Highlights to note for the 2020 AGM include the Te Ara Miraka final milk price of \$7.14/kg milk solids and Tauhara Farms Limited Partnership (TFLP) reported a \$917k profit and payment of kaumātua grants.

Due to drought conditions and Covid-19, many farms felt the negative effect of being around 15-20% behind in production. Due to TFLP systems, the effect to the farm was only 6% behind budget, producing 761,640kgMS for the season. TFLP made a \$600k contribution to the Trust.

The Contact Energy agreement to drill two wells on the block to support the Tauhara II

Power Station was deferred and in goodwill Contact Energy agreed to provide the Trust with an escalating annual payment of \$100k for annual kaumātua grants.

The commendable performance of the farm staff over the past two years - especially working during the lockdown - has resulted in a win from the Central Plateau Farm Manager Division at the Dairy Industry Awards; a third placing in the National Awards; a Merit Award for Stock Management; and a Merit Award for Feed Management.

A Te Ara Miraka Certificate of Excellence was awarded to Farm 601 Tauhara Moana Limited Partners.

The last two years have been extraordinary for all farm activity and a special acknowledgement was made to Danny Loughlin and Clinton Hemana (Directors of TFLP), Mark Johnson (Farm Consultant), Laurence Walden (Farm Manager), BNZ bankers, and He Akina Limited.

RESOLUTION
That the Chairman's Report be received.
Moved: Topia Rameka Seconded: Sonnie Tupara CARRIED UNANIMOUSLY

3.2 Financial Reports

Danny Loughlin presented a summary of the financial performance for the 2019 and 2020 financial years.

Trading income for the group (being the Trust and the Limited Partnership) for 2020 has increased to \$6.4m from \$5.8m in 2019 due to improved production and a slightly better milk price. Other income came from insurance claims and reinvestments.

Costs for the year came from farm working expenses and forestry activities (in 2019 planting 11,500 seedlings on 11 hectares, in 2020 pruning and upkeep of seedlings).

Overhead and finance costs were made up of leases, rates, loan interest, administration and

Trustee / director fees. The result was a net profit of \$953k for the Financial Year ending 31 May 2020.

Key goal for the Limited Partnership is debt reduction by selling down Miraka shares and non corpus land, thus reducing the term loan to \$10.4m in 2017 and a further reduction to \$9.74m in 2020.

The bulk of the Trust assets as at 2020 is made up of the land and the two dairy sheds (\$16.3m) with the balance made up of vehicles (\$716k), plant and equipment (\$801k), current assets with Miraka (\$2.3m), investments (\$713k) and livestock on hand (\$3.7m).

RESOLUTIONS
1) That the Audited Financial Reports for the years ending 31 May 2019 and 31 May 2020 be received.
2) That Dixon & Co. Chartered Accountants be appointed as Auditor for the Tauhara Moana Trust.
Moved: Skay Rangi Seconded: Materoa Mita CARRIED UNANIMOUSLY

3.3 Operations Report

The Operations Report was presented by Mark Johnson (Farm Consultant) and apologies given from Clinton Hemana (Director TFLP).

Last year was a dry year which had a major effect on the farm and resulted in milk production being down 6%. In comparison to other farms, TFLP has done really well, still creating a profit from a drought in 2018/19.

Despite the set backs a \$917k profit after depreciation was made.

Milk prices forecast for 2021 are \$6 p/KgMs but currently looking more like \$6.80 - \$7 p/KgMs. This could provide possible income of \$4.5m.

Volume of milk produced has been fairly consistent over the years due to producing home grown feed.

Production numbers were 355 p/cow KgMS with 984 KgMS per hectare for 2019 and 372 p/cow KgMS with 990 KgMS per hectare for 2020. Total milk solids production target for this year is 751,000 KgMS. Milk production is near being on target this season achieving the p/cow target, noting that the expenses were higher as a result of the dry summer.

The Te Ara Miraka performance programme is based around five pou: Nga Tangata, Te Taiao, Taurikura, Nga Kau and Miraka. TFLP have taken this programme on board to strive for reflecting what can be achieved on farm.

The 2020/2021 season budget seeks to produce 380,000 KgMS from Farm 601 and 371,000 KgMS from Farm 602.

Further targets set are - zero grade free with the somatic cell count below 100,00 and to achieve less than 12% empty cow rate over the 10-12 week calving period.

We are also focused on developing a comprehensive environment plan and will benchmark the progress work on methane emissions and continue seeking advice for the National Water Policy.

Acknowledgments and recognition was given to the all staff on both dairy units led by Manager Laurence Walden.

RESOLUTION
That the Operations Report be received.
Moved: Skay Rangi Seconded: Connie Underwood CARRIED UNANIMOUSLY

3.4 Owners Report

The Owners Report was presented by Heemi Biddle.

There has been a significant increase in the number of total owners from 1,913 in 2014/15 to now 2,243.

Owners with known addresses have also risen from 981 in 2014/15 to now 1,249. There is however an increase of 62 owners with unknown addresses.

A reminder was given for all owners to update their details with the Trust Office.

The value of kaumātua grants distributed has grown steadily from \$72k in 2015/2016 to \$107k in 2019/20. Meat packs have continued to be distributed to local kaumātua aged 65 years and over.

4. GENERAL BUSINESS

There was no general business for discussion.

5. CLOSE MEETING

Next board meeting - 18 February 2020, 9:00am



CHAIRMAN'S REPORT

Tēnā koutou katoa kua huihui mai nei i runga i te kaupapa o te ra.

Ngā mate o tēnā o tēnā a o tatou marae, haere, haere, haere atu ra.

Ki a tatou te hunga ora, mauriora ki a tatou katoa.

On behalf of my fellow trustees, I welcome you all here this evening.

It is with great pleasure that we can once again gather together – kanohi ki te kanohi – in a similar way to what we have in the past, albeit somewhat different.

Covid-19 has certainly changed many aspects of our lives and continues to be a consideration in all that we do on a daily basis.

We have welcomed Zoom into our hui protocols so ensuring the safety and well-being of our whānau living away from the rohe and in particular our kaumātua and kuia. Tena koutou katoa.

We continue to communicate to our owners

regularly, keeping you all informed of any updates pertinent to the trust and our owners. With this said, please ensure your contact details (especially email addresses) are updated with our Trust Office, He Akina.

The Māori Land Court approved an amendment to the Trust Deed, changing the General Meeting of Owners to biennial. This has been financially beneficial to the Trust and has allowed the Trust to reduce debt.

Key highlights to note during this General Meeting of Owners include:

- **Te Ara Miraka**

The average price per kilo for milk sales to TFLP, as at 31st May 2021 was \$7.69, however this increased to \$9.45 at 31st May 2022, which is a significant increase. Tauhara Farms did not have any insurance claims due to lost milk over either of the financial years, with milk solid proceeds over the two financial years totalling \$12.8 million.

- **Tauhara Farms Limited Partnership (TFLP)**

We are able to record a profit of \$1.679 million as at 31st May 2021 and \$1.259 million as at 31st May 2022.

The increase in cost of stock feed had an impact on the final profit which the Trustees are still pleased with, particularly with Covid-19 and the uncertainty which we faced over the two years. All the more pleasing is that these profits come after paying Tauhara Moana Trust an annual rent of \$600,000.

- **Payment of Kaumātua Grants**

Kaumātua Grants continue to be a way to manaaki our owners, in the form of putea and meat packs. Trustees have continued to provide owners aged over 65 years an annual grant of \$300 - payable via direct credit.

In the 2021 financial year the Trust paid out \$114,400 in grants and \$121,937 was spent in the 2022 financial year.

- **Assets**

Tauhara Moana Group's liquid assets as at 31st May 2022 were \$2.5 million, with Property, Plant and Equipment valued at \$17.73 million. The latest land valuation is \$12.7 million with the net assets and total equity for the group valued at \$17,741,513.

GEOTHERMAL

The agreement made with Contact Energy in 2011 was reviewed when the first well was found lacking the necessary permeability and was deemed not suitable for generation or reinjection purposes. In the spirit of good will, Contact have continued to provide 50% of the original \$100K Geothermal Drilling Deferral Payment, which we have used to help fund our annual kaumātua grants.

Over the past two years Contact have continued to construct the Tauhara Power Station on adjoining land leased to Tauhara Moana Trust. This

activity has meant the loss of grazing land and a subsequent reduction in stock numbers.

The relationship with Contact Energy remains positive and we have just recently met with CEO Mike Fuge to review our contract and discuss commercial partnership opportunities to partner in the future.

AGRICULTURAL EMISSIONS AND GREENHOUSE GASES

This is a most significant event facing New Zealand Agriculture. TFLP are working collaboratively with Awhina Group and other Māori agribusiness to look at ways to reduce our environmental footprint. On current calculations, Tauhara Moana will be expected to reduce emissions by some 20% to 47%.

A challenging project for our team.

NGĀ MIHI

The years of 2020 and 2021 have presented farming with many challenges both old and new. The success shown in making decisions and facing change can clearly be attributed to our lead team of Clinton Hemana and Danny Loughlin as Directors of the Tauhara Farms Limited Partnership, Mark Johnston (Farm Consultant), and Laurence Walden (Farm Manager).

Thank you to our bankers, BNZ, for their continued loyal support.

Thank you to He Akina and all our farm staff, who are imperative to our overall success.

And finally, thank you to the owners and beneficiaries of Tauhara Moana, for the trust you have shown to the Responsible Trustees managing the whenua with your best interests at the forefront.

CONCLUSION

Before closing, I wish to advise that at the end of May 2022, I stepped away from the Chairman position due to ongoing employment in Wellington and being acutely aware that the business needs a local focus. I have thoroughly enjoyed the role and have retained my role as a Responsible Trustee. Thank you to all those who have given me their support over the years.

Please welcome Skay Rangi who has taken up the challenge of Chairperson – very ably supported by Danny Loughlin (Deputy Chair) and Trustees, Metiria Rameka and Heemi Biddle.

Whilst in that space of change, we have recently been considering a succession plan for Trustees and are keen to gain your thoughts on the possible appointment of an Associate Trustee. We can discuss this later in the hui.

We look forward to continuing the journey with you all.

We wish you and your whānau a Merry Christmas, and a safe and Happy New Year.

Ngā mihinui ki a koutou katoa.

Nāku noa nā,



Topia Rameka
Chairman



FARMING REPORT

SEASON IN REVIEW

Last season Tauhara Farming Limited Partnership (TFLP) aimed to produce 751,000kgMS from 2,280 cows and budgeted a \$8.00 per kgMS milk price for around \$600,000 profit.

We have done very well this year and have posted a \$1.2m profit.

On the back of a \$1.7m profit last year – we are very pleased that these profits come after paying Tauhara Moana Trust an annual rent of \$600,000p.a.

Milk prices have been good for us and our system is working well – we are posting profits, we are reducing debt and we are insulating your dairy business from milk price shocks.

TFLP Plan 2021-2022

601 - Tauhara

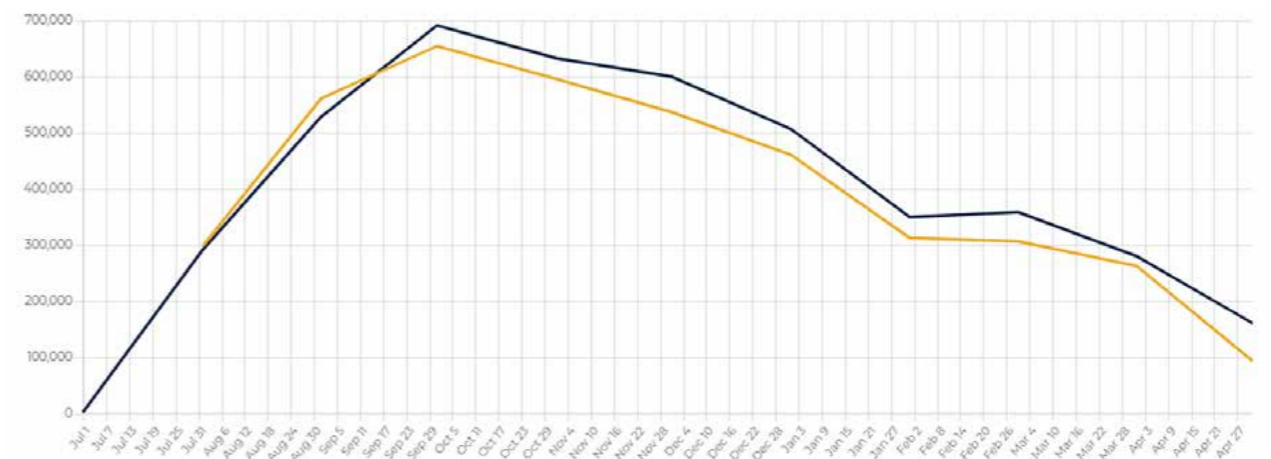
- Target milk production for FY21 is 380,000 kgMS
- 360 kgMS/cow
- 1,010 kgMS/ha
- 1100 in-calf cows (850) and heifers (250) wintered

TFLP 602 – Moana

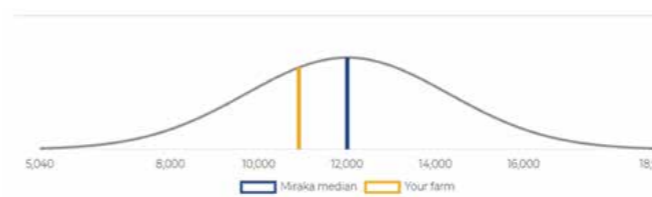
- Target milk production for FY21 is 371,000 kgMS
- 320 kgMS/cow
- 910 kgMS/ha
- 1227 in-calf cows (975) and heifers (252) wintered

- Zero grades
- Average Somatic Cell Count > 100,000
- 12% Empty – 12-week calving
- Farm Environment Plans

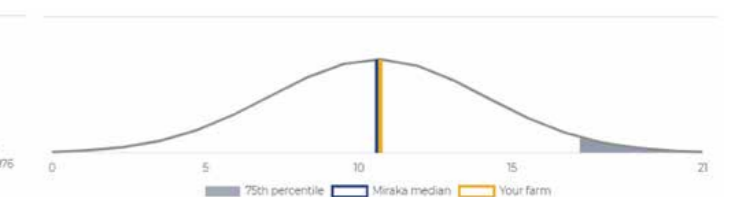
601 MOANA MILK PRODUCTION AND ENVIRONMENTAL PERFORMANCE - LAST SEASON THIS SEASON

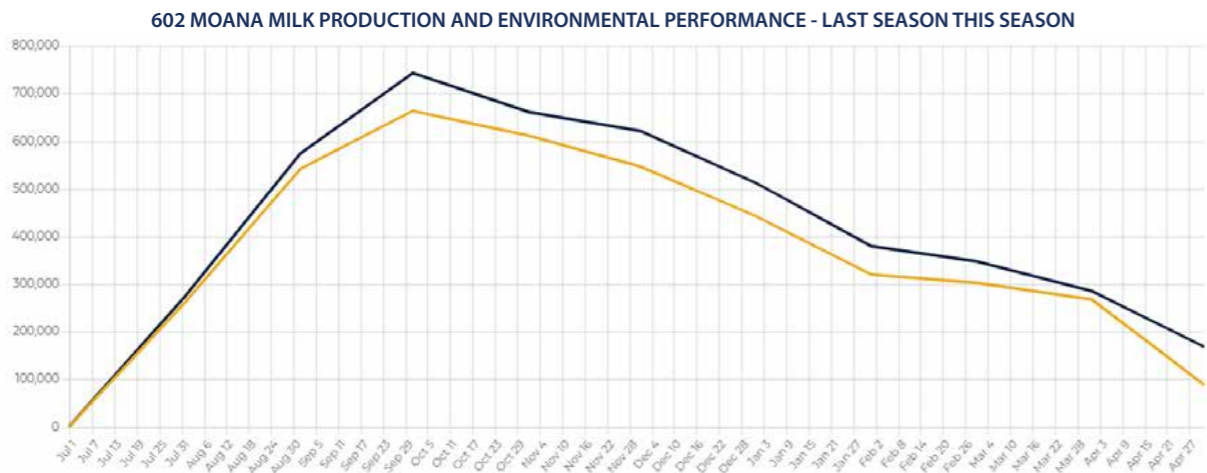


CO2 EMITTED PER HECTARE

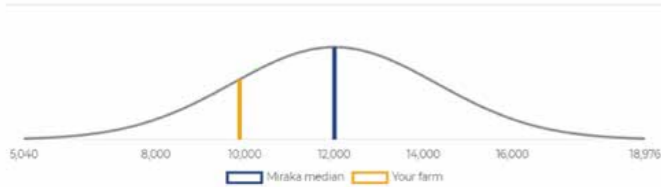


ECO EFFICIENCY (KG MILK SOLID PER KG NITROGEN SURPLUS PER HECTARE)

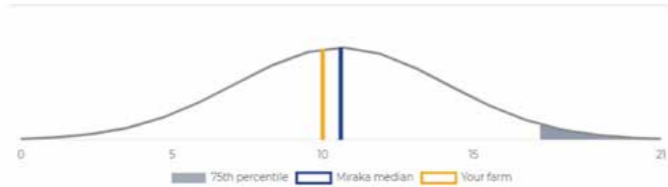




CO2 EMITTED PER HECTARE



ECO EFFICIENCY (KG MILK SOLID PER KG NITROGEN SURPLUS PER HECTARE)



Just after calving last year our farm operations manager Laurence Walden suffered a significant non-work accident – which he was in fact lucky to survive – our team reacted quickly to help save him and he has shown massive strength and kaha to come back to work within 6 months.

TFLP board sincerely thank Ashley Morgan and all our staff for getting us through. We have had other staff with significant medical issues as well during the season – so between that and a very tight labour market your team has had to put the shoulder to the wheel.

Autumn last season was very dry which required once a day milking and low winter feed levels – production and milk quality were affected – so we were up on Somatic Cell Count and down of budgeted production. However, milk price was good and our team achieved a great profit.

Both farms were grade-free until the last few days of supply which was a massive blow for all of us but particularly the staff who had worked so hard all season. TFLP are very proud of our staff.

	Tauhara 601	Moana 602
Milksolids/ha	1000	869
Milksolids/cow	335	312
SCC	174,361	158,511
Nitrogen (kg/ha)	121	142
6 week in-calf rate	65%	64%
Palm Kernel/cow	429	472
FWE FY22 (\$/kgMS)	\$5.86	\$5.91
Cash Profit FY22	\$1,548 K	\$1,602 K
EFS/ha FY21	\$3,163/ha	\$2,906/ha
Te Ara Miraka	78.5 points	84 points

BUDGET – LOOKING FORWARD – TFLP 2022-2023

1. Total area 1,520 hectares - 1306 hectares pasture; 145 hectares lucerne; 68.5 hectares forestry
2. 768 hectares Dairy
3. Calving 2360 cows
4. Target milk production 770,000 kgMS
5. Targets - Zero grades; Average Somatic Cell Count > 100,000; 12% Empty – 12-week calving; Farm Environment Plans
6. 538 hectares Dairy support (+50 ha once power station is finished)

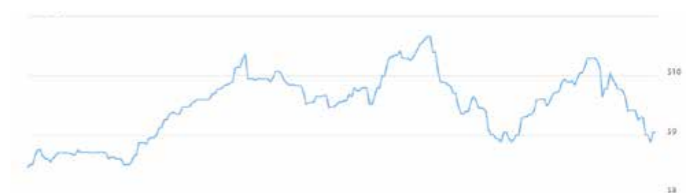
SEASON TO DATE PERFORMANCE – HOW ARE WE TRACKING

1. Autumn last season was very dry which caused a hangover for winter feed levels, which was compounded by a very wet and wild spring time; causing more hard work for staff and impacting cow condition and production.
2. We are currently mating – this will be a good opportunity to review the benefit of the Halter system for mating performance, which to date is looking very good.
3. The Halter system is working well and at the end of the season TFLP will review the performance and benefit of the system against the significant cost to make a decision for next year.
4. Milk production across the country is down around 10%-12% due to the weather - at the moment TFLP is 5% down. We do appear to be having a late spring and our current focus is to try to maintain pasture quality before grasses turn reproductive. However, between this, a lack of silage to date and a possible dry summer to come – TFLP will be working hard to balance the cost of feed and production against milk price.
5. Milk quality is lagging a bit as staff fight the balance between milk in the vat and Somatic Cell Count – however, our staff have to date kept us grade-free on both farms, which at this scale is a massive effort.

RISKS AND ISSUES – WORK TO DO

1. Milk Price: Milk price has crashed this season having starting a little weak originally (looking well under \$9.00); rallying very strongly over the past few months with global influences (peaking over \$10.50 at times) to begin a crash now back to \$9.05. TFLP have locked a base milk price for this season of \$9.47 for 240,000kgMS which is now paying dividends and will insulate your business from a price shock. Speculation on final milk price is variable so TFLP may increase cover to 50% to protect your financial position if prices are favourable. The NZX milk price calculator is predicting a \$8.51 milk price based on current performance in global dairy trade auctions.

MILK PRICE FUTURES TRACK 2023 MILK



2. Agricultural Emissions Pricing and Greenhouse Gases: The pricing of New Zealand agriculture into the national greenhouse gas emissions systems will be one of the most significant events in New Zealand agriculture, ever. Whilst we definitely want to be kaitiaki, it is vital to remember that:
 - 1) New Zealand agriculture accounts for around 0.08% of the total global problem, so we cannot be the cause or the cure to climate change;
 - 2) no other country is putting their food sector into the system (only Ireland which is a highly subsidised sector and Holland who have focused on water quality);
 - 3) New Zealand agriculture is our most significant industry with over \$42b in exports last year, employing many people. Reducing food production will reduce local food supply and employment; increasing the cost of living for all. Māori will be the most effected by cost of living increases being at the bottom of socio-economic indicators. TFLP are heavily engaged in this issue directly with DairyNZ negotiators and Awhina Group.

We have participated in several consultation events directly to push the collective voice of Māori agribusiness. The Awhina Group along with several other significant Māori agribusinesses and collectives, is seriously considering contemporary treaty action. We will work closely with your Trustees to ensure your voice is heard.

TFLP's work with DairyNZ includes projects to look for systems and technologies to reduce our environmental footprint.

TFLP produce approximately 25,000t of greenhouse gases per annum which under current settings government are asking to reduce by 20% – 47%. We are working to create a balance for the environment and your business.

3. National Water Policy Statement: We are still awaiting rules and guidance from Waikato Regional Council but we are doing well in comparison to 75% percentiles and Miraka averages.

We have also entered TFLP into the DairyNZ 'BaseLine' project – which will allow us to compare our financial, greenhouse gas and water quality performance against 600 other farms with a view to identify more profitable and more environmentally friendly farming systems to protect the Waikato River as your taonga.

4. Land Area: TFLP faces issues of land area reduction in the short term with Contact rolling out their plans to construct a new geothermal PowerStation; as well as some lease terms rolling up in the medium term. TFLP are looking into alternatives and options to secure your position.
5. Finance Risk: Interest rates are rising and so our strategy to focus on debt reduction over the past few years is helping reduce overall interest costs. However, this focus may have to become even stronger over the medium term.

TFLP needs to get to a position to provide greater future contribution to Tauhara Moana Trust.

KAIMAHI – THE DREAM TEAM

Farm Supervisor: Mark Johnston

Operations Manager: Laurence Walden

Tauhara 601 Team

Luke McNamara
Mark Short
Caroline Grant
Hollie Short (casual)

Moana 602 Team:

Ashley Morgan
Shannon Gray
Jahreece Harmer
Keanu Strum
William Short (casual)

Maunga:

Andrew Gibberd

Calf Rearing Team:

Emma Walden
Andrea Tunnicliffe
Shyia Nixon
Anna Short

Tractor Team:

Karl Moerkerk
Chris Rhiley

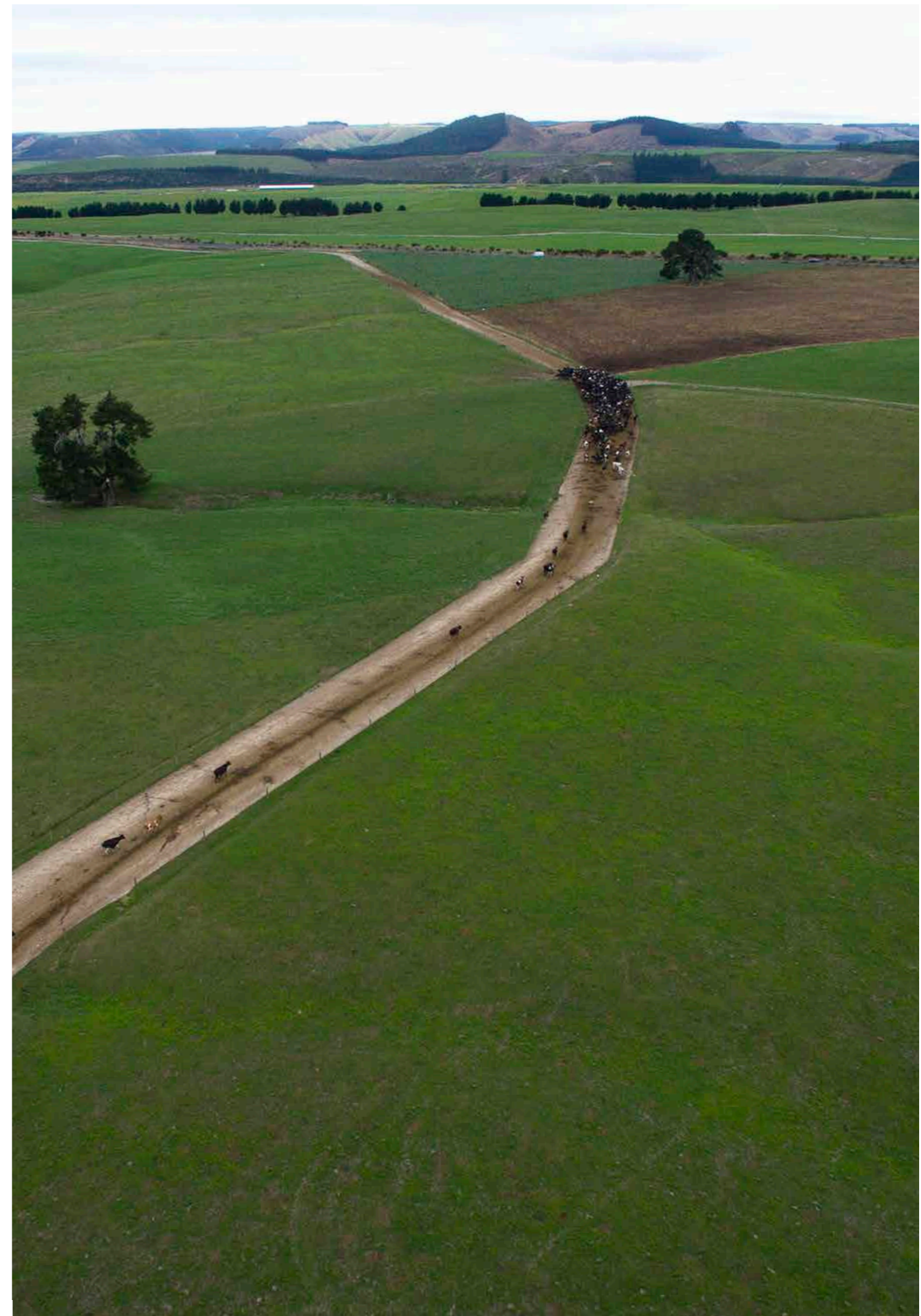
The TFLP team want to acknowledge Marianne Nikora who resigned this year – Marianne has been with TFLP over 10 years and has been a great worker - we wish her well. We have had a few changes on farm with others leaving and new people coming on, as well as a few well deserved promotions. Ashley Morgan is still getting it done on 602 and Luke McNamara has taken up the challenge as Unit Manager 601.

There is a lot more season to come yet, and a lot more work to do. We are tracking well all being considered, but we have a weary eye on the weather, input prices, and milk price – vigilance and attention to detail are TFLP's focus for this season.

It is my pleasure to provide this report to you and I would like to thank you the owners, the Tauhara Moana Trustees, my co-director Danny, our farm supervisor Mark, our management team Laurence and Emma, and the whole staff.

Ngā mihinui kia koutou, kia kaha koutou katoa,

Clinton Hemana
Chairman
Tauhara Farms Ltd



MIRAKA REPORT

OVERVIEW

Overall, it has been another challenging year across the domestic and global dairy industry with economic and political instability in some parts of the world, Covid-19 and unpredictable and fluctuating influences affecting dairy pricing.

During the reporting period, in New Zealand, varying Covid-19 traffic light settings and regional lockdowns impacted business operations and communities throughout the country.

We were pleased, however, to be able to maintain our production schedules and meet customer orders despite these external influences.

That said, global disruption to supply chains and transportation (combined with city and provincial lockdowns within China, for example) has and continues to impact on delivery schedules for many of our overseas customers.

CHIEF EXECUTIVE

We saw the departure of Grant Watson as CEO at the end of 2021. Karl Gradon was appointed the new CEO in March 2022 and he took up the position on 4 April.

During the transition period between Grant and Karl, General Manager Supply Chain, Lucy McLeod was Acting CEO.

SUPPLIERS

A campaign to attract new milk supply was launched mid-way through 2022 to meet projected growth and a move into food service areas and purpose driven brands which value low-carbon reductions.

Several enquiries arose and these are still being worked through by the Milk Supply team.



CEO Karl Gradon



New milk supply campaign



Miraka staff day

NGĀ TANGATA

We wish to acknowledge the resilience of our staff throughout the Covid-19 pandemic which has been nothing short of exceptional.

For long periods of time when Covid-19 alert levels were raised and daily RAT testing was mandatory, it was necessary to segregate teams to minimise the risk of Covid-19 infection and spread of the virus.

This was disruptive and challenging removing the

ability of people to be able to work and socialise as normal.

The separate work team restrictions, while immensely challenging, enabled us to maintain our production schedules for which the business is very grateful to our kaimahi.

In mid-2022 our staff workforce was finally able to come together for our Miraka Staff Day which had earlier been postponed by Covid-19.

OWNERSHIP AND DISTRIBUTION

Total Number of Shares	65.25
------------------------	-------

OWNER STATISTICS

Financial Year	Total Number of Owners	Owners with Known Address	Owners with Address Unknown
2021/22	2266	1254	1012
2019/20	2243	1249	994
2018/19	2195	1229	966
2017/18	2106	1210	896
2016/17	2053	1173	880
2015/16	2017	1133	884
2014/15	1913	981	932

DISTRIBUTIONS

Kaumātua Grants

Financial Year	Total Grants	Grant Amount	Total
2020/21	324	\$350	\$113,400
2019/20	387	\$350	\$135,450
2018/19	323	\$350	\$113,050
2017/18	331	\$350	\$115,850
2016/17	287	\$350	\$100,450
2015/16	242	\$350	\$84,700

Kaumātua Meat Packs

Year	Distribution Months	Total
2022	April, June, October	114
2021	August	21
2019	June, October, November, December	95
2018	February, March, May, July	82
2017	June, November, December	42
2016	July, September, October, November	87



FINANCIAL STATEMENTS 2021

TAUHARA MOANA TRUST AND SUBSIDIARIES AS AT 31 MAY 2021

TRUST DIRECTORY

NATURE OF BUSINESS	Dairy Farming
LOCATIONS	Farm: Broadlands Road Taupō Business: 88 Kaimanawa Street Taupō

MANAGING TRUSTEES

Heemi James Terangitahau Tauteka Biddle
Danny Aperahama Loughlin
David Topia Rameka
Metiria Rameka
Skay Michael Rangī

DIRECTORS TAUHARA DAIRY LTD

Clinton Hemana
Danny Loughlin

FARM CONSULTANT

Mark Johnston

BANKERS

Bank of New Zealand, Taupō

SOLICITORS

Cargill Stent Ltd
PO Box 445
Taupō

AUDITORS

Kirsten Dixon,
Dixon & Co
PO Box 50
Taupō

ACCOUNTANT

Asher Group Limited
PO Box 7233
Hamilton

APPROVAL OF FINANCIAL REPORT

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

The Trustees are pleased to present the approved financial report including the historical financial statements of Tauhara Moana Group Consolidation for year ended 31 May 2021.

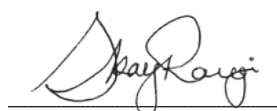
APPROVED

For and on behalf of the Trustees.



Trustee Danny Loughlin

Date 30/11/2021



Trustee Skay Rangi

Date 30/11/2021

STATEMENT OF PROFIT OR LOSS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

	NOTES	2021	2020
Trading Income			
Milk Solids Sales		6,073,226	5,457,415
Rebates		22,098	14,267
Rental, Leases & License Income		62,500	62,500
Sundry Farm Income		6,810	25,823
Grazing Revenue		-	32,977
Dairy Cattle		1,251,447	817,333
Other Income		1,122	55,345
Loss due to price changes on financial instruments		(492,720)	(61,484)
Total Trading Income		6,924,483	6,404,176
Gross Profit		6,924,483	6,404,176
Expenses			
Farm Working Expenses			
Animal Health		147,749	144,017
Breeding		142,330	165,922
Calf Rearing		141,768	160,423
Dairy Expendables		66,063	67,731
Dairy Insight Fee		47,396	48,281
Electricity		116,605	132,066
Fertiliser & Nitrogen		536,949	549,869
Freight & Cartage		17,987	10,140
Grass & Crops		153,186	127,935
Hay & Silage Making		323,019	387,603
Stockfood		284,906	356,053
Wages and Allowances		1,005,762	931,523
Weed & Pest Control		8,497	14,183
Total Farm Working Expenses		2,992,217	3,095,745
Vehicle Expenses			
Vehicle Expenses		208,690	173,163
Total Vehicle Expenses		208,690	173,163
Repairs and Maintenance			
Repairs and Maintenance		162,420	256,090
Total Repairs and Maintenance		162,420	256,090
Overheads			
Accident Compensation		18,221	24,684
Accountancy & Secretarial Fees		50,740	51,190
Bank Fees		626	2,157
Brokerage		4,445	4,305
Directors Insurance		6,512	6,501

The accompanying notes form part of these Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.

STATEMENT OF PROFIT OR LOSS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

	NOTES	2021	2020
Entertainment		3,831	8,305
Farm Advisory		38,771	38,152
General Expenses		24,946	18,913
House Inspections		2,094	2,170
Insurance		61,678	55,449
Interest		122,126	183,283
Staff Training		1,245	-
Telephone & Tolls		4,979	4,851
Travel & Accommodation		922	-
Total Overheads		341,136	399,958
Forestry Expenses			
Forestry Expenses		-	3,895
Pruning Costs		-	10,072
Total Forestry Expenses		-	13,967
Administration Expenses			
Administration Expenses		72,000	67,581
AGM Expenses		9,458	3
Auditing		10,250	7,974
Consultants		1,250	20,185
Directors Fees		38,000	38,000
Directors Expenses		1,094	945
Interest - Term Loans		266,052	313,317
Leases		412,174	434,000
Legal Expenses		3,585	1,316
Rates		92,862	117,725
Trustee Expenses		43,315	47,325
Total Administration Expenses		950,040	1,048,371
Depreciation			
Depreciation		396,203	464,874
Total Depreciation		396,203	464,874
Total Expenses		5,050,707	5,452,169
Net Profit (Loss) Before Taxation		1,873,776	952,008
Net Profit (Loss) for the Year		1,873,776	952,008

The accompanying notes form part of these Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.

BALANCE SHEET

TAUHARA MOANA TRUST AS AT 31 MAY 2021

	NOTES	31 MAY 2021	31 MAY 2020
Assets			
Current Assets			
Cash and short-term deposits	6	99,895	157,479
Trade and Other Receivables	7	620,929	646,532
Other Current Assets	8	1,649,276	1,470,724
Derivatives	4	38,055	86,805
Total Current Assets		2,408,156	2,361,540
Non-Current Assets			
Property, Plant and Equipment	3	17,729,783	17,899,100
Other Non-Current Assets		130,082	-
Total Non-Current Assets		17,859,865	17,899,100
Other Non-Current Assets			
Derivatives	4	102,600	74,205
Advance - He Akina Limited		15,658	15,658
Investment in shares/ownership interests	5	646,353	622,859
Intangibles	14	5	5
Biological assets		4,248,540	3,715,530
Total Other Non-Current Assets		5,013,157	4,428,258
Total Assets		25,281,177	24,688,898
Liabilities			
Current Liabilities			
Trade and Other Payables	11	383,579	293,885
Other current liabilities	12	180,545	219,036
Taxation		(1,364)	(1,287)
Current Portion of Borrowings	13	8,500,000	360,000
Total Current Liabilities		9,062,760	871,634
Non-Current Liabilities			
Non-Current Loans	13	-	9,380,000
Total Non-Current Liabilities		-	9,380,000
Total Liabilities		9,062,760	10,251,634
Net Assets		16,218,418	14,437,264
Equity			
Owners Initial Capital		59,180	59,180
Compensation - Land Taken		47,208	47,208
Retained Earnings/(Accumulated Losses)		(1,136,513)	(2,895,889)
Reserves		17,248,543	17,226,765
Total Equity		16,218,418	14,437,264

The accompanying notes form part of these Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.

STATEMENT OF CHANGES IN EQUITY

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

	2021	2020
Equity		
Equity at beginning of year	14,437,263	15,090,821
Tax paid surplus/ (deficit) for year	1,873,776	952,008
Kaumatua grants & koha paid	(114,400)	(107,534)
Increase in revaluation reserves	21,627	(1,503,032)
Increase in capital reserves	152	5,000
Equity at end of year	16,218,418	14,437,263

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

1. Statement of Accounting Policies

Reporting Entity

Tauhara Moana Trust is a Trust originally vested under section 438 of the Maori Affairs Act 1953, and continues under section 215 of Te Ture Whenua Maori Act 1993 as an Ahu Whenua Trust.

The Group includes Tauhara Dairy Limited, a company incorporated under the Companies Act 1993 on 4th May 2012 and wholly owned by the Trust by way of 1000 shares, and Tauhara Farms Limited Partnership. The Trust is the limited partner in the partnership and the company is the general partner. Their principal activities are Dairy Farming and Trust administration. All members of the Group have a Balance Date of 31st May.

The financial statements of the Group have been prepared in accordance with the requirements of Te Ture Whenua Maori Act 1993 and "A Special Purpose Framework for use by For-Profit Entities (SRFR for FPEs) published by the New Zealand Institute of Chartered Accountants".

The Group has stepped up to New Zealand International Financial Reporting Standards (NZ IFRS) where applicable.

The financial statements have been specifically prepared for the purpose of meeting the Group's income tax requirements and to comply with obligations under the Group's loan agreements.

The financial statements of the Group have been prepared on a consolidated basis in accordance with NZ IFRS 10 Consolidated Financial Statements.

The special purpose financial report was authorised for issue in accordance with a resolution of Trustees dated 31st May 2016.

General Accounting Policies

The Group transitioned on 1 June 2014 from preparation of general purpose financial information in accordance with New Zealand generally accepted accounting practice ("NZ GAAP") to special purpose financial reporting in accordance with SPFR for FPEs.

Under that transition, the Group recognised Investment Property separately from Property, Plant & Equipment, and the revaluations of Investment Property previously recorded in Revaluation Reserves were transferred to Retained Earnings. However, on the basis that these financial statements are presented at Group level only, the land, buildings and improvements that were previously classified as Investment Property have been reclassified as Property, Plant & Equipment on the basis that the Group does not hold these assets for capital appreciation nor does it earn revenue from outside the Group on the assets.

Some classes of Property, Plant & Equipment have been further disaggregated for clarity (see Note 3). All other accounting policies were consistently applied during the year.

Going Concern

The financial statements have been prepared on the basis that the group is a going concern. The considered view of the Trustees is that the Group is expected to generate sufficient income and have adequate resources to continue operations for the foreseeable future.

Historical Cost

These financial statements have been prepared on a historical cost basis except for certain assets which have been revalued as identified in specific accounting policies below. The financial statements are presented in New Zealand Dollars (NZ\$) and all values are rounded to the nearest NZ\$ except when otherwise indicated.

Specific Accounting Policies

The following specific accounting policies, which materially affect the measurement of financial performance and financial position, have been applied.

(a) Principles of Consolidation

The Group financial statements are prepared from the financial statements of the parent trust, the company and the limited partnership using the purchase method. Any intra-group transactions, balances and unrealised profits are eliminated on consolidation.

The accompanying notes form part of these Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

(b) Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect 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.

(c) 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 uncollectable amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

(d) Property, Plant & Equipment

Property, Plant & Equipment is 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.

Land is subsequently revalued on a cyclical basis. Valuations are based on the latest Land Mass New Zealand Valuation, dated 1 July 2019. The Rating Valuations are issued every three years and are used to ensure compliance with Section 276(4)(c) of the Ture Whenua Act 1993. Any revaluation surplus or deficit arising on the revaluation of a class of fixed assets is transferred directly to the asset revaluation reserve.

(e) Depreciation

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset using depreciation rates published by the Inland Revenue Department. Assets estimated useful lives are reassessed annually.

The following depreciation rates have been used:

- Buildings — rates of 0% cost price and diminishing value, and sundry building improvements - 40%
- Development Expenditure - fencing, water supply, effluent, tracks etc — between 0% - 18% diminishing value.
- Motor Vehicles — between 13 - 40% diminishing value
- Plant and Equipment - 8%-80.4% diminishing value

All other repairs and maintenance expenditure is registered in profit or loss as incurred.

An item of Property, Plant & Equipment derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated on 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.

(f) Income Tax

The Trust entered the Maori Authority regime on the 15th July 2004, as a result the tax rate is 17.5% (2011: 19.5%), Tauhara Dairy Limited will have to comply with standard company tax rates.

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

(g) Goods and Services Tax

All entities in the Group are registered for GST. All amounts are exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense that it relates. Accounts receivable and Accounts payable are disclosed inclusive of GST.

(h) Investments in Shares

Listed LIC shares are valued at closing NZSE stock price.

Miraka Limited shares (unlisted) are stated at fair value, being the latest sale price of shares sold.

Farmlands Society and Ravensdown Co-operative shares are stated at issue value (cost) being \$1 per share.

He Akina Limited is valued at acquisition cost plus Tauhara Moana Trust's share of the Akina Limited's net surplus from the date of acquisition to the current balance date.

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

(i) Biological Assets

Livestock is measured at fair value less cost to sell, determined by independent count and valuation performed on 2 June 2021 by NZ Farmers Livestock Limited.

Unrealised gains or losses arising from changes in value of stock between beginning and year-end market values are recognised separately in the statement of financial performance as holding gains or losses, in accordance with NZ IAS41 Agriculture.

For taxation purposes livestock is valued using the National Standard Cost Scheme.

Standing timber was initially valued at cost and subsequently revalued to market value as at 31 May 2018.

(j) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sales of goods and livestock are recognised when the entity has transferred the significant risk and rewards associated with ownership of the goods to the customer.

Forestry income is recognised on sale or harvest of the forest.

Lease income is recognised on a straight line basis over the life of the lease.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Dividends received are recognised on receipt, net of non-refundable tax credits.

(k) Leases

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

Leases in which the entity retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. The leased asset is included within investment property and income recognised on a straight line basis over the life of the lease.

(l) New Zealand Units (NZUs) / Intangible Assets

New Zealand Units (NZUs) are issued into the NZU Registry by the Government under the Emission Trading Scheme (ETS).

Compensatory NZUs are received from the Ministry of Agriculture and Forestry (MAF) at no cost and recorded at a nominal value basis determined by the Trustees. NZUs can be traded within New Zealand.

(m) Derivatives

Derivative financial instruments are measured at fair value based on mark-to-market values provided by the financial institution who issued the derivative, and are recognised on the Balance Sheet at that fair value. Changes in fair value are recognised through profit or loss.

(n) 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 as 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. Assets are subsequently measured at fair value only

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

when the fair value of the instrument can be reliably measured based on a quoted price for an identical asset in the active market. Where no active market price is available the instrument shall be measured at the fair value for a prior year 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.

(o) 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.

(p) 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.

	2021	2020
2. Income Tax Expense		
Net profit/(loss) before tax	1,873,776	952,008
Taxation adjustments:		
- Imputation credits	402	11,211
- Timing differences - accruals and provisions	21,637	(2,637)
- Timing differences - tax losses brought forward	(1,067,368)	(458,986)
- Non-deductible expenses - entertainment	250	1,579
- Fair value adjustments - biological assets	(686,958)	(222,109)
- Further payments this season	(1,263,906)	(1,122,167)
- Further payments last season	1,122,167	841,101
Taxable profit/loss	-	-
Prima facie tax expense at 17.5% on net profit before tax		
- Income tax losses brought forward	(5,633,027)	(6,027,951)
- Tax losses brought forward used this year	1,067,368	458,986
- Imputation credits converted to a loss	(2,295)	(64,063)
Taxation losses to carry forward	(4,567,954)	(5,633,028)
	2021	2020

3. Property, Plant and Equipment

Land	2021	2020
Land revaluation	12,700,000	12,700,000
Total Land	12,700,000	12,700,000

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

	2021	2020
Developments & Improvements		
Developments & Improvements - Costs	4,200,218	1,569,310
Accumulated Depreciation & Impairment	(1,634,069)	(1,528,725)
Total Developments & Improvements	2,566,149	40,585
Buildings		
Buildings at cost	1,483,640	4,112,462
Accumulated depreciation - buildings	(531,222)	(470,672)
Total Buildings	952,418	3,641,790
Vehicles		
Vehicles - Cost	1,127,626	1,127,466
Accumulated depreciation - vehicles	(513,110)	(411,427)
Total Vehicles	614,517	716,039
Plant and Equipment		
Plant & Equipment - Cost	2,485,513	2,265,612
Accumulated Depreciation & Impairment	(1,591,250)	(1,467,869)
Total Plant and Equipment	894,263	797,743
Furniture and Fittings		
Furniture & Fittings - Cost	13,289	13,289
Furniture & Fittings - Accumulated Depreciation	(10,853)	(10,345)
Total Furniture and Fittings	2,435	2,944
Total Property, Plant and Equipment	17,729,783	17,899,100

Land was revalued last year to the most recent valuation provided by Taupo District Council for rateable purposes. The latest land valuation dated 1 July 2019 is \$12,700,000 (1 July 2016: \$14,200,000).

	2021	2020
4. Derivatives		
Milk Price Futures		
Current Portion	38,055	86,805
Non-Current Portion	102,600	74,205
Total Milk Price Futures	140,655	161,010
Total Derivatives	140,655	161,010

TFLP has 88 contracts at 6,000 units per contract, 43 expiring 30 September 2020 and 45 contracts at 6,000 units per contract, expiring at 30 September 2021.

At 31 May 2021 the 43 contracts expiring 30 September 2020 were priced at \$14.75, with a market value of \$3,805,500 and the 45 contracts expiring 30 September 2021 were priced at \$38.00, with a market value of \$10,260,000. The total market value of all contracts at 31 May 2021 was \$14,065,500. (2020: \$5,151,840 for 125 contracts).

	2021	2020
5. Investment In Shares		
Farmlands Shares	15,000	15,000
He Akina - 33% Profit Share	-	1,281
Livestock Improvement - Shares	19,457	10,154

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

	2021	2020
Miraka Holdings Ltd - 185,185 'B' Shares	375,926	375,926
Ravensdown Shares	235,971	220,499
Total Investment In Shares	646,353	622,859

	2021	2020
6. Cash & Short Term Deposits		
BNZ Cheque Account	102,595	157,479
First NZ Capital Securities	(2,700)	-
Total Cash & Short Term Deposits	99,895	157,479

	2021	2020
7. Trade and other Receivables		
Accounts Receivable	620,929	646,532
Total Trade and other Receivables	620,929	646,532

	2021	2020
8. Other Current Assets		
Accrued Income	13,354	51,372
Miraka Further Payments	1,263,905	1,122,167
Prepaid Expenses	101,567	58,013
Consumables	270,450	239,172
Total Other Current Assets	1,649,276	1,470,724

	2021	2020
9. Biological Assets		
Cattle	4,197,790	3,664,780
Standing Timber	50,750	50,750
Total Biological Assets	4,248,540	3,715,530

Livestock Reconciliations:

	2021			2020		
	Qty	\$/Head	\$	Qty	\$/Head	\$
Sales						
Calves	1,129	80	90,180	1,307	131	171,465
Rising One Year Heifers	-	-	-	13	450	5,850
Rising Two Year Heifers	168	861	146,496	9	708	6,374
Mixed Aged Cows	453	762	345,144	608	824	501,109
Rising One Year & Older Steers & Bulls	220	814	179,149	60	695	41,683

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

	2021			2020		
	Qty	\$/Head	\$	Qty	\$/Head	\$
Rising Two Year & Older Steers & Bulls	89	1,169	104,058	122	959	116,959
Rising Three Year & Older Steers & Bulls	14	761	10,660	-	-	-
Stag	-	-	-	45	2,029	91,313
	2,073		875,687	2,164		934,753
Purchases						
Rising Two Year Heifers	-	-	-	-	-	-
Mixed Aged Cows	-	-	-	-	-	-
Rising One Year Steers & Bulls	-	-	-	268	400	107,200
Rising Two Year & Older Steers & Bulls	99	1,588	157,250	14	7,481	104,737
Breeding Bulls	-	-	-	45	371	16,713
	99		157,250	327		228,650
Cash Profit From Trading			718,437			706,103
Plus Movement in Value of Cattle on Hand			533,010			111,230
Gross Profit From Dairy Cattle			1,251,447			817,333
	2021			2020		
	Qty	\$/Head	\$	Qty	\$/Head	\$
Opening stock						
Rising One Year Heifers	749	676	506,175	696	671	466,825
Rising Two Year Heifers	507	1,297	657,475	430	1,275	548,250
Mixed Aged Cows	1,951	1,234	2,406,720	2,011	1,213	2,439,550
Rising One Year Steers & Bulls	145	575	83,375	173	572	98,925
Rising Two Year & Older Steers & Bulls	13	849	11,035	-	-	-
Rising Three Year & Older Steers & Bulls	-	-	-	-	-	-
Breeding Bulls	-	-	-	-	-	-
	3,365		3,664,780	3,310		3,553,550
Closing stock						
Rising One Year Heifers	705	716	505,010	749	676	506,175
Rising Two Year Heifers	562	1,590	893,580	507	1,297	657,475
Mixed Aged Cows	1,902	1,430	2,719,140	1,951	1,234	2,406,720

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

	2021		2020	
Rising One Year Steers & Bulls	74	582	43,060	145
Rising Two Year & Older Steers & Bulls	16	1,788	28,600	13
Rising Three Year & Older Steers & Bulls	6	1,400	8,400	-
Breeding Bulls	-	-	-	-
	3,265		4,197,790	3,365
Increase (Decrease) in stock on hand	(100)		533,010	55
Change in values (livestock holding gain/loss)			562,803	
Change in numbers			(29,793)	
Increase (Decrease) in stock on hand			533,010	111,230

10. Milk Income

	2021	2020	2021	2020
Milk solids	kg	kg	\$	\$
Last season increase/(decrease)			1,122,167	841,101
June	-	-	-	-
July	349	-	1,358	-
August	49,988	42,266	202,619	189,280
September	92,494	82,751	374,044	371,703
October	120,953	110,782	581,575	496,128
November	107,262	104,699	470,676	504,600
December	101,663	99,808	491,644	503,109
January	86,815	93,548	556,649	571,904
February	65,933	62,850	596,941	429,439
March	69,899	66,471	713,789	475,859
April	58,311	64,642	447,633	492,095
May	36,275	33,819	372,395	301,128
Total	789,941	761,636	5,931,487	5,176,346
Plus Pay-Out Estimate Current Season			1,263,906	1,122,167
Less Pay-Out Estimate Prior Season			(1,122,167)	(841,101)

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

	2021	2020
Plus Insurance Proceeds for Lost Milk	-	-
Net Total	6,073,226	5,457,412
Average price per kg milk sales	\$7.69	\$7.17

2021 2020

11. Trade and Other Payables

Accounts Payable	383,579	293,885
Total Trade and Other Payables	383,579	293,885

2021 2020

12. Other Current Liabilities

Accrued Expenses	47,553	77,601
Accrued Interest	2,786	685
GST	39,939	72,482
Provision for Annual Leave	90,267	68,269
Total Other Current Liabilities	180,545	219,036

2021 2020

13. Loans (Includes Bank Overdrafts)

Term Loans	-	9,380,000
Current portion of term loans	8,500,000	360,000

Tauhara Moana Trust

The BNZ Farm First overdraft limit is \$100,000.

Tauhara Farms Limited Partnership

The BNZ Business and Farming Account overdraft limit is \$250,000.

Tauhara Moana Trust.

2021:

BNZ Customised Average Rate Loan Balance at 31 May 2021 is \$6,230,000. The loan is interest only with an expiry date of 20 May 2022. The interest rate at 31 May 2021 was 3.92%.

A further \$403,400 credit on this facility is approved by the bank but not yet drawn down, as at 31 May 2021.

2020:

BNZ Customised Average Rate Loan Balance at 31 May 2020 is \$6,530,000. The loan is interest only with an expiry date of 20 May 2022. The interest rate at 31 May 2020 was 4.36%.

A further \$103,400 credit on this facility is approved by the bank but not yet drawn down, as at 31 May 2020.

Securities are:

- All obligations unlimited Guarantee from Tauhara Farms Limited Partnership, supported by new perfected security interests in all present and after acquired property of the Partnership, and;
- Perfected security interest in all present and here and after acquired property of the Tauhara Moana Trust.

Tauhara Farms Limited Partnership

BNZ Customised Average Rate Loan Balance at 31 May 2021 is \$2,270,000 (2020: \$2,750,000) with a maturity date of 20 May 2022, irregular repayments of \$100,000 with an interest rate at 31 May 2021 of 3.92% (2020 - 4.36%).

A further \$180,000 credit on this facility is approved by the bank but not yet drawn down, as at 31 May 2021.

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

BNZ Milk Futures Loan Balance as at 31 May 2021 is \$Nil (2020: \$360,000).
BNZ Working Capital Loan Balance as at 31 May 2021 is \$Nil (2020: \$100,000).
This facility has a further \$750,000 approved by the bank but not yet drawn down, as at 31 May 2021.

Securities are:

- All obligations unlimited Guarantee from the Trustees of Tauhara Moana Trust.
- Perfected security interest in all present and here and after acquired property of the Tauhara Farms Limited Partnership.

14. New Zealand Units (NZUS)

Under the Emissions Trading Scheme (ETS) Tauhara Moana Trust holds 10,500 pre-1990 New Zealand Units (NZU's), These have been allocated at nil cost to the Trust and are recorded at a nominal value cost of \$5 (See also note 22: Contingent Liabilities).

15. Financial Instruments

2021	Amortised Cost	Cost	Fair Value
Cash and short-term deposits	99,895		
Trade and other receivables	620,949		
Other current assets	1,263,905		
Investment in shares		250,971	395,383
Derivatives			140,655
	1,984,749	250,971	536,038
2020	Amortised Cost	Cost	Fair Value
Cash and short-term deposits	157,479		
Trade and other receivables	641,752		
Other current assets	1,122,167		
Investment in shares		231,481	622,860
Derivatives			161,010
	1,921,398	231,481	783,870

All investments in shares are value at cost, except for Miraka Holdings Limited shares which are valued at fair value, being the most recent sale price of Miraka Limited shares, and listed shares which are valued at the closing NZSE stock price.

	2021	2020
16. Equity		
Owners initial capital	59,180	59,180
Compensation - land taken	47,208	47,208
Retained earnings/(accumulated losses)		
Opening Balance	(2,895,889)	(3,740,363)
Net profit/loss	1,873,776	952,008

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

	2021	2020
Kaumatua Grants & Koha paid	(114,400)	(107,534)
Closing Balance	(1,136,513)	(2,895,889)
Revaluation Reserves		
Opening Balance	12,907,205	14,410,237
Revaluations due to sale of shares	-	-
Revaluation of shares	21,626	(3,032)
Revaluation of standing timber	-	-
Revaluation reserve - land & buildings	-	(1,500,000)
Closing Balance	12,928,831	12,907,205
Capital Reserves		
Opening Balance	4,319,560	4,314,560
Capital profit on sale of shares	-	5,000
Capital profit on sale of assets	152	-
Closing Balance	4,319,712	4,319,560
Total Reserves	17,248,543	17,226,765
Total Equity	16,218,418	14,437,264

17. Pre 2005 Retained Earnings

On the 1st July 2004 the Trust elected to become a Maori Authority. Income retained prior to the 2005 Income Tax year is available to be distributed to beneficiaries tax free. As prior to 2005 Income Tax year the Trust was operating at a loss there are no retained earnings available for tax free distribution as a result of entering the Maori Authority regime.

18. Maori Authority Credits (MACA)

The Trust has MACA's available as at 31st May 2021 as follows:

	Group	
	2021	2020
Opening Balance	136,214	123,035
Add:		
Resident Withholding Tax	77	2,950
Credits Attached to Dividends Received	402	11,211
Less:		
Taxation Refund received	-	(982)
Closing Balance	136,692	136,214

19. Related Party Transactions

DA Loughlin is a Director of Tauhara Dairying Ltd and a Trustee of Tauhara Moana Trust. His directors fee for the year ended 31 May 2021 were \$16,000 (2020: \$16,000) plus mileage incurred, owing at balance date \$1,333 (2020: \$2,227).

D Loughlin was appointed Director of He Akina Limited on 29 January 2016. The Trust and its subsidiaries paid He Akina Limited \$140,986 for administration and financial services during the year (2020: \$125,230), owing at balance date \$258 (2020 - \$7,460).

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

Agnosis Ltd provides consultancy services to Tauhara Dairy Ltd. Agnosis Ltd is a company owned 50% by C Hemana, a Director of Tauhara Dairying Ltd and a Trustee of Tauhara Moana Trust. The directors fees for the year ended 31 May 2021 were \$22,000 (2020: \$22,000) plus mileage and telephone expenses incurred. Owing at balance date \$2,272 (2020: \$2,108). During the 2018 financial year the Trust has advanced \$6,900 to He Akina Limited. The advance is interest free and unsecured.

Some trustees also qualified to receive a kaumatua grant of \$350 from the Trust, other than these payments the Trustees' fees and expenses are disclosed in the financial statements.

Transactions with related parties are recorded on normal commercial terms. The Group has not made any allowance for impairment loss relating to amounts owed by related parties for the year ended 31 May 2021 (2020: nil). There are no loans from related parties.

20. Leases & Licences

Tauhara North No 2 Trust

Tauhara Moana Trust leases land from Tauhara North No 2 Trust. The lease runs until 31 March 2025. Annual rent payable to Tauhara North No 2 Trust is \$71,000 per annum plus GST, rates and outgoings.

	2021	2020
Grazing Lease Commitments		
Future Lease Commitments	-	-
Current	71,000	71,000
Non-Current	201,167	272,167
Balance of Lease	272,167	343,167

Contact Energy Ltd

Licence to Occupy

Otumuheke Block (128.4 hectares) and Rakaunui Block (45.2 hectares)

The Group has taken on a licence to occupy the Otumuheke and Rakaunui Blocks, permitted use of these blocks is restricted to the cut and carry of lucerne crops, oats, rye grass and grazing for one month of a calendar year.

Licence Commencement Date - 6th February 2012

Term - 6 years Rights of Renewal - 1 of 6 years

Fee Review - every 3 years from commencement date.

Annual Fee - \$51,793 by monthly payments in advance of \$4,316.

	2021	2020
Otumuheke & Rakaunui		
Future Licence Commitments	-	-
Current	51,793	57,500
Non-Current	86,339	153,334
Total Otumuheke & Rakaunui	138,132	210,834

Contact Energy Ltd

Licence to Occupy

Quarry Block (540 hectares), Huka Block (224 hectares) and TH1 Block (24.6 hectares)

The Group has taken on a licence to occupy the Huka and TH1 Blocks. The permitted use of the these blocks is livestock grazing and cropping.

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

Licence Commencement Date - 6th February 2012

Term — 6 years Rights of Renewal —1 of 6 years

Fee Review — every 3 years from commencement date.

Annual Fee - \$289,863 by monthly payments in advance of \$24,155.

	2021	2020
Huka Quarry & TH1		
Future Licence Commitments	-	-
Current	289,863	305,500
Non-Current	483,202	814,667
Balance of licence	773,065	1,120,167

21. Capital Commitments

At 31 May 2021, there were no capital commitments. (2020: Nil)

22. Contingent Liabilities

The Trustees of the Trust resolved to write back \$34,398 of unclaimed owner distributions in the 2011 financial year due to the lack of detailed records of those distributions. Therefore there is a contingent liability for this amount if any of the Shareholders come forward with the details of a claim for these distributions.

Under the Emissions Trading Scheme (ETS) the Group will be required to surrender New Zealand Units if they deforest and introduce a new land use. The financial effect of this has not been quantified as the Group has every intention of replanting the land and therefore anticipate no obligation to return New Zealand Units in the future (2020:nil)

Other than the above there are no known material contingent liabilities as at 31 May 2021 (2020: nil).

23. Events Subsequent to Balance Date

There were no known material events subsequent to balance date which would have an effect on these financial statements (2020 - nil).

24. Contact Geothermal Access Agreement

The Trust has entered into an arrangement with Contact Energy Limited where Contact can carry on the activity of extraction and/or reinjection of geothermal fluid on the Trust's land. Contact has paid a further \$62,500 (2020: \$62,500) as an extension for the Trust entering into this agreement and granting Contact easement to access the land.

25. Declaration of General Interest as at 31 May 2021 pursuant to section 140(2) of the Companies Act 1993:

CLINTON ANDREW MAHAKI HEMANA:

Rua Roa Trust	Chairman
Ngawapurua Trust	Chairman
Dairy NZ	Associate Director
Otamarakau Farm LLP	Director
Waerenga East & West Blocks Inc	Chairman
Waerenga Farms Limited	Director & Chairman
Awarua O Hinemanu Trust	Chairman

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2021

Tataraakina C Trust	Chairman
Tauhara Farms Limited Partnership	Chairman
Te Arawa Fisheries ICP Ltd	Director
Te Arawa Fisheries Ltd	Director
Te Arawa Fisheries Holding Company Ltd	Director
AgNOSIS Ltd	Director
Hemana Properties Ltd	Director
Hemana Whanau Trust	Chairman
Taranui Pokiha Investments Ltd	Director
Hemana Consulting Ltd	Director
Rotopounamu 1B3A2C Management Ltd	Director & Shareholder
Digga-Bygum Ltd	Shareholder
Opepe Farm Trust	Trust Farm Advisor
Opepe Farm Trust	Drystock Farm Advisor
Awhina Group	Secretary

DANNY APERAHAMA LOUGHLIN

Awanui Moana GP Ltd	Director
Bay Packers LP	Director
Tauhara Moana Trust	Trustee
Mohi Developments Ltd	Shareholder
iMaori Ltd	Director/Shareholder
Loughlin Trustees Ltd	Director
Loughlin Holdings Ltd	Director
Tauhara Dairy Ltd/Tauhara Farms LP	Director/Shareholder
Tuwharetoa Maori Trust Board	Trustee
Ngati Tuwharetoa Fisheries Charitable Trust	General Manager
Ngati Tuwharetoa Fisheries Holdings Ltd	Director
He Akina Ltd	Director/Shareholder
Takataraka Trustees Ltd	DirectorShareholder

DIXON & CO
 CHARTERED ACCOUNTANTS
 QUALIFIED AUDITORS

PO Box 50, Taupo 3351
 Suite 20, 19 Tamamutu Street, Taupo 3330
 info@dixonandco.co.nz
 www.dixonandco.co.nz
 07 378 2250

INDEPENDENT AUDITOR'S REPORT

To the Beneficial Owners of Tauhara Moana Trust

Opinion

We have audited the accompanying consolidated special purpose financial statements of Tauhara Moana Trust and its subsidiaries ("the Group") on pages 25 to 42, which comprise the consolidated balance sheet as at 31 May 2021, and the consolidated statements of profit or loss and changes 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 financial statements present fairly, in all material respects, the consolidated financial position of Tauhara Moana Trust and its subsidiaries as at 31 May 2021, and its consolidated financial performance for the year then ended, in accordance with Special Purpose Financial Reporting Framework for For-Profit Entities (SPFR for FPEs), issued by Chartered Accountants Australia & New Zealand.

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 Tauhara Moana Trust 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. 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, Tauhara Moana 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 assist Tauhara Moana Trust to meet the provisions of its Trust Deed. As a result, the financial statements may not be suitable for another purpose.

Restriction on Responsibility

This report is made solely to the Beneficial Owners, as a body, in accordance with the Trust Deed of Tauhara Moana Trust. Our audit work has been undertaken so that we might state to the Beneficial Owners those matters 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 Beneficial Owners as a body, for our audit work, for this report, or for the opinions we have formed.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible on behalf of the Group for determining that the SPFR for FPE framework adopted is acceptable in Tauhara Moana Trust's circumstances, the preparation of 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.

In preparing the financial statements, the Trustees are responsible on behalf of the Group for assessing the Group'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 Group 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 decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





FINANCIAL STATEMENTS 2022

TAUHARA MOANA TRUST AND SUBSIDIARIES FOR THE YEAR ENDED 31 MAY 2022

TRUST DIRECTORY

NATURE OF BUSINESS	Dairy Farming
LOCATIONS	Farm: Broadlands Road Taupō Business: 88 Kaimanawa Street Taupō

MANAGING TRUSTEES

Heemi James Terangitahau Tauteka Biddle
Danny Aperahama Loughlin
David Topia Rameka
Metiria Rameka
Skay Michael Rangī

DIRECTORS TAUHARA DAIRY LTD

Clinton Hemana
Danny Loughlin

FARM CONSULTANT

Mark Johnston

BANKERS

Bank of New Zealand, Taupō

SOLICITORS

Cargill Stent Ltd
PO Box 445
Taupō

AUDITORS

Silks Audit Chartered Accountants Limited
156 Guyton Street
Whanganui

ACCOUNTANT

Asher Group Limited
PO Box 7233
Hamilton



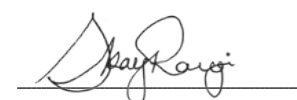
APPROVAL OF FINANCIAL REPORT

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

The Trustees are pleased to present the approved financial report including the historical financial statements of Tauhara Moana Group Consolidation for year ended 31 May 2022.

APPROVED

For and on behalf of the Trustees.



Trustee Skay Rangī

Date 16 November 2022.



Trustee Danny Loughlin

Date 16 November 2022.



STATEMENT OF PROFIT OR LOSS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

	NOTES	2022	2021
Trading Income			
Capital Gain on Fixed Assets Sold		1,071	-
Dividend Received		4,949	-
Milk Solids Sales		6,751,403	6,073,226
Rebates		19,103	22,098
Rental, Leases & License Income		63,771	62,500
Sundry Farm Income		1,080	6,810
Dairy Cattle		1,042,538	1,251,447
Other Income		(62,329)	1,122
Loss due to price changes on financial instruments		(618,495)	(492,720)
Total Trading Income		7,203,091	6,924,483
Gross Profit			
		7,203,091	6,924,483
Expenses			
Farm Working Expenses			
Animal Health		192,548	147,749
Breeding		168,371	142,330
Calf Rearing		108,080	141,768
Dairy Expendables		55,551	66,063
Dairy Insight Fee		42,886	47,396
Deceased Animal Collection		450	-
Electricity		120,642	116,605
Farm - Health & Safety		7,590	-
Fertiliser & Nitrogen		761,309	536,949
Freight & Cartage		26,534	17,987
Grass & Crops		61,266	153,186
Hay & Silage Making		541,863	323,019
Low Cost Asset (<\$1000)		1,267	-
PPE Gear		6,941	-
Stockfood		456,942	284,906
Wages and Allowances		982,093	1,005,762
Weed & Pest Control		11,505	8,497
Total Farm Working Expenses		3,545,835	2,992,217
Vehicle Expenses			
Vehicle Expenses		211,122	208,690
Total Vehicle Expenses		211,122	208,690
Repairs and Maintenance			
Repairs and Maintenance		292,294	162,420
Total Repairs and Maintenance		292,294	162,420



The accompanying notes form part of these Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.

STATEMENT OF PROFIT OR LOSS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

	NOTES	2022	2021
Overheads			
Accident Compensation		20,602	18,221
Accountancy & Secretarial Fees		51,139	50,740
Bank Fees		4,240	626
Brokerage		3,375	4,445
Directors Insurance		6,824	6,512
Entertainment		4,277	3,831
Farm Advisory		46,310	38,771
General Expenses		19,195	24,946
House Inspections		2,153	2,094
Insurance		63,805	61,678
Interest		91,628	122,126
Staff Training		1,020	1,245
Telephone & Tolls		4,904	4,979
Travel & Accommodation		-	922
Total Overheads		319,472	341,136
Administration Expenses			
Administration Expenses		72,000	72,000
Admin - Health & Safety		1,600	-
Admin - Fines		1,043	-
Admin - Staff Recruitment Costs		113	-
Advertising		85	-
AGM Expenses		-	9,458
Auditing		10,250	10,250
Consultants		-	1,250
Directors Fees		38,000	38,000
Directors Expenses		853	1,094
Interest - Term Loans		273,015	266,052
Leases		453,476	412,174
Legal Expenses		-	3,585
Rates		58,077	92,862
Trustee Expenses		43,193	43,315
Valuation Fees		5,454	-
Total Administration Expenses		957,159	950,040
Depreciation			
Depreciation		384,746	396,203
Total Depreciation		384,746	396,203
Total Expenses		5,710,629	5,050,707
Net Profit (Loss) Before Taxation		1,492,462	1,873,776
Net Profit (Loss) for the Year		1,492,462	1,873,776



The accompanying notes form part of these Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.

BALANCE SHEET

TAUHARA MOANA TRUST AS AT 31 MAY 2022

	NOTES	31 MAY 2022	31 MAY 2021
Assets			
Current Assets			
Cash and short-term deposits	6	250,591	99,895
Trade and Other Receivables	7	526,150	620,929
Other Current Assets	8	1,682,687	1,649,276
Derivatives	4	131,270	38,055
Total Current Assets		2,590,698	2,408,156
Non-Current Assets			
Property, Plant and Equipment	3	17,733,647	17,729,783
Other Non-Current Assets			
Jarden Securities Ltd		-	11,940
Capital Work In Progress		-	118,142
Total Other Non-Current Assets		-	130,082
Total Non-Current Assets		17,733,647	17,859,865
Other Non-Current Assets			
Derivatives	4	-	102,600
Advance - He Akina Limited		15,658	15,658
Investment in shares/ownership interests	5	573,526	646,353
Intangibles	14	5	5
Biological assets	9	4,645,275	4,248,540
Total Other Non-Current Assets		5,234,464	5,013,157
Total Assets		25,558,809	25,281,177
Liabilities			
Current Liabilities			
Trade and Other Payables	11	368,000	383,579
Other current liabilities	12	154,026	180,545
Taxation		(2,161)	(1,364)
Current Portion of Borrowings	13	500,000	8,500,000
Total Current Liabilities		1,019,866	9,062,760
Non-Current Liabilities			
Non-Current Loans	13	6,950,000	-
Total Non-Current Liabilities		6,950,000	-
Total Liabilities		7,969,866	9,062,760
Net Assets		17,588,943	16,218,418
Equity			
Owners Initial Capital		59,180	59,180
Compensation - Land Taken		47,208	47,208



The accompanying notes form part of these Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.

BALANCE SHEET

TAUHARA MOANA TRUST AS AT 31 MAY 2022

	NOTES	31 MAY 2022	31 MAY 2021
Retained Earnings/(Accumulated Losses)		234,012	(1,136,513)
Reserves		17,248,543	17,248,543
Total Equity		17,588,943	16,218,418



The accompanying notes form part of these Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.

STATEMENT OF CHANGES IN EQUITY

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

	2022	2021
Equity		
Equity at beginning of year	16,218,418	14,437,263
Tax paid surplus/ (deficit) for year	1,645,032	1,873,776
Kaumatua grants & koha paid	(121,937)	(114,400)
Increase in revaluation reserves	-	21,627
Increase in capital reserves	-	152
Equity at end of year	17,741,513	16,218,418



The accompanying notes form part of these Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

1. Statement of Accounting Policies

Reporting Entity

Tauhara Moana Trust is a Trust originally vested under section 438 of the Maori Affairs Act 1953, and continues under section 215 of Te Ture Whenua Maori Act 1993 as an Ahu Whenua Trust.

The Group includes Tauhara Dairy Limited, a company incorporated under the Companies Act 1993 on 4th May 2012 and wholly owned by the Trust by way of 1000 shares, and Tauhara Farms Limited Partnership. The Trust is the limited partner in the partnership and the company is the general partner. Their principal activities are Dairy Farming and Trust administration. All members of the Group have a Balance Date of 31st May.

The financial statements of the Group have been prepared in accordance with the requirements of Te Ture Whenua Maori Act 1993 and "A Special Purpose Framework for use by For-Profit Entities (SRFR for FPEs) published by the New Zealand Institute of Chartered Accountants".

The Group has stepped up to New Zealand International Financial Reporting Standards (NZ IFRS) where applicable.

The financial statements have been specifically prepared for the purpose of meeting the Group's income tax requirements and to comply with obligations under the Group's loan agreements.

The financial statements of the Group have been prepared on a consolidated basis in accordance with NZ IFRS 10 Consolidated Financial Statements.

The special purpose financial report was authorised for issue in accordance with a resolution of Trustees dated 15th November 2022.

General Accounting Policies

The Group transitioned on 1 June 2014 from preparation of general purpose financial information in accordance with New Zealand generally accepted accounting practice ("NZ GAAP") to special purpose financial reporting in accordance with SPFR for FPEs.

Under that transition, the Group recognised Investment Property separately from Property, Plant & Equipment, and the revaluations of Investment Property previously recorded in Revaluation Reserves were transferred to Retained Earnings. However, on the basis that these financial statements are presented at Group level only, the land, buildings and improvements that were previously classified as Investment Property have been reclassified as Property, Plant & Equipment on the basis that the Group does not hold these assets for capital appreciation nor does it earn revenue from outside the Group on the assets.

Some classes of Property, Plant & Equipment have been further disaggregated for clarity (see Note 3). All other accounting policies were consistently applied during the year.

Going Concern

The financial statements have been prepared on the basis that the group is a going concern. The considered view of the Trustees is that the Group is expected to generate sufficient income and have adequate resources to continue operations for the foreseeable future.

Historical Cost

These financial statements have been prepared on a historical cost basis except for certain assets which have been revalued as identified in specific accounting policies below. The financial statements are presented in New Zealand Dollars (NZ\$) and all values are rounded to the nearest NZ\$ except when otherwise indicated.

Specific Accounting Policies

The following specific accounting policies, which materially affect the measurement of financial performance and financial position, have been applied.

(a) Principles of Consolidation

The Group financial statements are prepared from the financial statements of the parent trust, the company and the limited partnership using the purchase method. Any intra-group transactions, balances and unrealised profits are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

(b) Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect 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.

(c) 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 uncollectable amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

(d) Property, Plant & Equipment

Property, Plant & Equipment is 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.

Land is subsequently revalued on a cyclical basis. Valuations are based on the latest Land Mass New Zealand Valuation, dated 1 July 2019. The Rating Valuations are issued every three years and are used to ensure compliance with Section 276(4)(c) of Te Ture Whenua Act 1993. Any revaluation surplus or deficit arising on the revaluation of a class of fixed assets is transferred directly to the asset revaluation reserve.

(e) Depreciation

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset using depreciation rates published by the Inland Revenue Department. Assets estimated useful lives are reassessed annually.

The following depreciation rates have been used:

- Buildings — rates of 0% cost price and diminishing value, and sundry building improvements - 40%
- Development Expenditure - fencing, water supply, effluent, tracks etc — between 0% - 18% diminishing value.
- Motor Vehicles — between 13 - 40% diminishing value
- Plant and Equipment - 8%-80.4% diminishing value

All other repairs and maintenance expenditure is registered in profit or loss as incurred.

An item of Property, Plant & Equipment derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated on 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.

(f) Income Tax

The Trust entered the Maori Authority regime on the 15th July 2004, as a result the tax rate is 17.5% (2011: 19.5%), Tauhara Dairy Limited will have to comply with standard company tax rates.

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

(g) Goods and Services Tax

All entities in the Group are registered for GST. All amounts are exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense that it relates. Accounts receivable and Accounts payable are disclosed inclusive of GST.

(h) Investments in Shares

Listed LIC shares are valued at closing NZSE stock price.

Miraka Limited shares (unlisted) are stated at fair value, being the latest sale price of shares sold.

Farmlands Society and Ravensdown Co-operative shares are stated at issue value (cost) being \$1 per share.

He Akina Limited is valued at acquisition cost plus Tauhara Moana Trust's share of he Akina Limited's net surplus from the date of acquisition to the current balance date.



NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

(i) Biological Assets

Livestock is measured at fair value less cost to sell, determined by independent count and valuation performed on 2 June 2021 by NZ Farmers Livestock Limited.

Unrealised gains or losses arising from changes in value of stock between beginning and year-end market values are recognised separately in the statement of financial performance as holding gains or losses, in accordance with NZ IAS41 Agriculture.

For taxation purposes livestock is valued using the National Standard Cost Scheme.

Standing timber was initially valued at cost and subsequently revalued to market value as at 31 May 2018.

(j) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sales of goods and livestock are recognised when the entity has transferred the significant risk and rewards associated with ownership of the goods to the customer.

Forestry income is recognised on sale or harvest of the forest.

Lease income is recognised on a straight line basis over the life of the lease.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Dividends received are recognised on receipt, net of non-refundable tax credits.

(k) Leases

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

Leases in which the entity retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. The leased asset is included within investment property and income recognised on a straight line basis over the life of the lease.

(l) New Zealand Units (NZUs) / Intangible Assets

New Zealand Units (NZUs) are issued into the NZU Registry by the Government under the Emission Trading Scheme (ETS). Compensatory NZUs are received from the Ministry of Agriculture and Forestry (MAF) at no cost and recorded at a nominal value basis determined by the Trustees. NZUs can be traded within New Zealand.

(m) Derivatives

Derivative financial instruments are measured at fair value based on mark-to-market values provided by the financial institution who issued the derivative, and are recognised on the Balance Sheet at that fair value. Changes in fair value are recognised through profit or loss.

(n) 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 as 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. Assets are subsequently measured at fair value only



NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

when the fair value of the instrument can be reliably measured based on a quoted price for an identical asset in the active market. Where no active market price is available the instrument shall be measured at the fair value for a prior year 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.

(o) 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.

(p) 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.

	2022	2021
2. Income Tax Expense		
Net profit/(loss) before tax		
Net profit/(loss) before tax	1,544,325	1,873,776
Total Net profit/(loss) before tax	1,544,325	1,873,776
Taxation adjustments:		
- Imputation credits	1,386	402
- Timing differences - accruals and provisions	(34,198)	21,637
- Timing differences - tax losses brought forward	1,089,956	(1,067,368)
- Non-deductible expenses - entertainment	-	250
- Fair value adjustments - biological assets	(460,171)	(686,958)
- Further payments this season	(1,286,586)	(1,263,906)
- Further payments last season	1,263,906	1,122,167
- Unrealised (gains)/ loss on revaluation of investments	58,129	-
- Realised (gains)/ loss on capital items	3,165	-
Taxable profit/loss	2,179,912	-
Prima facie tax expense at 17.5% on net profit before tax		
- Income tax losses brought forward	(4,567,954)	(5,633,027)
- Tax losses brought forward used this year	1,089,956	1,067,368
- Imputation credits converted to a loss	(7,918)	(2,295)
Taxation losses to carry forward	(3,485,916)	(4,567,954)



NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

	2022	2021
3. Property, Plant and Equipment		
Land		
Land revaluation	12,700,000	12,700,000
Total Land	12,700,000	12,700,000
Developments & Improvements		
Developments & Improvements - Costs	2,492,494	4,200,218
Accumulated Depreciation & Impairment	(1,734,817)	(1,634,069)
Total Developments & Improvements	757,677	2,566,149
Buildings		
Buildings at cost	3,309,506	1,483,640
Accumulated depreciation - buildings	(586,040)	(531,222)
Total Buildings	2,723,465	952,418
Vehicles		
Vehicles - Cost	1,196,646	1,127,626
Accumulated depreciation - vehicles	(491,212)	(513,110)
Total Vehicles	705,434	614,517
Plant and Equipment		
Plant & Equipment - Cost	2,575,195	2,485,513
Accumulated Depreciation & Impairment	(1,730,150)	(1,591,250)
Total Plant and Equipment	845,045	894,263
Furniture and Fittings		
Furniture & Fittings - Cost	13,289	13,289
Furniture & Fittings - Accumulated Depreciation	(11,263)	(10,853)
Total Furniture and Fittings	2,025	2,435
Total Property, Plant and Equipment	17,733,647	17,729,783

Land was revalued last year to the most recent valuation provided by Taupo District Council for rateable purposes. The latest land valuation dated 1 July 2019 is \$12,700,000 (1 July 2016: \$14,200,000).



NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

	2022	2021
4. Derivatives		
Milk Price Futures		
Current Portion	131,270	38,055
Non-Current Portion	-	102,600
Total Milk Price Futures	131,270	140,655
Total Derivatives	131,270	140,655
TFLP has 80 contracts at 6,000 units per contract, 60 expiring 30 September 2022 and 20 contracts at 6,000 units per contract, expiring at 30 September 2023.		
At 31 May 2022 the 60 contracts expiring 30 September 2022 were priced at \$25.00, with a market value of \$9,000,000 and the 20 contracts expiring 30 September 2023 were priced at \$49.00, with a market value of \$5,880,000. The total market value of all contracts at 31 May 2022 was \$14,880,000. (2021: \$14,065,500 for 88 contracts).		
	2022	2021
5. Investment In Shares		
Farmlands Shares	15,000	15,000
Livestock Improvement - Shares	31,423	19,457
Miraka Holdings Ltd - 185,185 'B' Shares	277,778	375,926
Ravensdown Shares	249,325	235,971
Total Investment In Shares	573,526	646,353
	2022	2021
6. Cash & Short Term Deposits		
BNZ Cheque Account	250,591	102,595
First NZ Capital Securities	-	(2,700)
Total Cash & Short Term Deposits	250,591	99,895
	2022	2021
7. Trade and other Receivables		
Accounts Receivable	526,150	620,929
Total Trade and other Receivables	526,150	620,929
	2022	2021
8. Other Current Assets		
Accrued Income	19,103	13,354
Miraka Further Payments	1,286,586	1,263,905
Prepaid Expenses	66,414	101,567
Consumables	310,584	270,450
Total Other Current Assets	1,682,687	1,649,276



NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

	2022	2021
9. Biological Assets		
Cattle	4,594,525	4,197,790
Standing Timber	50,750	50,750
Total Biological Assets	4,645,275	4,248,540

Livestock Reconciliations:

	2022			2021		
	Qty	\$/Head	\$	Qty	\$/Head	\$
Sales						
Calves	1,271	62,45	79,377	1,129	80	90,180
Rising One Year Heifers	18	486.33	8,754	-	-	-
Rising Two Year Heifers	40	865	34,594	168	861	146,496
Mixed Aged Cows	471	681	320,531	453	762	345,144
Rising One Year & Older Steers & Bulls	59	-	33,607	220	814	179,149
Rising Two Year & Older Steers & Bulls	270	1,205	299,560	89	1,169	104,058
Rising Three Year & Older Steers & Bulls	-	-	-	14	761	10,660
Stag	-	-	-	-	-	-
	2,130		776,423	2,073		875,687
Purchases						
Rising Two Year Heifers	-	-	-	-	-	-
Mixed Aged Cows	-	-	-	-	-	-
Rising One Year Steers & Bulls	16	490	7,840	-	-	-
Rising Two Year & Older Steers & Bulls	53	2,317	122,780	99	1,588	157,250
Breeding Bulls	-	-	-	-	-	-
	69		130,620	99		157,250
Cash Profit From Trading			645,803			718,437
Plus Movement in Value of Cattle on Hand			396,735			533,010
Gross Profit From Dairy Cattle			1,042,538			1,251,447



NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

	2022			2021		
	Qty	\$/Head	\$	Qty	\$/Head	\$
Opening stock						
Rising One Year Heifers	705	716	505,010	749	676	506,175
Rising Two Year Heifers	562	1,590	893,580	507	1,297	657,475
Mixed Aged Cows	1,902	1,430	2,719,140	1,951	1,234	2,406,720
Rising One Year Steers & Bulls	74	582	43,060	145	575	83,375
Rising Two Year & Older Steers & Bulls	16	1,788	28,600	13	849	11,035
Rising Three Year & Older Steers & Bulls	6	1,400	8,400	-	-	-
Breeding Bulls	-	-	-	-	-	-
	3,265		4,197,790	3,365		3,664,780
Closing stock						
Rising One Year Heifers	689	792	545,650	705	716	505,010
Rising Two Year Heifers	503	1,728	869,000	562	1,590	893,580
Mixed Aged Cows	1,906	1,617	3,081,775	1,902	1,430	2,719,140
Rising One Year Steers & Bulls	50	522	26,100	74	582	43,060
Rising Two Year & Older Steers & Bulls	12	2,500	30,000	16	1,788	28,600
Rising Three Year & Older Steers & Bulls	12	3,500	42,000	6	1,400	8,400
Breeding Bulls	-	-	-	-	-	-
	3,172		4,594,525	3,265		4,197,790
Increase (Decrease) in stock on hand	(93)		396,735	(100)		533,010
Change in values (livestock holding gain/loss)			495,654			562,803
Change in numbers			(98,919)			(29,793)
Increase (Decrease) in stock on hand			396,735			533,010



NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

10. Milk Income

	2022	2021	2022	2021
Milk solids	kg	kg	\$	\$
Last season increase/(decrease)			1,263,906	1,122,167
June	-	-	-	-
July	143	349	743	1,358
August	48,908	49,988	254,163	202,619
September	93,018	92,494	483,135	374,044
October	110,389	120,953	737,647	581,575
November	100,348	107,262	586,414	470,676
December	91,025	101,663	531,946	491,644
January	77,889	86,815	871,818	556,649
February	59,237	65,933	596,978	596,941
March	59,681	69,899	578,021	713,789
April	54,865	58,311	572,301	447,633
May	19,268	36,275	251,651	372,395
Total	714,770	789,941	6,728,726	5,931,487
Plus Pay-Out Estimate Current Season			1,286,586	1,263,906
Less Pay-Out Estimate Prior Season			(1,263,906)	(1,122,167)
Plus Insurance Proceeds for Lost Milk			-	-
Net Total			6,751,403	6,073,226
Average price per kg milk sales			\$9.45	\$7.69

2022 2021

11. Trade and Other Payables

Accounts Payable	368,000	383,579
Total Trade and Other Payables	368,000	383,579

NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

2022 2021

12. Other Current Liabilities

Accrued Expenses	16,435	47,553
Accrued Interest	1,260	2,786
GST	80,262	39,939
Provision for Annual Leave	56,069	90,267
Total Other Current Liabilities	154,026	180,545

2022 2021

13. Loans (Includes Bank Overdrafts)

Term Loans	6,950,000	-
Current portion of term loans	500,000	8,500,000

Tauhara Moana Trust

The BNZ Farm First overdraft limit is \$100,000.

Tauhara Farms Limited Partnership

The BNZ Business and Farming Account overdraft limit is \$250,000.

Tauhara Moana Trust

BNZ Customised Average Rate Loan Balance at 31 May 2022 is \$6,000,000. The loan is interest only with an expiry date of 20 May 2025. The interest rate at 31 May 2022 was 5.75%.

A further \$500,000 credit on this facility is approved by the bank but not yet drawn down, as at 31 May 2022.

Securities are:

- Perfected security interest in all present and after acquired property of Tauhara Moana Trust.
- All obligations unlimited guarantee from Tauhara Farms Limited Partnership.

Tauhara Farms Limited Partnership

BNZ Customised Average Rate Loan Balance at 31 May 2022 is \$1,450,000 (2021: \$2,270,000) with a maturity date of 20 May 2025, irregular repayments with an interest rate at 31 May 2022 of 5.75% (2021: 3.92%).

A further \$700,000 credit on this facility is approved by the bank but not yet drawn down, as at 31 May 2022.

Securities are:

- Perfected security interest in all present and after acquired property of Tauhara Farms Limited Partnership.
- All obligations unlimited guarantee from Tauhara Moana Trust.
- Perfected security interest in B7AWJ Massey Ferguson 7619 2015.
- Perfected security interest in Giltrap 5001 Fert Spreader 2015.

14. New Zealand Units (NZUS)

Under the Emissions Trading Scheme (ETS) Tauhara Moana Trust holds 10,500 pre-1990 New Zealand Units (NZU's), These have been allocated at nil cost to the Trust and are recorded at a nominal value cost of \$5 (See also note 22: Contingent Liabilities).



NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

15. Financial Instruments

2022	Amortised Cost	Cost	Fair Value
Cash and short-term deposits	250,591		
Trade and other receivables	526,150		
Other current assets	1,286,586		
Investment in shares		250,971	646,353
Derivatives			131,270
	2,063,327	250,971	777,623
2021	Amortised Cost	Cost	Fair Value
Cash and short-term deposits	99,895		
Trade and other receivables	620,949		
Other current assets	1,263,905		
Investment in shares		250,971	395,383
Derivatives			140,655
	1,984,749	250,971	536,038

All investments in shares are value at cost, except for Miraka Holdings Limited shares which are valued at fair value, being the most recent sale price of Miraka Limited shares, and listed shares which are valued at the closing NZSE stock price.

	2022	2021
16. Equity		
Owners initial capital	59,180	59,180
Compensation - land taken	47,208	47,208
Retained earnings/(accumulated losses)		
Opening Balance	(1,136,513)	(2,895,889)
Net profit/loss	1,645,032	1,873,776
Kaumatua Grants & Koha paid	(121,937)	(114,400)
Closing Balance	386,582	(1,136,513)
Revaluation Reserves		
Opening Balance	12,928,831	12,907,205
Revaluations due to sale of shares	-	-
Revaluation of shares	-	21,626
Revaluation of standing timber	-	-
Revaluation reserve - land & buildings	-	-
Closing Balance	12,928,831	12,928,831
Capital Reserves		
Opening Balance	4,319,712	4,319,560
Capital profit on sale of shares	-	-



NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

	2022	2021
Capital profit on sale of assets	-	152
Closing Balance	4,319,712	4,319,712
Total Reserves	17,248,543	17,248,543
Total Equity	17,741,513	16,218,418

17. Pre 2005 Retained Earnings

On the 1st July 2004 the Trust elected to become a Maori Authority. Income retained prior to the 2005 Income Tax year is available to be distributed to beneficiaries tax free. As prior to 2005 Income Tax year the Trust was operating at a loss there are no retained earnings available for tax free distribution as a result of entering the Maori Authority regime.

18. Maori Authority Credits (MACA)

The Trust has MACA's available as at 31st May 2022 as follows:

	Group	
	2022	2021
Opening Balance	136,692	136,214
Add:		
Resident Withholding Tax	247	77
Credits Attached to Dividends Received	1,386	402
Less:		
Taxation Refund received	-	-
Closing Balance	138,326	136,692

19. Related Party Transactions

DA Loughlin is a Director of Tauhara Dairy Ltd and a Trustee of Tauhara Moana Trust. His directors fee for the year ended 31 May 2022 were \$16,000 (2021: \$16,000) plus mileage incurred, owing at balance date \$1,333 (2021: \$1,333).

D Loughlin was appointed Director of He Akina Limited on 29 January 2016. The Trust and its subsidiaries paid He Akina Limited \$159,477 for administration and financial services during the year (2021: \$140,986), owing at balance date \$238 (2021: \$258).

Agnosis Ltd provides consultancy services to Tauhara Dairy Ltd. Agnosis Ltd is a company owned 50% by C Hemana, a Director of Tauhara Dairying Ltd and a Trustee of Tauhara Moana Trust. The directors fees for the year ended 31 May 2022 were \$22,000 (2021: \$22,000) plus mileage and telephone expenses incurred. Owing at balance date \$1,833 (2021: \$2,272). During the 2018 financial year the Trust has advanced \$6,900 to He Akina Limited. The advance is interest free and unsecured.

Some trustees also qualified to receive a kaumatua grant of \$350 from the Trust, other than these payments the Trustees' fees and expenses are disclosed in the financial statements.

Transactions with related parties are recorded on normal commercial terms. The Group has not made any allowance for impairment loss relating to amounts owed by related parties for the year ended 31 May 2022 (2021: nil). There are no loans from related parties.



NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

20. Leases & Licences

Tauhara North No 2 Trust

Tauhara Moana Trust leases land from Tauhara North No 2 Trust. The lease runs until 31 March 2025. Annual rent payable to Tauhara North No 2 Trust is \$71,000 per annum plus GST, rates and outgoings.

	2022	2021
Grazing Lease Commitments		
Future Lease Commitments	-	-
Current	71,000	71,000
Non-Current	130,167	201,167
Balance of Lease	201,167	272,167

Contact Energy Ltd

Licence to Occupy

Otumuheke Block (128.4 hectares) and Rakaunui Block (45.2 hectares)

The Group has taken on a licence to occupy the Otumuheke and Rakaunui Blocks, permitted use of these blocks is restricted to the cut and carry of lucerne crops, oats, rye grass and grazing for one month of a calendar year.

Licence Commencement Date - 6th February 2012

Term - 6 years Rights of Renewal - 1 of 6 years

Fee Review - every 3 years from commencement date.

Annual Fee - \$51,793 by monthly payments in advance of \$4,316.

	2022	2021
Otumuheke & Rakaunui		
Future Licence Commitments	-	-
Current	51,792	51,793
Non-Current	34,547	86,339
Total Otumuheke & Rakaunui	86,339	138,132

Contact Energy Ltd

Licence to Occupy

Quarry Block (540 hectares), Huka Block (224 hectares) and TH1 Block (24.6 hectares)

The Group has taken on a licence to occupy the Huka and TH1 Blocks. The permitted use of the these blocks is livestock grazing and cropping.

Licence Commencement Date - 6th February 2012

Term — 6 years Rights of Renewal — 1 of 6 years

Fee Review — every 3 years from commencement date.

Annual Fee - \$289,863 by monthly payments in advance of \$24,155.

	2022	2021
Huka Quarry & TH1		
Future Licence Commitments	-	-
Current	289,864	289,863



NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

	2022	2021
Non-Current	193,338	483,202
Balance of licence	483,202	773,065

21. Capital Commitments

At 31 May 2022, there were no capital commitments. (2021: Nil)

22. Contingent Liabilities

The Trustees of the Trust resolved to write back \$34,398 of unclaimed owner distributions in the 2011 financial year due to the lack of detailed records of those distributions. Therefore there is a contingent liability for this amount if any of the Shareholders come forward with the details of a claim for these distributions.

Under the Emissions Trading Scheme (ETS) the Group will be required to surrender New Zealand Units if they deforest and introduce a new land use. The financial effect of this has not been quantified as the Group has every intention of replanting the land and therefore anticipate no obligation to return New Zealand Units in the future (2021:nil)

Other than the above there are no known material contingent liabilities as at 31 May 2022 (2021: nil).

23. Events Subsequent to Balance Date

There were no known material events subsequent to balance date which would have an effect on these financial statements (2021: nil).

24. Contact Geothermal Access Agreement

The Trust has entered into an arrangement with Contact Energy Limited where Contact can carry on the activity of extraction and/or reinjection of geothermal fluid on the Trust's land. Contact has paid a further \$62,500 (2021: \$62,500) as an extension for the Trust entering into this agreement and granting Contact easement to access the land.

25. Declaration of General Interest as at 31 May 2022 pursuant to section 140(2) of the Companies Act 1993:

CLINTON ANDREW MAHAKI HEMANA:

Rua Roa Trust	Chairman
Dairy NZ	Employee
Otamarakau Farms Ltd	Director
Waerenga East & West Blocks Inc	Committee Member
Werenga Farms Limited	Director
Tataraakina C Trust	Chairman
Tauhara Farms Limited Partnership	Chairman
Te Arawa Fisheries ICP Ltd	Director
Te Arawa Fisheries Ltd	Director
Te Arawa Fisheries Holding Company Ltd	Director
AgNOSIS Ltd	Director
Hemana Properties	Director
Taranui Investments Ltd	Director
Hemana Consulting Ltd	Director



NOTES TO THE FINANCIAL STATEMENTS

TAUHARA MOANA TRUST FOR THE YEAR ENDED 31 MAY 2022

Diggabygum Ltd	Chairman
Awhina Group	Director
Eneavor/ Smart Ideas Fund Assesor	Chairman
Guthrie Smith Estate	Chairman
HareNgarongo Limited Partnership	Chairman
Horowhenua 11 Part Reservation Trust	Chairman
Maori Land Court Independent Contractor	Member and Associate
Maori Land Management Reference Group	Member and Associate
Mohaka A4 Trust	Chairman
Mohaka A4B Trust	Chairman
NZ Institute of Directors	Member and Associate
NZ Institute of Primary Industry Management	Member and Associate
Rangatakapu o Te Arawa: youth leadership group	Member and Associate
Tauhara Dairy	Chairman
Tokaanu Maori Township 2nd Residue Trust	Chairman
Wool Industry Research Limited Kahui Maori	Chairman

DANNY APERAHAMA LOUGHLIN

Mohi Development Ltd	Shareholder
iMaori Ltd	Director/Shareholder
Loughlin Trustees Ltd	Director
Tauhara Dairy Ltd/Tauhara Farms LP	Director/Shareholder
Tuwharetoa Maori Trust Board	Trustee
Ngati Tuwharetoa Fisheries Charitable Trust	General Manager
Ngati Tuwharetoa Fisheries Holdings Ltd	Director
He Akina Ltd	Director/Shareholder
Healthy Rivers Wai Ora Committee	Member
Loughlin Family Trust	Trustee
Te Kotahitanga o Ngati Tuwharetoa	Ruingarangi Alternative
Te Kotahitanga o Ngati Tuwharetoa Custodian Trustees Limited	Director
Te Kupenga Hou Limited	Director
Waikato Regional Council Co-Governance Committee	Member
Waikato River Authority	Trustee



INDEPENDENT AUDITORS REPORT

To the Trustees of Tauhara Moana Trust

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tauhara Moana Trust and its subsidiaries (the Group) on pages 49 to 68, which comprise the consolidated balance sheet as at 31 May 2022, and the consolidated statement of profit or loss and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. The financial statements have been prepared using the Special Purpose Financial Reporting Framework for use by For-Profit Entities issued by the New Zealand Institute of Chartered Accountants ("SPFR Framework").

In our opinion, the accompanying consolidated financial statements are prepared, in all material respects, in accordance with *Special Purpose Financial Reporting Framework for For-Profit Entities (SPFR)*, issued by Chartered Accountants Australia & New Zealand.

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 Consolidated Financial Statements section of our report. We are independent of the Group 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. 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, Tauhara Moana Trust or any of its subsidiaries.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the owners, the Group's lenders and the Inland Revenue Department. As a result, the financial statements may not be suitable for another purpose.

Whanganui | Ngamotu | Taupo

(06) 345 8539 | tanderson@silks.co.nz | ctown@silks.co.nz | www.silksaudit.co.nz

Restriction on Responsibility

This report is made solely to the Trustees, as a body, in accordance with the Trust Deed of Tauhara Moana Trust. Our audit work has been undertaken so that we might state to the Trustees those matters 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.

Trustees' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with SPFR Framework, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Trustees are responsible on behalf of the Group for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditors Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

A detailed description of the auditors' responsibilities including those related to assessment of risk of material misstatement, evaluation of appropriateness of going concern assumptions and determining key audit matters are available on the external reporting board website:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>

Other Matter

The consolidated financial statements of Tauhara Moana Trust (Group) for the year ended 31 May 2021 were audited by another auditor who expressed an unqualified opinion on those statements on the 30th November 2021.



Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 16th November 2022



Tauhara Moana Trust 2022 Annual General Meeting. 23 November 2022, 5.00pm.
Suncourt Hotel & Conference Centre, 14 Northcroft Street, Taupō 3330