

TE
TUMU
PAEROA

Office of the Māori Trustee



2021

Annual Report

OUR VISION

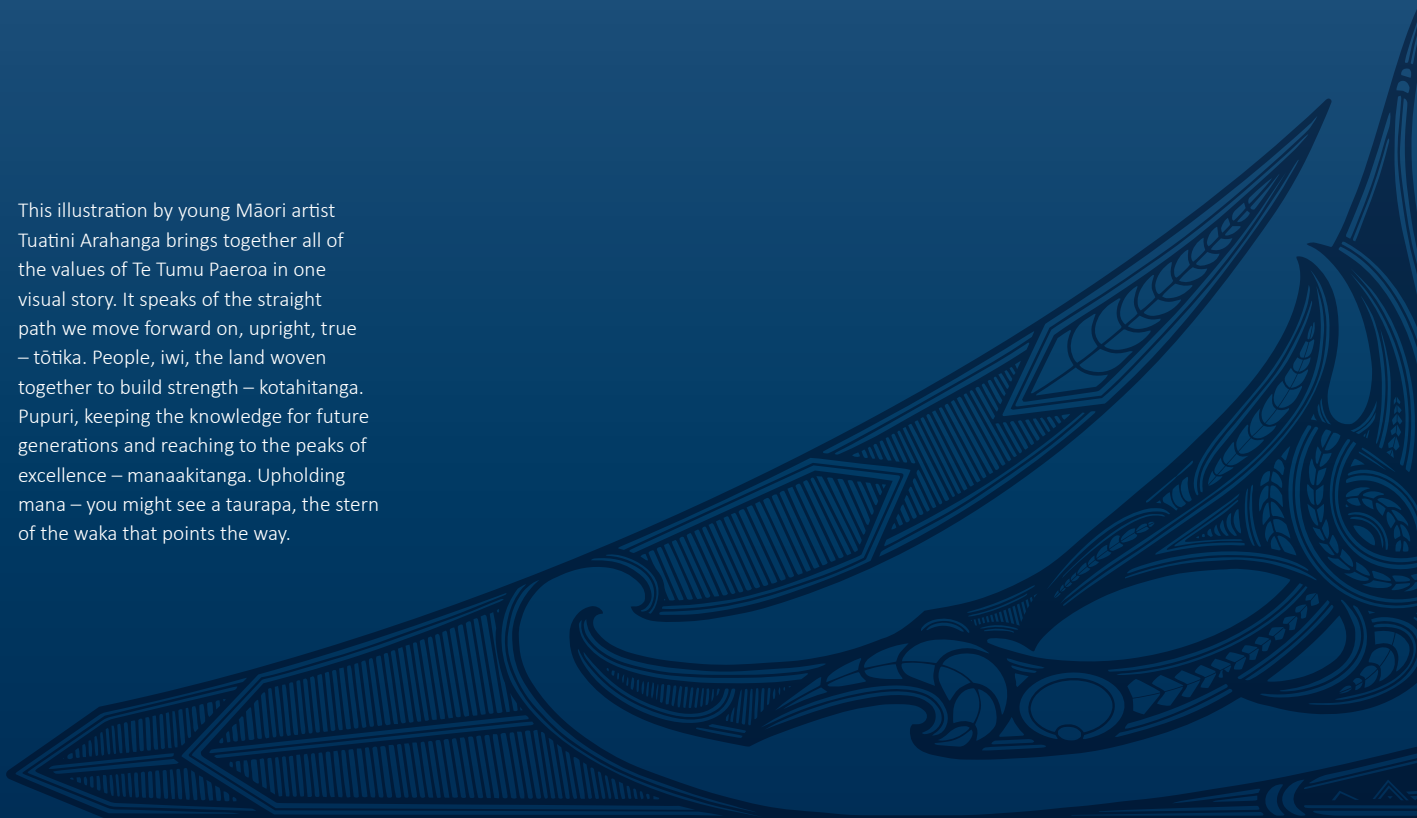
Ko Te Tumu Paeroa tēnei,
te tauawhi nei, te taunaki nei,
te tiaki nei ngā whenua Māori
mō naianei, mō āpōpō hoki.

Ensuring whenua Māori is
protected and enhanced, now
and for generations to come.

OUR PURPOSE

Dedicated professional
trustee service for Māori.

This illustration by young Māori artist
Tuatini Arahanga brings together all of
the values of Te Tumu Paeroa in one
visual story. It speaks of the straight
path we move forward on, upright, true
– tōtika. People, iwi, the land woven
together to build strength – kotahitanga.
Pupuri, keeping the knowledge for future
generations and reaching to the peaks of
excellence – manaakitanga. Upholding
mana – you might see a taurapa, the stern
of the waka that points the way.



OUR VALUES

Tōtika | Professionalism

Te tika o te tū

Kotahitanga | Unity

Te raranga i te tira

Manaakitanga | Respect

Te akiaki i te mana

Mana | Integrity

Te ihi, te wehi, te wana



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Foreword

Ki te Minita Whanaketanga Māori

Ki te Minita Whanaketanga Māori
He hōnore ki ahau te tuku atu i te pūrongo
ā tau o Te Kaitiaki Māori mō te tau i mutu
i te 31 o Māehe 2021.

To the Minister for Māori Development

I am honoured to present the Annual Report
for the Māori Trustee for the year ended
31 March 2021.



A handwritten signature in blue ink that reads "C Severne".

Dr Charlotte Severne
Kaitiaki Māori | Māori Trustee
4 August 2021

This report has been prepared to meet the
requirements of section 150 of the Crown
Entities Act 2004.





From the Māori Trustee

Ki te taiao,

Ki te whai ao,

Ki te ao mārama,

Tihei Mauriora.

E totoka ai te tumu o te papatipu hei orange mō

Te Iwi Maori, o mua, o naianei, o ānamata hoki.

Ko Te Tumu Paeroa tēnei, te kaitiaki, kaitaunaki, kaiwhakawhanake

i te mana o ngā whenua Māori, huri noa.

The 2020/21 year has been without exception an unprecedented one for everyone. The arrival of the COVID-19 pandemic and subsequent lockdown, along with ongoing restrictions has forced us all to consider a new normal.

As Māori we strongly value gathering kanohi ki te kanohi. This year that has not always been possible. The measures taken in response to the pandemic forced us as an organisation to work in an agile way and innovate to ensure not only the services continued but also, and more importantly in my opinion, we continued to stay connected.

We began this financial year just two weeks into alert level 4 lockdown and I am immensely proud of how our kaimahi transitioned to working from their homes while maintaining a high level of continuity across the services we provide.

Two days before lockdown we were fully prepared for that transition and within a few weeks into lockdown, we were developing and piloting owner hui online. Despite the disruptions of COVID-19 we have been able to maintain owner income, with a record low in rental arrears and lower than targeted rental vacancies.

We have continued to meet our targets, to prepare asset management plans for all whenua I have been appointed responsible trustee for. These plans provide invaluable information about the assets on owners' whenua and allow us to identify, explore, plan and pursue opportunities for future use and development on whenua Māori and identify and pursue measures for protecting and enhancing the whenua.

Related to this, we are well underway in commissioning farm environment plans for 60% of these trusts. A farm environment plan or FEP as it is commonly called, is a tool that helps recognise on-farm environment risks and sets out a programme to manage those risks. The FEP allows progress to be recorded in achieving good farming practice principles and helps to identify environmental risk and prioritise actions.

The cost associated with the mahi of Te Tumu Paeroa in this area and in maintaining and upgrading our IT infrastructure and systems was acknowledged by the Government with a successful bid for additional funding announced in the May 2021 Budget.

This year, we also continued our regionally based trust and property service and aligned support services based in Te Whanganui-a-Tara so that they are even more client focused. This is what our clients have told us they want and we are confident that these changes to the way we deliver our services will result not only in a better client experience but also increased certainty and consistency for our services, wherever they are located.

Support for housing and Māori-owned businesses

This year I am proud to have been able to deliver positive outcomes for a number of Māori whanau and businesses through housing support and small business loans.

Over the past 2 years, Te Tumu Kāinga has been working with Te Puni Kōkiri to repair homes of Māori whānau. This year, with the help of an investment of \$2 million from the Māori Trustee General Purposes Fund, 130 homes were assessed and repaired, delivering real and positive social benefits to Māori whānau.

In June 2020, the Māori Trustee Top-Up Loan Scheme was introduced to support Māori small businesses needing additional access to concessionary loans.

Over 200 applications were received by the 31 December close off date of the scheme, with approximately \$1.3 million worth of loans approved for small and medium Māori-owned businesses.

Taupae Pia graduate programme

My wish is for administration of whenua Māori to be seen as a valued and worthy career option for our rangatahi. Something that helps to deliver better outcomes for whenua and our people.

In February, Te Tumu Paeroa welcomed three graduates to the organisation as part of the new Taupae Pia graduate programme. The 12-month programme enables Taupae Pia graduates to gain first-hand experience and knowledge in the lifecycle of the whenua Māori administration, across a range of responsibilities the Māori Trustee has. Their mahi also includes areas that are aligned with their future interests such as accounting and environmental planning.

I am honoured to be in this role and I will continue to focus on ensuring our mahi serves the owners of the whenua we are entrusted with and protects and enhances the whenua.

Nākū noa, nā



Dr Charlotte Severne
Kaitiaki Māori | Māori Trustee

Māori Trustee Outcomes Framework



Vision

Ensuring whenua Māori is protected and enhanced, now and for generations to come.



Output areas

Crown funding will be used in a manner which best promotes, advances and achieves the critical impacts and performance measures.

- » Trust services
- » Registry services
- » Governance and capability development
- » Business support
- » Property management
- » Common Fund management
- » Land development
- » Enablement funding



Critical impacts

The Crown's investment in connection with the output areas will assist the Māori Trustee to promote, advance or achieve the following:

- » Landowners of Māori land are engaged in matters relating to their whenua.
- » Landowners of Māori land are proud of the condition of their whenua and how it is being cared for.
- » The capability of Māori landowners is developed to maximise self-governance and administration of Māori land by its owners.
- » Use and development potential of Māori land is being realised.



Outcomes

The Crown will know that its investment is assisting the Māori Trustee to promote, advance or achieve these critical impacts.

Because whenua Māori is making a significant contribution to the social, economic and cultural well-being of its owners and their whānau.



Principal Outcome Measurements

The Māori Trustee reports quarterly to the Crown referencing examples of how the mahi of the Māori Trustee in the output areas and generally is positively contributing to the social, economic and cultural well-being of owners of whenua Māori and their whānau.

Te Tumu Paeroa at a glance

\$133.2m

Client funds held (market value)

\$170.7m

Māori Trustee equity

20,205

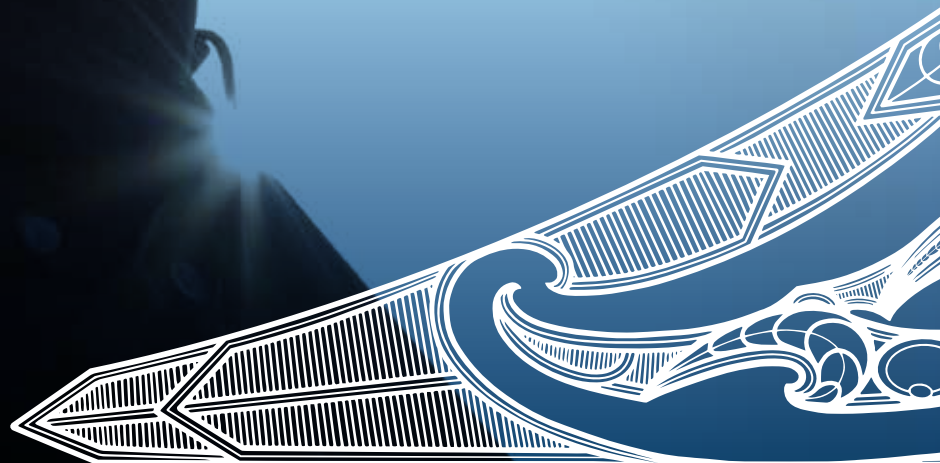
Enquiries received in 2020/21

62%

Owners for whom contact details are held

306,563

Visits to Te Tumu Paeroa website



1,751

Number of trusts and other entities
under administration

\$6.25m

Distributions on behalf of trusts this financial year

350

Number of owner hui held

10

Number of enterprises under Māori
Trustee administration

12,537

Number of My Whenua users

252,580

Number of ownership interests

100,793

Number of owner accounts maintained

88,000

Number of hectares under management

1,732

Number of leases under management





Tatua 4C3B2
Toitū te whenua



Protecting and enhancing the whenua

OWNERS SUPPORT KEY TO
RESTORING WETLANDS

SUPPORTING OWNERS AND TENANTS
TO KEEP WHENUA PROTECTED



Owners support key to restoring wetlands

Supporting owners to protect their whenua is mana enhancing.

The past year has been a significant one for the owners and whānau of Mahanga 2X and Mahanga 2Y blocks. The Māori Trustee is the responsible trustee for these blocks which are located on the Mahia Peninsula adjacent to the coast between Mahia Beach and Mahanga.

These blocks, along with a number of other Māori land properties, as well as the adjacent Pa Nui Farm, form part of one of the largest and most significant estuary and duneland systems in the Mahia Ecological District Protected Natural Area (PNA).

In 2019, the owners of Pa Nui Farm (also the lessees of Mahanga 2X and Mahanga 2Y) approached the Māori Trustee to enquire about the protection and restoration of the wetlands located on two properties.

“We saw this as a really positive opportunity to restore a declining but significant wildlife habitat,” says Beverley Murray, Mātanga Tuarā Kawea (Trust Specialist) who continues to work closely on the project with the owners and Project Manager Nicolas Caviale Delzescaux of Terra Tangata Consulting.

In June 2020, the Māori Trustee applied for grant monies from Te Puni Kōkiri Whenua Māori Fund to assist with the project. This included the

commissioning of a heritage assessment (and field study) to assess any potential impact of works associated with the ecological restoration work on the archaeological resource in the area.

In addition, funding was also sought through the Ministry of Business, Innovation and Employment’s Provincial Growth Fund for the project’s capital works, including project management, fencing, riparian planting, and pest and weed control.

Fortunately, the project was able to secure funding from both agencies and as a result of a favourable archaeological report, the Pukenui Wetland Restoration Project’s programme to ring fence the wetland (using existing tracks and fencelines, to protect potential impact on intact archaeological features), commenced in late February 2021.

Beverley acknowledges there is still a lot of work to be done on the Mahanga sites. “The owners recognise that the project will contribute to the protection of indigenous (and endangered) flora and fauna across the wetlands and sand dunes and will be taonga tuku iho for the enjoyment of future generations.”

In April 2021, a meeting of the owners was held on the adjoining Pa Nui Farm. At the conclusion of the meeting, the owners were escorted through the Pa Nui farm tracks to view the restoration work that had already commenced on the wetland ecosystem.

In acknowledgement of the owners whakapapa connection to the whenua and the work undertaken as part of the project, whakawātea and karakia were performed to enable safe entry onto the whenua.

“The owners are engaged and passionate about this project and were excited to see multiple access points onto the wetlands to enable customary mahinga kai practices / rongoa harvesting to continue.”

A planting day is being planned in the coming months, providing another opportunity for owners and whānau to come together to celebrate the restoration of this unique and special landscape.

Supporting owners and tenants to keep whenua protected

Te Tumu Paeroa manages over 1,700 tenancies providing an opportunity for whenua to be utilised to generate income on behalf of owners.

Ensuring these leases are managed in a way that protects the whenua is important to maintaining its sustainability for future generations.

The Ratonga Tuarā Taonga (Trust & Property team) work closely with owners and lessees to achieve the best outcomes for owners, the whenua and lessees.

Where the Māori Trustee is appointed responsible trustee, Te Tumu Paeroa will work with specialists to prepare an Asset Management Plan that identifies opportunities for improving the whenua. These plans consider the short, medium and long term plans for the whenua and its non-land assets.

This year Te Tumu Paeroa completed 680 Asset Management Plans, as it works towards the target of approximately 1,500 by 2024.

One of those Asset Management Plans was completed for Tatua East 4C3B2. Located 21 km north of Taupō, Tatua East 4C3B2 forms part of the lessee's dairy platform with adjacent properties. The block is connected to the milking shed by an underpass under State Highway 1, installed by the lessee.

The current lease for this property was negotiated 12 years ago and over this time, the lessee has been actively engaged in improving the whenua and supporting infrastructure. This included the completion of significant protection work such as fencing maintenance, weed control and fertilisation, resulting in the maximisation of soil fertility and pasture growth.

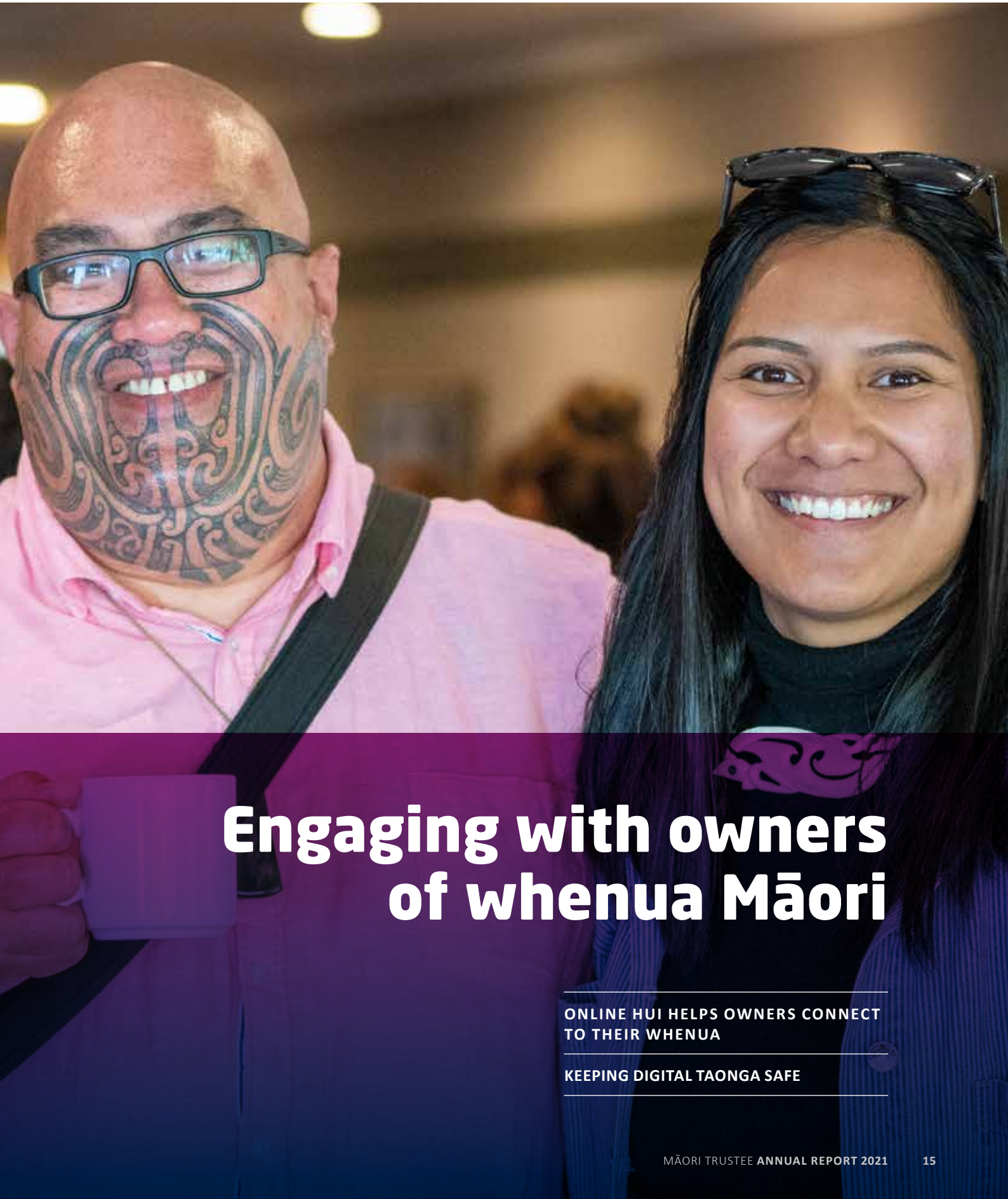
Mātanga Tuarā Taiao (Property Specialist), Carol Kingham says that the importance of having a good relationship with owners and lessees cannot be underestimated. “Having a clear plan about how the whenua is looked after, enables everyone to achieve the best outcome and the whenua continues to be protected for future generations.”

This year Te Tumu Paeroa enhanced the support it provides tenants and lessees with Our Tenancy, an online service that allows tenants to access and share information about whenua they have leased, which is administered by Te Tumu Paeroa.



Tatua 4C3B2
Toitū te whenua





Engaging with owners of whenua Māori

ONLINE HUI HELPS OWNERS CONNECT
TO THEIR WHENUA

KEEPING DIGITAL TAONGA SAFE



Online hui helps owners connect to their whenua

Meetings of owners provide an opportunity for owners, trustees and whānau to stay connected and learn about their whenua. This year, Te Tumu Paeroa held 350 hui on behalf of owners across Aotearoa New Zealand.

Many owners live away from their whenua and find it difficult to attend hui, so identifying ways to increase engagement and attendance at owner hui has been a key focus for Te Tumu Paeroa.

Following the disruption caused by COVID-19, many owner hui scheduled for April-September were postponed. This presented Te Tumu Paeroa with an opportunity to be innovative about the way this service was delivered.

In May, the organisation initiated a pilot that saw six owner hui held using online conferencing technology. The pilot was run over a 2-week period with owners attending from Australia, the USA and various locations across Aotearoa.

Prior to the pilot going live, extensive training was undertaken by kaimahi and all aspects of the technology were tested.

The results of the pilot were extremely positive, with 88% of attendees saying they preferred attending online. In addition, two of the six hui had owners attending who had not attended an owner hui for over 10 years, and all but one hui saw an increase in the attendance of owners from the previous hui for that trust.

Following the pilot, Te Tumu Paeroa reviewed the feedback and assessed the opportunity to offer this service for selected future owner hui.

When alert levels changed to enable face-to-face hui to recommence, the Te Tumu Paeroa Ratonga Tuarā Taonga-ā-Ringa (Trust & Property Operations team) worked with trustees to reschedule postponed hui. They held 294 hui compared to the planned 119 during the final half of 2020/21. Given the success of the online pilot, Te Tumu Paeroa continued to hold a number of hui using online conferencing technology.

Where owners and trustees were unable to attend owner hui, Te Tumu Paeroa published whenua reports on My Whenua, the online information portal service for owners, trustees and whānau. Those not yet registered for this service can request and receive the report by email or post. This year, over 2,900 whenua reports were received or the reports were accessed through My Whenua, by owners who did not attend hui.

Quotes from owners following pilots

"I'm not able to travel much these days, so this type of hui is perfect for me and my whānau here in Melbourne..."

"I've never been able to attend a land hui before, I've received the notices but could never make it because of work and my kids...when I saw Zoom I thought choice!, I can actually be at this one."

"Congratulations for presenting a Hui this way (Zoom)... we are really happy that we have taken this step - Thank you."

Keeping digital taonga safe

Maintaining the integrity and security of client records for approximately 100,000 owners and 1,800 entities is critically important to the work of Te Tumu Paeroa. This requires an in-depth understanding of the systems and processes needed to support the mahi of the organisation.

In 2020, Te Tumu Paeroa underwent a review of its Information Technology (IT) infrastructure and associated systems to ensure they will continue to support our core services and enable future innovation that will assist with increasing client engagement and protecting and enhancing whenua Māori.

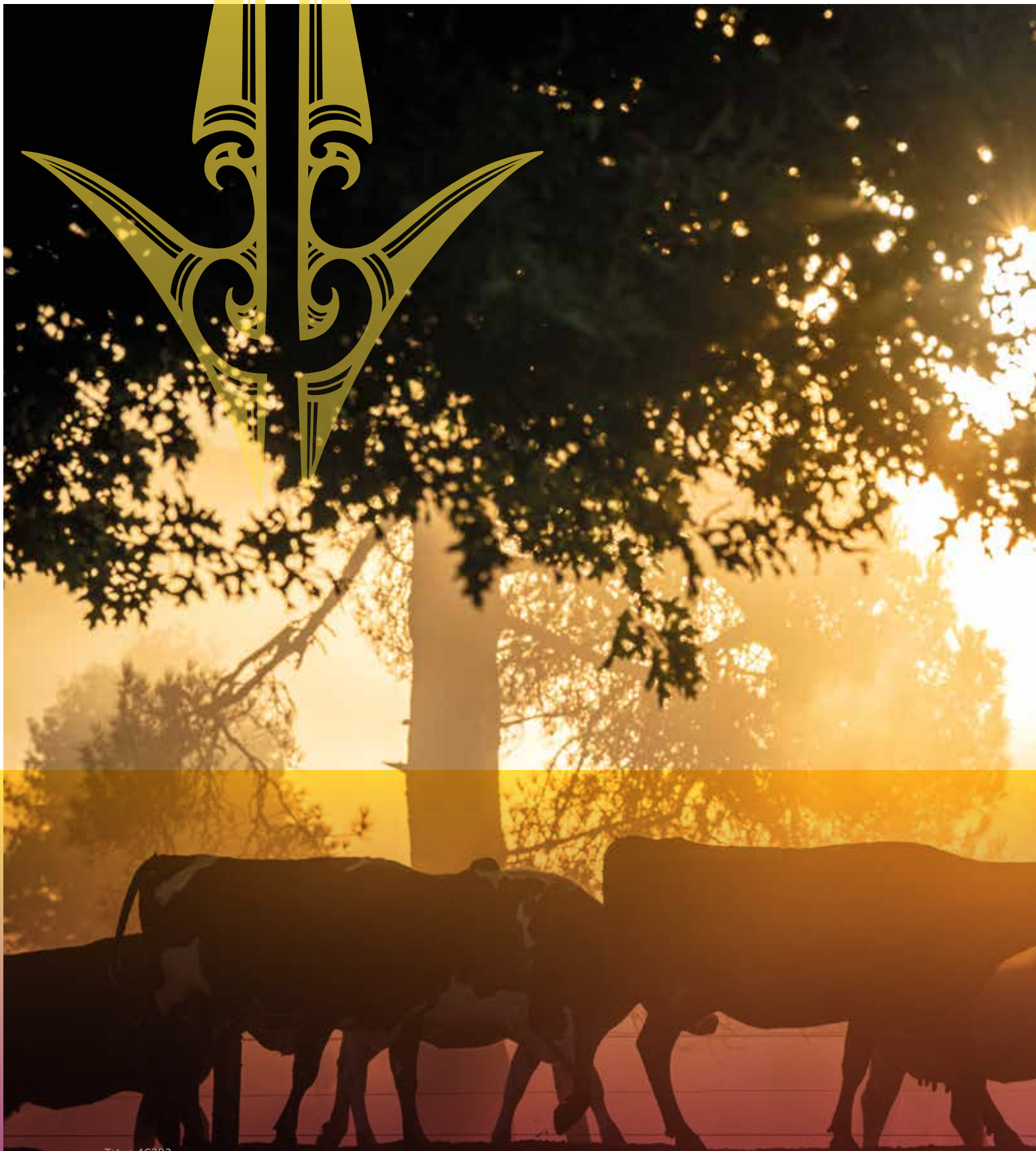
Ruth Russell, Kaihautū Hangarau Whakaaturanga (Chief Information Officer) at Te Tumu Paeroa highlights that in the current environment of increased cyber security risks, it is vitally important that we protect and secure the taonga for which we are Kaitiaki, in the form of information and systems pertaining to whakapapa and whenua Māori.

An IT Roadmap was developed following the review that outlined a pathway and the resources needed to secure, maintain and future-proof the technology.

“Our mahi is complex and we work closely with organisations like the Māori Land Court to get up to date information about owners succeeding to whenua. The better the information we get, the sooner we can support owners to access information about their whenua and connect to online services such as My Whenua.”

With the restrictions imposed through lockdown, Te Tumu Paeroa was able to respond quickly to providing access to systems for kaimahi so they could continue to work and deliver the best outcomes for owners. This included providing online hui capability so that these could be undertaken virtually, automating processes to enable improved client management, and improving data quality and access to enable informed engagement and robust decision making for whenua Māori.

The roadmap outlines a comprehensive programme of work with initiatives focused on delivering improvements to a number of key areas to better enable Te Tumu Paeroa to serve and engage with its clients, such as the public website, and online services My Whenua and the new Our Tenancy, as well as internal support systems, including upgrading the records management system.



Tatua 4C3B2
Toitū te whenua



Developing capability

LIVING THE VALUES OF TE TUMU PAEROA

BUILDING CAPABILITY IN WHENUA MĀORI
ADMINISTRATION

NEW FRAMEWORK HELPS IMPROVE HEALTH
AND SAFETY CULTURE



Te Tumu Paeroa kaimahi
Tū Whakarauika

Living the values of Te Tumu Paeroa

Understanding and displaying cultural competency is fundamental to being a Māori organisation. This year, Te Tumu Paeroa kaimahi continued mahi started in 2019 embedding the values that represent how the organisation can deliver the best outcomes for Māori and whenua Māori.

Each year, kaimahi from Te Tumu Paeroa come together to learn from each other and develop a shared understanding of the collective mahi that is undertaken across each of the rohe.

Tū Whakarauika took place in Taupō this year, with kaimahi visiting Korohe Marae and Tokaanu, some of our kaimahi are uri of these whenua, including the Māori Trustee.

Throughout the two and a half days, kaimahi were able to kōrero about ways to improve the services and look at how they can better support whenua Māori and its owners, trustees, tenants and whānau through their mahi. For many, Tū Whakarauika helped to create a sense of whanaungatanga.

“Together, everyone has a collective responsibility and their mahi is about helping to deliver a better outcome for Māori, hapū, whānau and uri,” highlighted Māori Trustee, Dr Charlotte Severne.

Te Tumu Paeroa is continually identifying ways to grow and evolve as a Māori organisation, providing kaimahi with the opportunities to kōrero to find the best ways to reflect its values and tikanga.

Building capability in whenua Māori administration

The Māori Trustee is passionate about growing the capability of Māori and promoting the administration of whenua Māori as a valued and worthy career.

In February, Te Tumu Paeroa welcomed three graduates to the organisation as part of the new Taupae Pia graduate programme:

- » Hinerangi Mahara (Waikato (Ngāti Mahuta, Ngāti te Wehi), Taranaki (Ngāti Moeahu, Te Atiawa (Otaraua), Ngāti Ruanui)
- » Queenisha Davis (Te Arawa, Tūwharetoa, Pare Hauraki-Pare Waikato, Ngāti Apa)
- » Mihikeita Ngata (Ngāti Porou, Ngātierangi, Ngāti Raukawa, Ngāti Tahu)

Nearly 40 applications were received from graduates across 11 universities and institutes, seeking an opportunity to develop skills and knowledge for a career in whenua Māori administration.

Māori Trustee, Dr Charlotte Severne said that it was positive to see our people wanting to develop their whenua Māori administration capability. Having these skills valued and recognised in our communities is key to the future sustainability of whenua Māori.



Taupae Pia: Queenisha Davis,
Mihikeita Ngata, Hinerangi Mahara

The 12-month programme enables Taupae Pia graduates to gain first-hand experience and knowledge in the lifecycle of whenua Māori administration, across a range of responsibilities the Māori Trustee has. Their mahi also includes areas that are aligned with their future interests such as accounting and environmental planning.

During their first 6 months, the Taupae Pia graduates have visited regional offices of Te Tumu Paeroa, attending local Māori Land Court hearings and owner hui. They have also been working on projects specifically designed to provide the organisation with new learnings and different perspectives that will assist with improving the experience and engagement with owners and trustees.

New framework helps improve health and safety culture

Monitoring and reporting of health and safety plays an important role in the culture at Te Tumu Paeroa.

The implementation of a Health and Safety Environmental (HSE) Framework has been essential to improving reporting of health and safety incidents. This reporting has driven improved incident resolution through the establishment and monitoring of key lead and lag indicators, such as hazard identification, induction training and the tracking of lost time injuries.

This new approach reflects the shared values, goals and practices aimed at helping to enhance the management of risk across all areas of the organisation. Following the impact of COVID-19, an increased awareness and understanding of good health and safety practices has helped guide the senior leadership team to develop clear strategic and operational objectives.

These objectives aim to provide greater visibility and support the establishment of a culture of proactive risk management in relation to the health, safety and wellbeing of kaimahi, clients and tenants they are responsible for.

Over the next 6 months, the health and safety reporting suite will be expanded to include all Person Conducting a Business or Undertaking (PCBU) entities and ensure a consistently high standard of health and safety reporting is received from all whenua administered by the Māori Trustee.

This year, Te Tumu Paeroa has also been working closely with PĀMU (formerly Landcorp) to share HSE best practice and is represented on industry health and safety governance fora, working alongside organisations and agencies, including Safer Farms and WorkSafe, to develop an overarching health, safety and wellness strategy for the agribusiness sector.

Growing an inclusive, culturally competent organisation

Te Tumu Paeroa is committed to being a culturally competent organisation, developing and supporting its kaimahi.

In 2019, a Pou Tikanga was appointed to assist Te Tumu Paeroa, and mahi is currently underway to develop a Korowai-Tikanga Māori that will establish a framework that builds organisational competency through providing all kaimahi with opportunities to increase their knowledge and understanding of Te Ao Māori.

LEARNING AND DEVELOPMENT

Te Tumu Paeroa is a strong advocate of kaimahi development, and this is evident in that all permanent kaimahi have professional and personal development plans. All kaimahi are also able to access free Te Reo Māori and Tikanga courses at a level that supports their journey, including paid or subsidised learning opportunities.

Over the next year, an upgrade to the in-house learning management system - Whare Kōrero is planned that will enable greater opportunities for online learning linked to personal development plans.

RESPONSE TO COVID-19

Following the introduction of COVID-19 restrictions, Te Tumu Paeroa kaimahi remained connected through online karakia (morning and afternoon). This, along with regular communication, provided opportunities for active engagement and support of their health and wellbeing.

Kaimahi were provided with face masks, and were offered additional assistance through external (EAP) counselling if needed.





Supporting Māori whānau

DELIVERING POSITIVE OUTCOMES FOR
MĀORI WHĀNAU

TOP-UP LOAN SCHEME SUPPORTS MĀORI
SMALL BUSINESS



Delivering positive outcomes for Māori whānau

The Māori Trustee is the statutory trustee of Te Tumu Kāinga, a charitable trust committed to helping Māori access healthy, affordable housing. Over the past 12 months, Te Tumu Kāinga and the Māori Trustee have together invested \$4 million in a programme focused on repairing Māori whare in selected regions across the North Island of Aotearoa.

This programme, also involving Te Puni Kōkiri, began in 2019 with identification of regions where an improvement in the living conditions of Māori was most needed.

Many whānau were living in sub-standard conditions and were not in a position to purchase a new home under existing housing schemes. The realisation that there was a gap in the housing market prompted Te Tumu Kāinga and the Māori Trustee to support the initiative to repair existing homes in an effort to improve the health and wellbeing of Māori whānau.

This year, over 130 whare were assessed and underwent repairs, helping to make them drier, warmer and safer. An investment of \$500k was made in the each of Far North, East Coast, Bay of Plenty, Waikato and Taranaki regions.

In addition, \$1 million was invested to deliver housing repairs as part of a broader initiative to revitalise the Kaingaroa Village in the central North Island. The funding saw 49 homes repaired, improving the health and wellbeing of the whānau living in them.

The Kaingaroa Village project saw the community and local agencies working together to establish wrap-around support services for whānau, including budgeting services and training in home maintenance. The results speak for themselves with a reduction in doctors' visits and reduced truancy levels.

Brae Watkins, chairman of Te Tumu Kāinga, said that "While repairing whare is one important outcome, the success for Te Tumu Kāinga in being part of this wider initiative is seeing the positive social impact these repairs have for the whānau who live in them."

Top-Up Loan Scheme supports Māori small business

Small and medium enterprises (SMEs) were hit hard by the measures taken in response to the outbreak of COVID-19 including border closure and restrictions during lockdown, and many affected have been Māori-owned small businesses.

Many Māori-owned small businesses are involved in sectors disproportionately affected by the measures, such as tourism and retail. In common with small business owners, Māori-owned business operators tend to be owner operated businesses providing sole income for their whānau.

In June 2020, the Māori Trustee announced a \$10 million Top-Up Small Business Cashflow Loan Scheme, designed to support Māori-owned SMEs with core operating costs.

The end date for the scheme was extended to 31 December 2020, with approximately 180 Māori small businesses receiving a total of approximately \$1.3 million in loans.

Dr Charlotte Severne, Māori Trustee, said that while some businesses may not have been immediately impacted, the scheme could also be used as a contingency fund to help support them during unpredictable times.

The Māori Trustee Top-Up Loan Scheme provided additional support to businesses who had qualified for the Inland Revenue administered Government Small Business Cashflow Loan.

The majority of loans from the Māori Trustee scheme were to owner/operator businesses, with 66% employing two or fewer kaimahi. A range of businesses were supported from construction to tourism enterprises, with a large proportion located in the Far North, Bay of Plenty, Tairāwhiti and Tāmaki Makaurau.

Businesses have 5 years to pay back the loan in full, with no repayments required in the first 2 years.



Putiki Marae, tēnā koutou

Our organisation

The Māori Trustee is appointed by the Minister for Māori Development under the Māori Trustee Act 1953.

The current Māori Trustee, Dr Charlotte Severne, was appointed for a three-year term in September 2018.

Te Tumu Paeroa is the organisation that supports the Māori Trustee to carry out her duties, functions and responsibilities.

POU ARAHI | SENIOR LEADERSHIP TEAM

Te Tumu Paeroa is led by the Pou Arahi | Senior Leadership Team. The members are:



**KAITIAKI MĀORI
MĀORI TRUSTEE**
Dr Charlotte Severne



**POUTIRIWĀ | DEPUTY MĀORI
TRUSTEE | POU NGĀRAHU
GENERAL COUNSEL**
Greg Shaw



**POU ARAHI TUARĀ TAONGA
TRUST & PROPERTY DIRECTOR**
Brae Watkins



**POU ARAHI RANGATŌPU
CORPORATE SERVICES DIRECTOR**
Martin Eadie

THE POU ARAHI IS SUPPORTED BY



POU TIKANGA
Te Hāmua Nikora



**POU ARAHI KŌPURA | SENIOR
INVESTMENTS MANAGER**
Chris Rich



**KAIHAUTŪ HANGARAU
WHAKAATURANGA | CHIEF
INFORMATION OFFICER**
Ruth Russell (from January 2021)

AUDIT AND RISK COMMITTEE



INDEPENDENT CHAIR
Pat Waite



INDEPENDENT MEMBER
Tracey Hook



INDEPENDENT MEMBER
Kirsten Patterson
(until August 2020)

INVESTMENT COMMITTEE

John Rae
(until 19 January 2021)

Pip Dunphy
(until 19 January 2021)

Greg Shaw
(Chair from 20 January 2021)

Chris Rich

OUR PEOPLE

At Te Tumu Paeroa, there are currently 122 kaimahi working across three rohe, with five offices located across Aotearoa New Zealand, and the main base in Te Whanganui-a-Tara.

Many of our kaimahi have a deep knowledge and long-association with the whenua in their rohe. They are all passionate about supporting the Māori Trustee to administer whenua on behalf of the owners.

ROHE

POU TĀHU

- » Rotorua
- » Kirikiriroa (Hamilton)

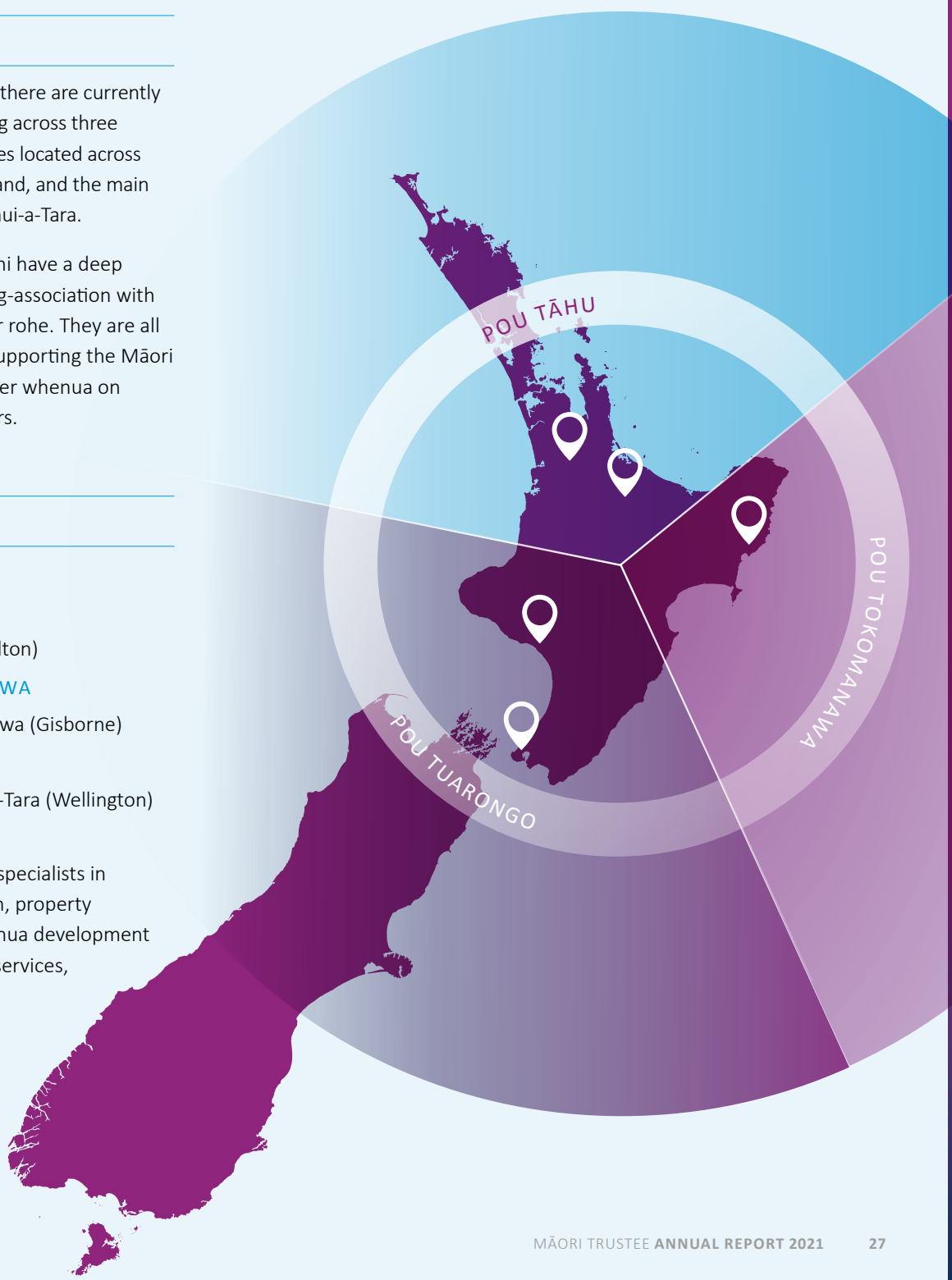
POU TOKOMANAWA

- » Tūranga-nui-a-Kiwa (Gisborne)

POU TUARONGO

- » Te Whanganui-a-Tara (Wellington)
- » Whanganui

The team includes specialists in trust administration, property management, whenua development legal and financial services, and client services.





E mihi ana ki te whānau
o te marae o Korohe



Our Performance

STATEMENT OF RESPONSIBILITY

INDEPENDENT AUDITOR'S REPORT

STATEMENT OF SERVICE
PERFORMANCE

Statement of Responsibility

For the year ended 31 March 2021

In terms of the Crown Entities Act 2004, the Māori Trustee is responsible for the preparation of financial statements, the Statement of Service Performance and the Statement of Trust Monies, and for the judgements made in them.

The Māori Trustee is responsible for any end-of-year performance information provided under section 19A of the Public Finance Act 1989.

The Māori Trustee is responsible for the establishment and maintenance of internal control systems to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Māori Trustee, these financial statements, the Statement of Service Performance and the Statement of Trust Monies for the year ended 31 March 2021, set out on pages 34 to 94, fairly reflect the financial position and operations of the Māori Trustee.



Dr Charlotte Severne
Kaitiaki Māori | Māori Trustee

4 August 2021

Independent Auditor's Report

TO THE READERS OF THE MĀORI TRUSTEE AND GROUP'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

The Auditor-General is the auditor of the Māori Trustee (the Trustee) and its controlled entities (collectively referred to as "the Group"). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of the Trustee and Group on his behalf.

OPINION

We have audited:

- » the financial statements of the Trustee and Group on pages 52 to 94, that comprise the statement of financial position as at 31 March 2021, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- » the performance information of the Trustee and Group on pages 34 to 49.

In our opinion:

- » the financial statements of the Trustee and Group on pages 52 to 94:
 - present fairly, in all material respects:
 - its financial position as at 31 March 2021; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance Public Benefit Entity Reporting Standards; and
- » the performance information on pages 34 to 94:
 - presents fairly, in all material respects, the Trustee and Group's performance for the year ended 31 March 2021, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the funding agreement with the Minister for Māori Development; and
 - its actual revenue and output expenses as compared with the forecasts included in the funding agreement with the Minister for Māori Development; and
 - what has been achieved with the appropriation; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 4 August 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Māori Trustee and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

BASIS FOR OUR OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE MĀORI TRUSTEE FOR THE FINANCIAL STATEMENTS AND THE PERFORMANCE INFORMATION

The Māori Trustee is responsible on behalf of the Trustee and Group for preparing financial statements and performance information that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Māori Trustee is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Māori Trustee is responsible on behalf of the Trustee and Group for assessing the Trustee and Group's ability to continue as a going concern. The Māori Trustee is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Trustee and Group or to cease operations, or there is no realistic alternative but to do so.

The Māori Trustee's responsibilities arise from the Public Finance Act 1989, the Crown Entities Act 2004 and the Māori Trustee Act 1953.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE PERFORMANCE INFORMATION

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists.

Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trustee and Group's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- » We identify and assess the risks of material misstatement of the financial statements and the performance information, 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.
- » We 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 Trustee and Group's internal control.
- » We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Māori Trustee.
- » We evaluate the appropriateness of the reported performance information within the Trustee and Group's framework for reporting its performance.
- » We conclude on the appropriateness of the use of the going concern basis of accounting by the Māori Trustee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trustee and 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 and the performance information 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 Trustee and Group to cease to continue as a going concern.

- » We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- » We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Trustee and Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and performance of the Trustee and Group audit. We remain solely responsible for our audit opinion.

We communicate with the Māori Trustee 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.

Our responsibilities arise from the Public Audit Act 2001.

OTHER INFORMATION

The Māori Trustee is responsible for the other information. The other information comprises the information included on pages 1 to 30 and 50 to 51, but does not include the financial statements and the performance information, and our auditor's report thereon.

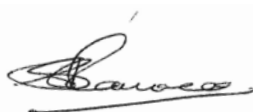
Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENCE

We are independent of the Trustee and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in the Trustee and the Group.



Clint Ramoo

Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Service Performance

The Māori Trustee is listed in Schedule 4 of the Public Finance Act 1989 as requiring the preparation of a statement of service performance in compliance with the requirements of the Crown Entities Act 2004.

In a letter dated 5 August 2009, the Minister of Finance, as empowered by section 45N (2) of the Public Finance Act, granted the Māori Trustee the following exemptions from the provisions of the Crown Entities Act:

- » An exemption from providing “an assessment against the intentions, measures and standards set out in a statement of intent prepared at the beginning of the financial year”. This exemption recognises that the Māori Trustee is not required, under schedule 4 of the Public Finance Act, to prepare a statement of intent. However, the

Annual Report must provide the information that is necessary to enable an informed assessment to be made of the operations and performance for the financial year.

- » An exemption from preparing a statement of service performance “in respect of any class of outputs that is not funded (in whole or in part) by the Crown”. This exemption addresses outputs not directly funded in whole or part by the Crown.

This statement of service performance reports against the outputs stated in the funding agreement between the Minister for Māori Development (on behalf of the Crown) and the Māori Trustee.

The total cost of outputs for the year ended 31 March 2021 is summarised below:

	2021	
	ACTUAL \$000	BUDGET \$000
Crown appropriation	11,586	11,586
Trust services	7,961	7,911
Registry services	1,943	1,958
Governance and capability development	307	348
Property management	4,135	4,006
Common Fund management	341	325
Land development	1,056	998
Business support	1,010	857
Enablement funding	290	290
Total cost allocated	17,043	16,693
Shortfall in Crown Appropriation	(5,457)	(5,107)

The shortfall between the Crown’s contribution to the eight output areas is met by current year fees and commissions and, where required, reserves.

SCOPE OF APPROPRIATION

This appropriation is a contribution to services provided in the eight output areas.

WHAT IS INTENDED TO BE ACHIEVED WITH THIS APPROPRIATION?

The appropriation is intended to assist the Māori Trustee to carry out her statutory and other legal responsibilities with respect to whenua Māori.

VARIATION TO CROWN FUNDING AGREEMENT 2020-2024

The performance metrics outlined under schedule 1 of the Crown Funding Agreement 2020-2024 were varied in the period impacted by COVID-19 Alert Levels 4, 3 and 2.

Statement of Service Performance for the General Purposes Fund

The Māori Trustee administers the General Purposes Fund, which was established by section 23 (1) (c) of the Māori Trustee Act 1953. The services provided to the General Purposes Fund are outside the scope of

the trustee and land management functions that the Crown has purchased from the Māori Trustee through appropriation funding.

OUTPUTS DELIVERED TO THE GENERAL PURPOSES FUND

Investment management: Prudently managing the investment of financial assets within the General Purposes Fund now and for future generations

Funds administration: Administering and growing a loan portfolio for the benefit of Māori and other permitted statutory purposes, including to support Māori entities to improve and make necessary capital investment for the benefit of Māori land.

Enablement funding: Funding the establishment and operation of businesses and joint ventures on Māori land to unlock land-use and economic potential.

Governance: Governance and oversight of financial and non-financial assets within the General Purposes Fund.

Administrative and other support: Administrative and other support to the operation of the General Purposes Fund, including Legal, Tax, Finance, Communications, Risk, HR and IT services.

COST OF DELIVERING OUTPUTS TO THE GENERAL PURPOSES FUND

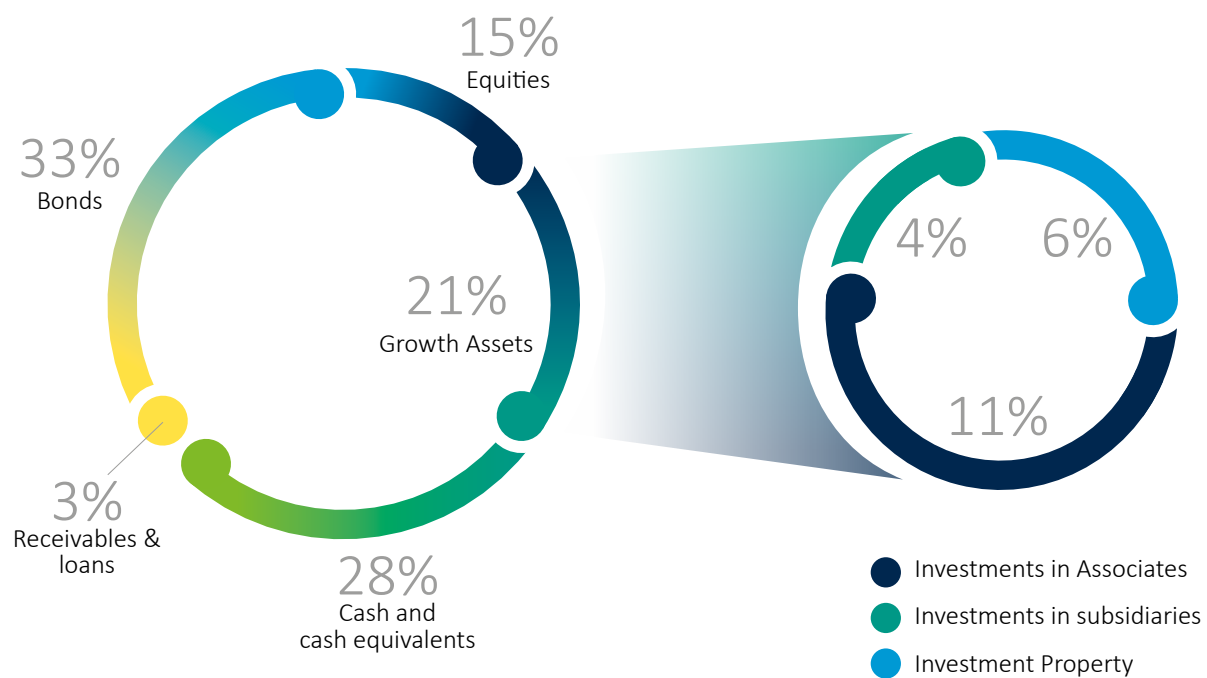
During the year ended 31 March 2021, the Māori Trustee attributed \$2.048 million (2020: \$1.705 million) of operating costs to the delivery of outputs to the General Purposes Fund (GPF) applied as follows:

	2021	2020
	\$000 ACTUAL	\$000 ACTUAL
Output		
Investment management	91	78
Funds administration	102	96
Enablement funding	413	166
Governance	557	466
Administrative and other support	885	899
Total cost attributable to GPF	2,048	1,705

COMPOSITION OF THE GENERAL PURPOSES FUND

At 31 March 2021, the General Purposes Fund had assets valued at \$171 million (2020 \$165 million).

These assets were held as follows:

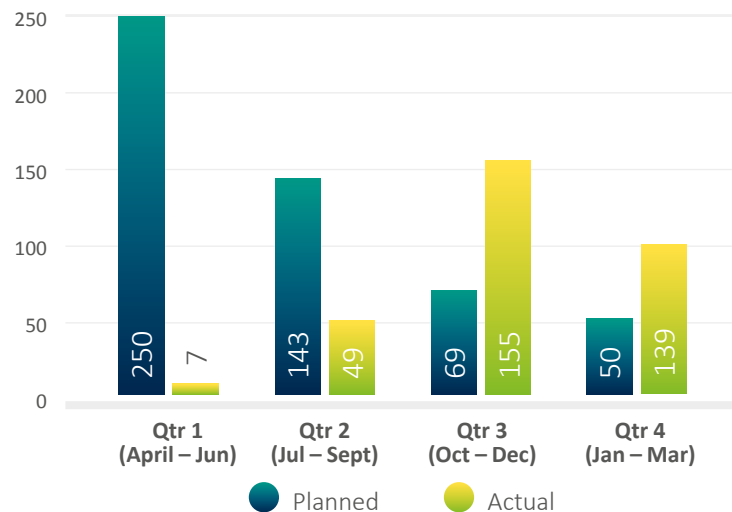


Output 1. Trust Services

This year, the Ratonga Tuarā Taonga-ā-Ringa (Trust & Property Operations team) held 350 of the 512 planned meetings of owners.

The terms of trust under which the Māori Trustee is appointed responsible trustee generally require periodic owner hui (meetings of owners) to be convened. These meetings provide an opportunity for owners to receive information relating to the trust and their whenua. Due to COVID restrictions

in the first half of the year, Te Tumu Paeroa was forced to reschedule a number of trustee and owner hui. Following a pilot initiative, a number of owner hui were completed using online technology (Zoom), providing owners located throughout Aotearoa and overseas the opportunity to attend. This generated positive feedback from owners, resulting in the pilot becoming part of the core offering for a number of trusts.



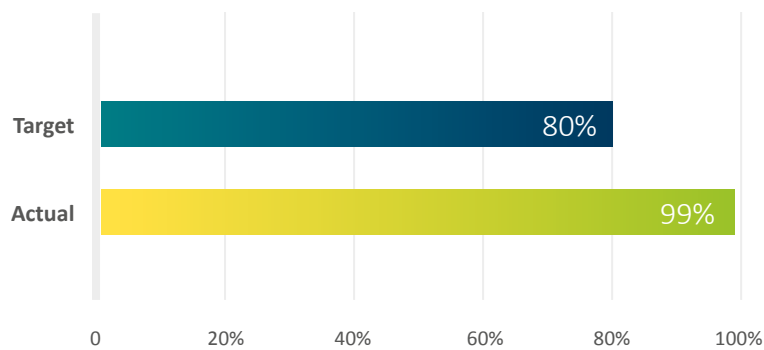
Planned vs actual meeting of owners

During the year, 2% of owners attended scheduled hui. This was slightly lower than the annual average of 2.6% over the past five years.

In the first half of the year, 55% increased attendance was achieved when compared to the last hui against the target of 80%. This dropped to 44% in the period from October to March. However, over 70% was achieved across each of the half year periods, when measured against the same or increased attendance compared to previous hui. Restrictions and apprehension surrounding travel within Aotearoa during various COVID-19 alert levels impacted on the level of attendance at owner hui.

Te Tumu Paeroa is continuing to focus on initiatives aimed at increasing owner engagement and increasing the accuracy of owner contact details.

Te Tumu Paeroa proactively publishes whenua reports on My Whenua, its online client information portal service, and posts reports to owners not yet registered for the service upon request. This year, over 2,900 whenua reports were received or accessed by owners who did not attend hui (12% of owners who were sent hui invitations).

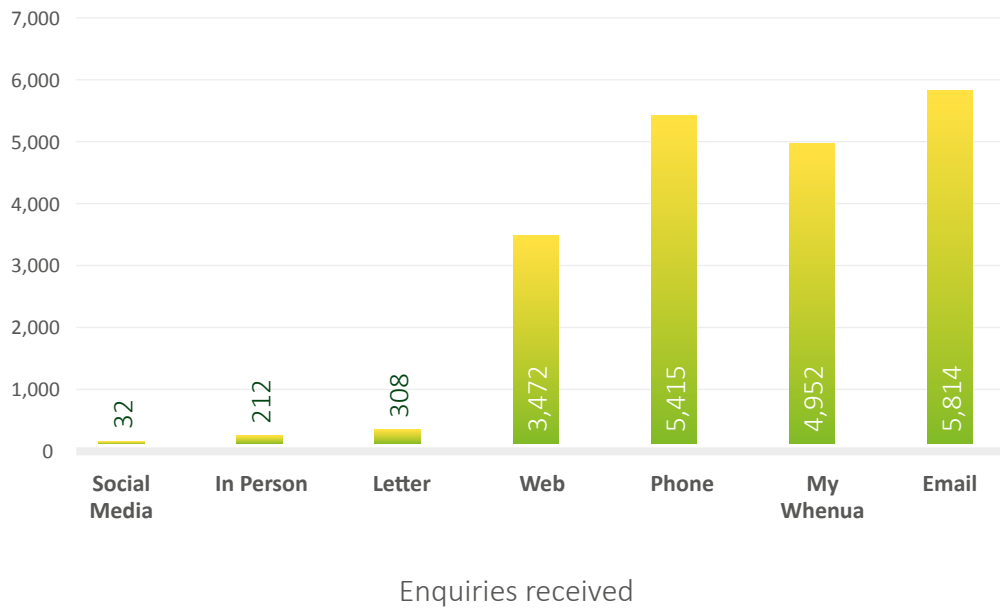


Trust reviews successfully completed at first hearing

Trust Reviews

This year, Te Tumu Paeroa submitted 121 trust review applications to the Māori Land Court (2020 169 trust reviews). Over the full year, 99% were successfully completed at the first Māori Land Court hearing against the target of 80% demonstrating high judicial confidence in Te Tumu Paeroa's administration of the trusts concerned.

Te Tumu Paeroa is entrusted to manage whenua Māori as responsible trustee for approximately 1,350 trusts. The administration of these trusts is subject to periodic review by the Māori Land Court. These reviews provide the Court and owners with the opportunity to review and assess Te Tumu Paeroa's administration of the trust and their whenua. The number of trust review applications were impacted by the reduced number of owner hui held in the first half of this year.



Enquiries

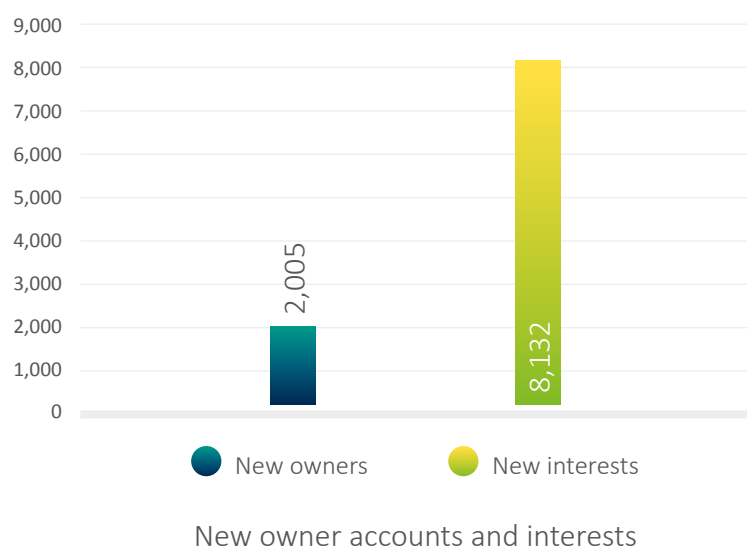
Of the 20,205 (2020 21,547) enquiries received, email continues to be the primary channel used by clients (5,814 received), and combined with phone calls (5,415 received) this makes up approximately 56% of the enquiries received by Te Tumu Paeroa.

This year Te Tumu Paeroa successfully implemented a reorganisation of two of its key support teams: Hangarau Whakaaturanga (Information Technology) and Ratonga Āwhina Kiritaki (Client Services). The reorganisation was implemented following

consultation with kaimahi and has established a clear support structure, as well as systems and processes for improved delivery of client enquiry services.

All enquiries are recorded in the Te Tumu Paeroa customer relationship management application to ensure they can be tracked and managed by Ratonga Āwhina Kiritaki. Of the enquiries received this year, 84% were acknowledged within 7 days, with 95% addressed within 30 days of receipt.

Output 2. Registry Services



Te Tumu Paeroa maintains a register of owners of the 1,751 trusts and other entities the Māori Trustee administers as trustee or agent (2020 1,777). This year 2,005 new owner accounts (2020 855) and 8,132

owner interests in whenua (2020 3,645) were added to the register of owners. New owners are defined as owners who have had a Te Tumu Paeroa client account created within the past 3 months.

Owner contact information

Maintaining the quality of contact information is a key priority as it helps ensure that owners and trustees receive all relevant information and notices regarding their whenua. This year, 8,787 existing owner contact details and 191 new owner contact details were updated. Obtaining current contact details for owners is often difficult and Te Tumu Paeroa is continually looking at ways to increase the contact details of owners.

Digital channels are increasingly being used by owners to connect with Te Tumu Paeroa and going forward, these channels will be used to encourage greater engagement, improve the quality of the ownership information and provide new ways to support owners and trustees. Owners' postal and email addresses, as well as phone numbers are the most commonly

updated information, however due to changes in tax legislation, Te Tumu Paeroa has proactively contacted owners regarding the provision of IRD numbers. Over the year, Te Tumu Paeroa has been working collaboratively with the Māori Land Court to investigate new opportunities for improving the quantity and quality of owner contact information in our register.

Due to the COVID restrictions, no significant in person events or campaigns were held in the year to increase contact details we hold. Responsible and advisory trustees were advised by letter and email about the changes to work arrangements during COVID-19 restrictions.

Succession order processing

This year, 50% of succession orders received by Te Tumu Paeroa were loaded within 30 days (target 80%) and 56% of succession orders we received were loaded within 60 days (target 100%).

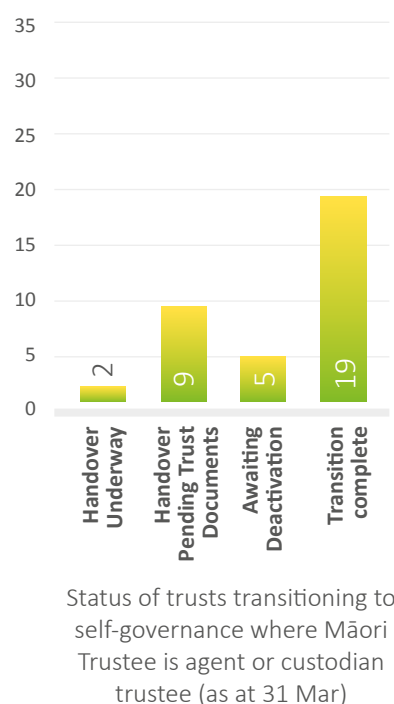
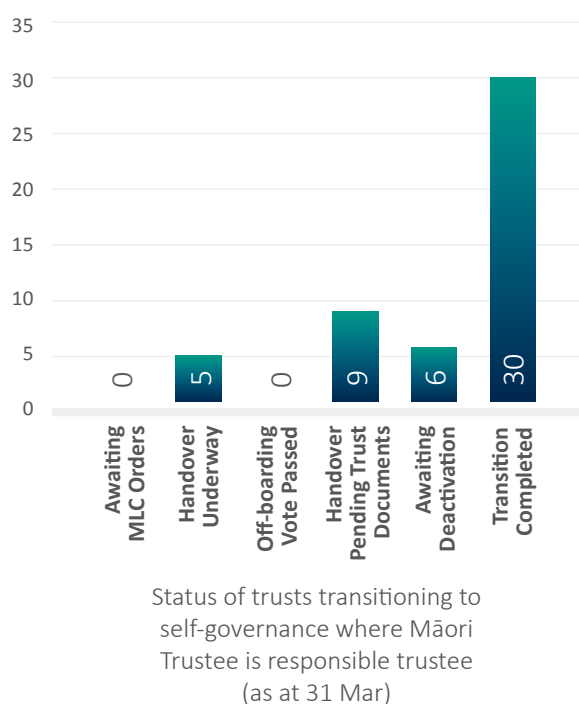
The succession process is managed by the Māori Land Court and although Te Tumu Paeroa does not play a direct role in this process (other than to receive and respond to requests from the Court for information on any funds we hold for a deceased who has shares in Māori freehold land we administer), it continues to be a major topic of enquiries received.

Once the Court determines who the successors are and makes a succession order, Te Tumu Paeroa will receive the order from the Court if the Māori Trustee

administers any land that has been succeeded to. Some delay in processing orders this year arose as a result of receiving a significant higher volume of orders from the Court as backlog orders unable to be processed by the Court during COVID-19 lockdown.

Succession orders are currently received from the Māori Land Court in PDF or paper form and need to be manually entered into the Te Tumu Paeroa register of owners. A project to implement automated scanning and transfer of key data from the court documents commenced at the end of this year to go live in August 2021 and will assist with improving processing times.

Output 3. Governance and Capability Development



By 31 March 2021, 49 trusts had completed their transition and a further 20 were in transition to either sole trustee or agency services provided by Te Tumu Paeroa, with another 16 trusts transitioning from agency services to self-governance.

Developing the capability of owners of whenua Māori to self-govern and administer their land is an important part of the mahi of Te Tumu Paeroa. During the first half of the year, the organisation worked with 53 trusts who were in the process of transitioning from the Māori Trustee to self-governance. This work involves considerable consultation with the owners and trustees to ensure all of the assets identified and trust order compliance requirements are met, as well as supporting the new responsible trustees through governance training, where required.

During the year, Te Tumu Paeroa initiated hui with Te Puni Kōkiri and the Māori Land Court, visiting representatives from two rohe to help strengthen

relationships and identify opportunities to collectively support owners to better understand the capability required for self-governance and administration of their whenua. The organisations will continue to work collaboratively to improve outcomes for owners.

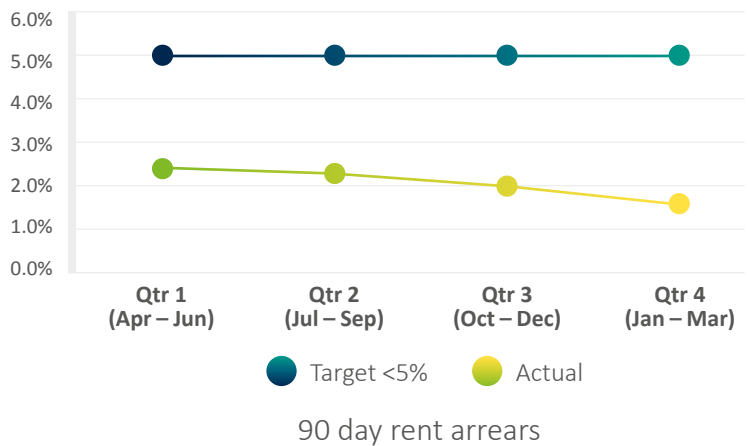
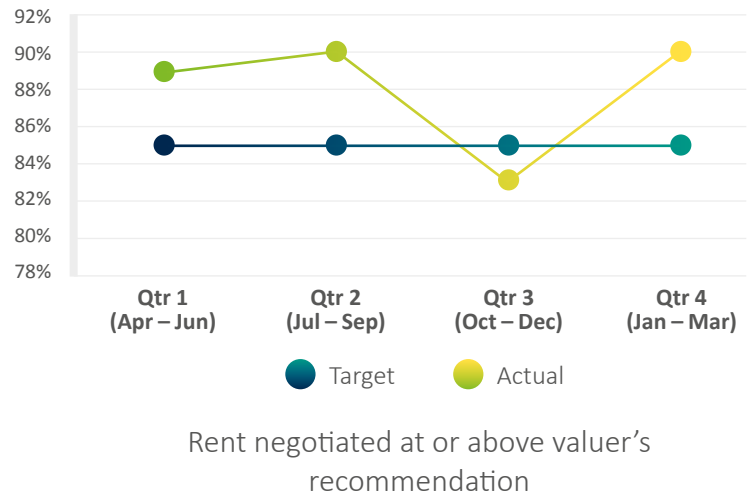
Te Tumu Paeroa has also been working with and supporting the implementation of the National Action Plan of the Centre for Social Impact's Community Governance Steering Group.

In February 2021, Te Tumu Paeroa welcomed three graduates to the organisation as part of its new Taupae Pia programme. This 12-month programme aims to develop excellence in whenua Māori administration, opening up new career pathways for rangatahi to have a role in protecting and enhancing whenua Māori for generations.

Output 4. Property Management

This year, Te Tumu Paeroa was able to negotiate rental at or above market rental in an average of 87% of its negotiations with lessees against the target of 85%

while at the same time keeping rental arrears at less than 2.35%, well below the target of 5%.



Te Tumu Paeroa is committed to ensuring that whenua Māori that is leased is being looked after, developed and improved and that a fair financial return is received by the owners. Te Tumu Paeroa currently administers 1,732 of leases, working closely with owners and lessees to achieve the best outcomes for the whenua.

The number of property vacancies remained consistently under the 5% target, averaging 4.7% across the 12-month period, with good interest seen from the agricultural sector. This was reflective of the ongoing levels of maintenance undertaken on

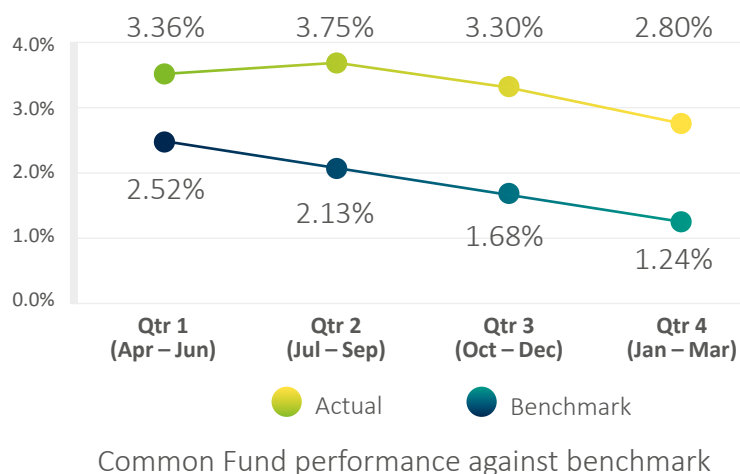
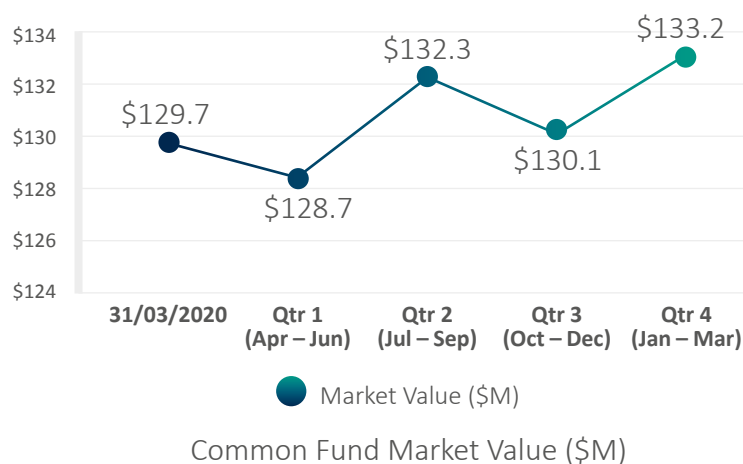
the lease properties. Te Tumu Paeroa will continue to explore options for utilisation of the whenua to increase interest in lease properties.

Throughout the year, Te Tumu Paeroa worked with specialists to prepare 680 Asset Management Plans for whenua where the Māori Trustee has been appointed as responsible trustee. These plans support planning and decision-making relating to the whenua and improvements including identifying necessary capital works, investment, maintenance and alternative use options.

Output 5. Common Fund Management

As at 31 March 2021, the market value of the Common Fund was \$133.2 million (2020 \$129.7 million). This represents over 100,000 individual and entity accounts. The market value of the Common Fund

continues to perform above the benchmark. The Common Fund's returns are projected to track down due to the current economic uncertainty in the longer term.



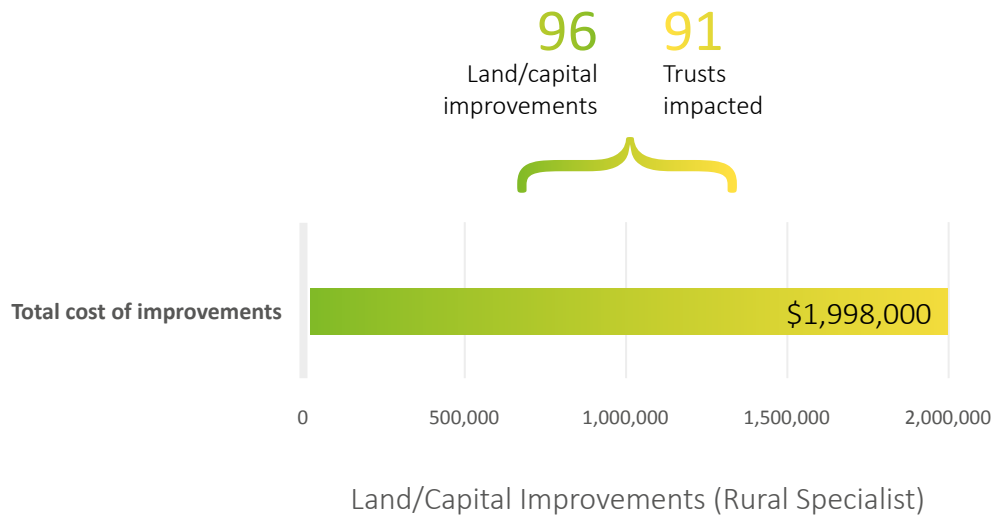
Note: The Benchmark is the 12-month rolling Reserve Bank of New Zealand 6-Month Deposit Rate and the actual is the 12-month rolling return.

Clients with accounts in the Common Fund are eligible to receive distributable income in accordance with the Māori Trustee Act 1953. This year, Common Fund account holders continued to receive returns well above those that can be obtained from banks directly.

This year \$6.25 million (2020 \$5.28 million) was paid by trusts we administer as trustee or agent to owners.

Where no information is held, Te Tumu Paeroa continues to seek to obtain bank account information from individual Common Fund account holders so that balances held in the Common Fund from trust distributions and distributable income can be paid out to them. Under section 26 of the Māori Trustee Act, distributable income is paid to all Common Fund account holders with balances at the end of each month. This year the total amount of distributable income paid to account holders was \$5.2 million (2020 \$5.4 million).

Output 6. Land Development



During the year, 96 land or capital improvement projects with a total cost of \$1.998 million were undertaken impacting 91 trusts. The projects included the installation of over 40km of fencing across whenua.

This year, Te Tumu Paeroa set an ambitious target of completing 180 Farm Environment Plans (FEPs) for whenua where the Māori Trustee is appointed as Responsible Trustee. A total of 187 Farm Environment Plans were completed. This work is integral to ensuring Te Tumu Paeroa can identify and monitor optimal farming practices on whenua Māori as well as gaining a greater understanding of the mahi required to meet national environmental standards and new freshwater regulations.

From these FEPs, over 1,800 actions were identified to meet compliance requirements for the whenua. Over 50% of these actions relate to waterway fencing or planting and specific nutrient management required by local Councils.

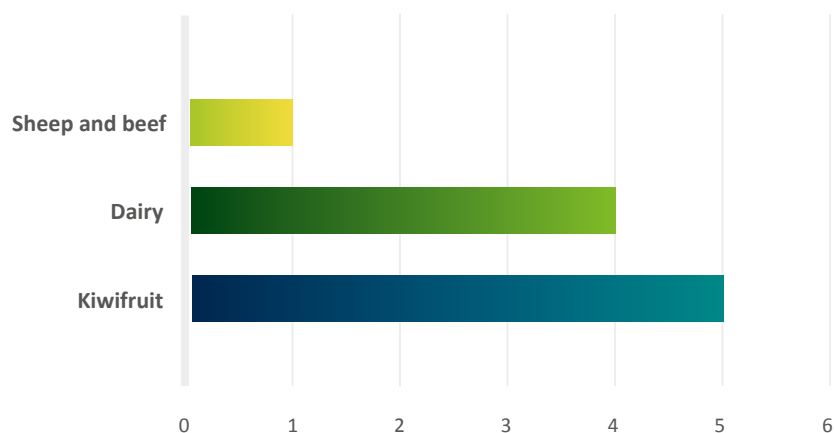
Considerable mahi was undertaken in the Taranaki region in the first half the year to ensure trusts administered by Te Tumu Paeroa were compliant with the new stock exclusion regulations which came into effect from September 2020. This was a significant achievement given the COVID-19 lockdown restrictions that applied during this period.

Further development and feasibility work was limited during this year due to the COVID-19 restrictions, weather conditions and the availability of specialist contractors.

CAPITAL AND LAND IMPROVEMENT INVESTMENT

IMPROVEMENT CATEGORY	INVESTMENT \$000
Enterprise Infrastructure	1,071
Fencing	459
Forestry	250
Other	61
Pasture management	58
Land use planning	4
Planting	38
Soil	4
Water Management	32
Wetland	21
Total	1,998

Output 7. Business Support



Number of Entities/Enterprises provided with business support

Businesses under management

The farm enterprises Te Tumu Paeroa supports continued to perform well. The dairy blocks also had excellent returns this year with near record levels for milk solids produced and the kiwifruit orchards have delivered strong production levels.

The enterprises continued to deliver in uncertain market conditions and a challenging economic environment.

Prices have held up for both horticulture and dairy products and Te Tumu Paeroa is optimistic that this trend will continue in the short to medium term.

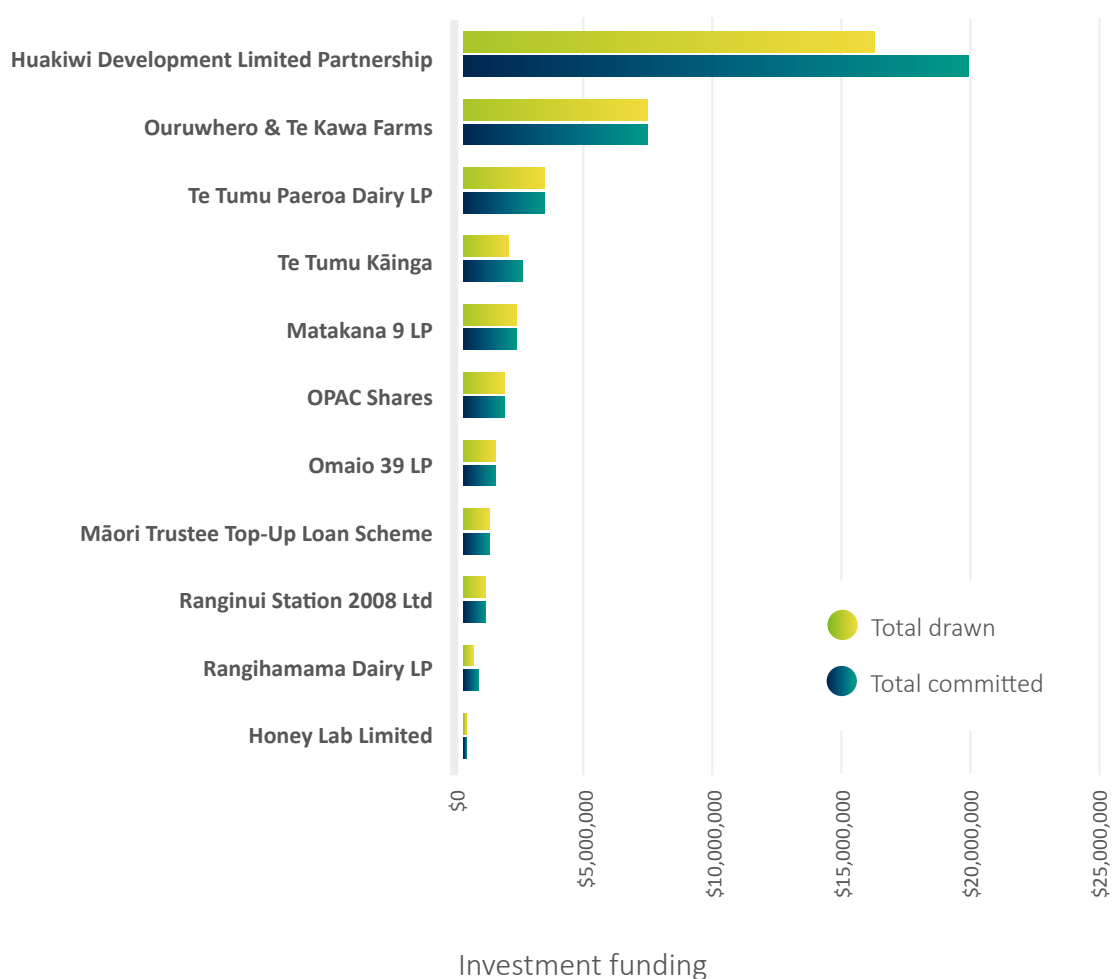
Health and Safety

This year, Te Tumu Paeroa reported zero significant health and safety incidents. A *significant incident* is an incident that requires reporting to Worksafe or immediate action.

Over the last 12 months, Te Tumu Paeroa has grown its maturity in the risk and compliance area. In December 2020, the Te Tumu Paeroa Senior Leadership Team approved a Health and Safety Environmental (HSE) Framework which has seen improved reporting of health and safety incidents.

Ongoing development of monitoring and reporting standards are being implemented to ensure best practice is maintained across all Person Conducting a Business or Undertaking (PCBU) entities. Te Tumu Paeroa is working collaboratively with other farming operation organisations to share best practices in health and safety, and is represented in industry health and safety governance fora.

Output 8. Enablement Funding



Advances from the Māori Trustee General Purposes Fund were used towards the feasibility, development or operation of Māori enterprises. The percentage of General Purposes Fund committed to Enablement Funding equated to 72% for the period Apr-Sept and 75% for the period Oct-Mar.

This year Te Tumu Paeroa and the Māori Trustee advanced \$1.98 million from a loan facility to Te Tumu Kāinga to support the housing repairs project and an additional \$2.575 million to Huakiwi Development Limited Partnership for the ongoing development of kiwifruit orchards.

Top-Up Loan Scheme

Due to the impact on small Māori-owned businesses as a result of the COVID-19 pandemic, the Māori Trustee established a Top-Up Loan Scheme, making \$10 million available for Māori-owned businesses to meet core operating costs. This was funded from the Māori Trustee General Purposes Fund.

Applications were taken from 15 June to 31 December 2020, supporting a wide range of businesses both geographically and across industries. These ranged from businesses in the primary industry, construction, hospitality, tourism, and health and fitness. The scheme closed on 31 December 2020 with just under 180 businesses supported, totalling close to \$1.3 million. The majority of applicants were owner/operator businesses, with 66% having two staff or less.

Te Tumu Kāinga

This year Te Tumu Kāinga, a charitable trust, whose statutory trustee is the Māori Trustee, with the support of the Māori Trustee General Purposes Fund, continued their commitment to help Māori access healthy affordable housing. Together they supported a housing repair programme that saw Te Tumu Kāinga undertake the assessment and repair of 130 homes for Māori whānau. This programme, working in conjunction with Te Puni Kōkiri, has delivered a positive impact for Māori whānau.





Our Financial Statements

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Statement of Comprehensive Revenue and Expense

For the year ended 31 March 2021

	NOTES	GROUP			PARENT	
		2021 ACTUAL \$'000	2021 BUDGET \$'000	2020 ACTUAL \$'000	2021 ACTUAL \$'000	2020 ACTUAL \$'000
Revenue						
Fees and commissions		4,709	5,051	4,563	4,797	4,619
Revenue from Crown	1	11,586	11,586	11,261	11,586	11,261
Interest revenue		2,445	2,866	3,911	2,445	3,911
Farm and land revenue		3,224	1,500	2,371	-	-
Dividends		32	-	-	695	77
Other revenue		327	567	272	676	599
Total revenue	2	22,323	21,570	22,378	20,199	20,467
Expenses						
Employee benefits	3	11,523	11,634	10,349	11,276	10,089
Depreciation	17	337	190	381	199	213
Amortisation	18	737	796	639	705	610
Restructuring costs		209	-	180	209	180
Farm and land expenses	4	1,348	1,500	1,193	-	-
Impairment of other financial assets	13	92	-	58	92	58
Impairment of investments in subsidiaries		-	-	-	-	1,282
Other expenses	5	8,666	7,724	6,807	8,734	6,684
Total operating expenses		22,912	21,844	19,607	21,215	19,116
Net surplus/(deficit) from operations		(589)	(274)	2,771	(1,016)	1,351
Other gains/(losses)						
Reversal of impairment		10	-	10	10	10
Impairment of equity accounted investments	12	-	-	(166)	(1,797)	(166)
Gain on investment property revaluation	16	-	-	-	378	(476)
(Decrease)/Increase in market value of shares		(50)	-	(69)	-	-
Share of associates' net surplus/(deficit)	12	(118)	-	(1,564)	-	-
Total other gains/(losses)		(158)	-	(1,789)	(1,409)	(632)
Net surplus/(deficit) before tax		(747)	(274)	982	(2,425)	719
Income tax expense	6	-	-	-	-	-
Net surplus/(deficit) after tax		(747)	(274)	982	(2,425)	719
Net surplus/(deficit) attributable to:						
Māori Trustee		(747)	(274)	982	(2,425)	719
Non-controlling interest		-	-	-	-	-
Other comprehensive revenue and expense						
Share of equity accounted investments' other comprehensive revenue/(expense)	12	232	-	32	-	-
Increase in financial assets at fair value		3,744	943	859	3,744	859
Gain/(loss) on asset revaluation		1,395	240	(591)	1,017	(115)
Loss on disposal of a controlled entity		-	-	-	102	-
Total comprehensive revenue and expense		4,624	909	1,282	2,438	1,463
Total comprehensive revenue and expense attributable to:						
Māori Trustee		4,624	909	1,282	2,438	1,463
Non-controlling interest		-	-	-	-	-

Explanations of major variances against budget are provided in Note 29.
These financial statements should be read in conjunction with the accompanying notes.

Statement of Changes in Net Assets/Equity

For the year ended 31 March 2021

	NOTES	GROUP			PARENT	
		2021 ACTUAL \$000	2021 BUDGET \$000	2020 ACTUAL \$000	2021 ACTUAL \$000	2020 ACTUAL \$000
Equity at beginning of year						
General Purposes Fund		152,985	163,161	167,591	155,838	170,739
Appropriation Account		5,330	(2,968)	(10,290)	5,330	(10,290)
Financial assets through other comprehensive revenue and expense		8,079	8,079	7,220	7,864	7,005
Asset revaluation reserve		1,382	1,382	1,973	1,185	1,300
Total equity at beginning of year		167,776	169,654	166,494	170,217	168,754
Transfers from statement of comprehensive revenue and expense for the year						
General Purposes Fund - balance of General Purposes Fund		4,770	6,786	7,314	2,962	7,019
General Purposes Fund - balance of Māori Trustee Operating Funds		172	-	-	172	-
Appropriation Account		(5,457)	(7,060)	(6,300)	(5,457)	(6,300)
Financial assets through other comprehensive revenue and expense		3,744	943	859	3,744	859
Asset revaluation reserve		1,395	240	(591)	1,017	(115)
Total comprehensive revenue and expense		4,624	909	1,282	2,438	1,463
General Purposes Fund advance write off	27	-	-	(21,920)	-	(21,920)
Appropriation Account advance write off	27	-	-	21,920	-	21,920
Separate opening General Purposes Fund into its components						
General Purposes Fund - balance of General Purposes Fund	27	(42,868)	-	-	(42,868)	-
General Purposes Fund - Māori Trustee Operating Funds	27	42,868	-	-	42,868	-
Equity at end of year						
General Purposes Fund - balance of General Purposes Fund		114,887	169,946	152,985	115,932	155,838
General Purposes Fund - Māori Trustee Operating Funds		43,040	-	-	43,040	-
Appropriation Account		(127)	(10,028)	5,330	(127)	5,330
Financial assets through other comprehensive revenue and expense		11,823	9,022	8,079	11,608	7,864
Asset revaluation reserve		2,777	1,622	1,382	2,202	1,185
Total equity at end of year		172,400	170,562	167,776	172,655	170,217

Explanations of major variances against budget are provided in Note 29.
These financial statements should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 March 2021

	NOTES	GROUP			PARENT	
		2021 ACTUAL \$000	2021 BUDGET \$000	2020 ACTUAL \$000	2021 ACTUAL \$000	2020 ACTUAL \$000
Assets						
Current assets						
Cash and cash equivalents	7	7,663	3,659	1,640	6,937	1,129
Debtors and other receivables	8	3,703	5,279	4,426	3,535	4,296
Term deposits		41,510	68,000	77,010	41,500	77,000
Held-to-maturity investments	9	24,004	4,500	2,291	24,004	2,291
Loans and receivables	10	199	125	159	199	159
Biological assets	14	1,158	1,177	991	-	-
Equities	15	22,610	19,809	18,866	22,610	18,866
Other financial assets	13	-		877	-	877
Inventory		950	-	695	-	-
Total current assets		101,797	102,549	106,955	98,785	104,618
Non-current assets						
Held-to-maturity investments	9	33,502	23,207	27,707	33,502	27,707
Loans and receivables	10	3,163	1,342	1,390	3,163	1,390
Investments		717	784	759	-	-
Investments in subsidiaries	11	-	-	-	6,043	6,043
Equity accounted investments	12	16,852	23,831	14,266	16,453	15,675
Other financial assets	13	1,289	1,620	1,380	1,289	1,380
Investment property	16	-	9,996	-	10,354	9,996
Property	17	10,354	-	9,996	-	-
Plant and equipment	17	1,769	2,666	1,893	411	440
Intangible assets	18	5,463	6,246	5,454	4,879	4,838
Total non-current assets		73,109	69,692	62,845	76,094	67,469
Total assets		174,906	172,241	169,800	174,879	172,087
Liabilities and equity						
Current liabilities						
Payables	19	1,978	831	1,501	1,695	1,347
Employee benefits	20	512	679	511	512	511
Total current liabilities		2,490	1,510	2,012	2,207	1,858
Non-current liabilities						
Employee benefits	20	16	10	12	16	12
Other non-current liabilities	21	-	159	-	-	-
Total non-current liabilities		16	169	12	16	12
Total liabilities		2,506	1,679	2,024	2,223	1,870
Net assets/equity						
Total equity attributable to Māori Trustee		169,623	168,940	166,394	170,454	169,032
Reserves		2,777	1,622	1,382	2,202	1,185
Non-controlling interest		-	-	-	-	-
Total equity		172,400	170,562	167,776	172,656	170,217
Total liabilities and equity		174,906	172,241	169,800	174,879	172,087

Explanations of major variances against budget are provided in Note 29.
These financial statements should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 31 March 2021

	NOTES	GROUP			PARENT	
		2021 ACTUAL \$000	2021 BUDGET \$000	2020 ACTUAL \$000	2021 ACTUAL \$000	2020 ACTUAL \$000
Cash flows from operating activities						
Fees and commissions		4,810	5,029	5,110	4,810	5,110
Revenue from Crown		11,586	11,586	11,261	11,586	11,261
Investment revenue		3,213	1,347	4,096	3,213	4,096
Other revenue		1,235	739	333	1,230	678
Farm revenue		2,721	1,500	1,808	-	-
Employee benefits		(11,271)	(13,078)	(10,296)	(11,271)	(10,296)
Suppliers		(5,689)	(10,248)	(6,302)	(5,680)	(6,303)
Farm and land expenses		(1,867)	(1,500)	(1,705)	-	-
Restructure cost		(209)	-	(180)	(209)	(180)
Goods and services tax (GST)		68	(520)	(126)	72	(132)
Net cash flows from operating activities	22	4,597	(5,145)	3,999	3,751	4,234
Cash flows from investing activities						
Loans and receivables repaid		2,150	214	1,144	2,150	1,144
Held-to-maturity investments matured or sold		23,520	36,665	11,250	23,520	11,250
Term deposits matured/(invested)		35,500	22,000	(6,250)	35,500	(6,250)
Investment in funds and equities		138	(40,000)	-	138	-
Disposal of property, plant and equipment		(1,373)	-	-	(1,472)	-
Investment property purchased		-	-	-	20	-
Property, plant and equipment purchased		(228)	(271)	(262)	(171)	(209)
Intangible assets purchased		272	(1,315)	(502)	272	(412)
Loans and receivables advanced		(5,613)	(960)	(1,224)	(5,613)	(1,224)
Investment in subsidiaries		(440)	-	-	-	(529)
Investment in equity accounted investments		(2,575)	(3,775)	(2,986)	(2,575)	(2,986)
Held-to-maturity investments purchased		(51,272)	(6,500)	(4,244)	(51,272)	(4,244)
Other financial assets		1,560	-	(954)	1,560	(915)
Capital repayment from subsidiaries and associates		(213)	-	-	-	-
Net cash flows from investing activities		1,426	6,058	(4,028)	2,057	(4,375)
Net increase/(decrease) in cash		6,023	913	(29)	5,808	(141)
Cash at beginning of year		1,640	2,747	1,669	1,129	1,270
Cash at end of year	7	7,663	3,660	1,640	6,937	1,129

GST has been presented on a net basis. Investment and maturity of term deposits have also been reported on a net basis. Explanations of major variances against budget are provided in Note 29.

These financial statements should be read in conjunction with the accompanying notes.

Statement of Trust Monies

For the year ended 31 March 2021

The Māori Trustee operates trust accounts under section 23 of the Māori Trustee Amendment Act 2009 (the Act).

The transactions through these accounts and the balances at 31 March 2021 are not included in the Māori Trustee's financial statements. Balances in these accounts were as follows:

	COMMON FUND		SPECIAL INVESTMENT ACCOUNTS	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Funds held in trust	130,681	127,133	327	99
Represented by				
Cash	2,650	7,330	128	60
Bonds	70,531	39,803	199	39
Term deposits	57,500	80,000	-	-
	130,681	127,133	327	99

Statement of Trust

The Common Fund represents monies received by the Māori Trustee, under sections 23 and 25 of the Act, in trust for persons entitled to receive them. All Common Fund monies are guaranteed by the Crown under section 27 of the Act.

Special Investment Accounts are investments made in accordance with section 24 of the Act.

The funds invested in the Māori Trustee Common Fund generated investment income and were charged a management fee as follows:

	2021 \$000	2020 \$000
Common Fund investment income	3,577	4,417
Management fee	(1,255)	(935)
Distributable income	2,322	3,482

Notes to the Financial Statements

For the year ended 31 March 2021

STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Māori Trustee is a corporation sole established under the Māori Trustee Act 1953 (the Act) and is domiciled in New Zealand. The fundamental role of the Māori Trustee is to work with Māori landowners to protect and enhance their assets now and for future generations. The Māori Trustee has designated itself as a public benefit entity (PBE) for financial reporting standards purposes.

These financial statements have been prepared in terms of section 23 of the Act for the General Purposes Fund and the Appropriation Account. The Māori Trustee operates and manages trust accounts on behalf of clients under section 23 of the Act. The trust account transactions and balances are not included in the Māori Trustee's financial statements. These are included in the statement of trust monies. These consolidated financial statements for the year ended 31 March 2021 comprise the controlling entity and its controlled entities referred to as the 'Group'.

The General Purposes Fund represents funds held by the Māori Trustee in its own right and includes accumulated net fees and commissions earned after 1 July 2009. The Appropriation Account was established on 1 July 2009 under the Māori Trustee Amendment Act 2009 to account for revenue received from the Crown.

The financial statements for the Māori Trustee are for the year ended 31 March 2021 and were approved by the Māori Trustee on 4 August 2021.

BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

As the Māori Trustee in fulfilling its role holds assets in a fiduciary capacity for Māori landowners as its primary business, the Māori Trustee is publicly accountable for the purposes of financial reporting.

The financial statements comply with Public Benefit Entity (PBE) standards, and have been prepared in accordance with Tier 1 PBE standards.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements and notes are presented in the Māori Trustee's functional currency, which is New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000).

STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY ADOPTED

The XRB issued PBE FRS48 *Service Performance Reporting* in November 2017. This standard becomes effective for reporting periods beginning on or after 1 January 2022. Part of standard's new requirements is the presentation of comparative data on all performance measures. The Māori Trustee entered into a new funding agreement from 1 April 2020 which introduced some new performance measures whose comparative data had not been previously collected or required under the previous funding agreement in force in the comparative period. While the standard allows for early adoption, given the absence or mismatch of comparative data, the Māori Trustee assessed that it is not feasible to adopt the standard early.

There are no other standards, amendments, and interpretations issued, but not yet effective, that have not been early adopted and which are relevant to the Māori Trustee.

BUDGET FIGURES

The budget figures were approved by the Māori Trustee. The budget figures were prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Māori Trustee for the preparation of the financial statements.

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis, except where modified by revaluation of certain items of property, plant and equipment, investment property, held-to-maturity investments and non-current assets held for sale. The methods used to measure fair value are detailed in the specific accounting policies.

BASIS OF CONSOLIDATION

LEASES

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Operating lease payments are recognised on a straight-line basis over the term of the lease in the statement of comprehensive revenue and expense.

TERM DEPOSITS

Investments in term deposits are initially measured at fair value plus transaction costs. For term deposits, impairment is established when there is objective evidence that the Māori Trustee will not be able to collect amounts due according to the original term of the deposit.

INVESTMENTS

Investments are stated at market value.

GOODS AND SERVICES TAX (GST)

All items in the financial statements are exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST receivable or payable to the Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the Inland Revenue, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

EQUITY

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- » General Purposes Fund – funds held by the Māori Trustee in its own right. This has been further disaggregated to disclose the funds that have accumulated from the Māori Trustee's operations (fees and commissions).
- » Appropriation Account – established under the Māori Trustee Amendment Act 2009 to account for revenue received from the Crown.
- » Financial assets through other comprehensive revenue.
- » Asset Revaluation Reserve(s).

STATEMENT OF CASH FLOWS

The statement of cash flows has been prepared using direct approach subject to the netting of certain cash flows. The make-up of cash and cash equivalents in the statement of cash flows is the same as that for cash and cash equivalents in the statement of financial position.

Operating activities include cash received from all revenue sources and cash payments made for the supply of goods and services.

Investing activities include the acquisition and disposal of non-current assets and other investments not included in cash and cash equivalents.

Financing activities include activities that result in changes to the size and composition of equity.

CRITICAL JUDGEMENTS, ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements in conformity with PBE accounting standards, the Māori Trustee has made judgements, estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The estimates, judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The useful lives of assets have been based on historical experience. In addition, the condition of the assets is assessed annually and considered against the remaining useful lives. Adjustments to useful lives are made when considered necessary.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Māori Trustee has exercised the following critical judgement in applying the accounting policies.

» Impairment of financial and non-financial assets:

The Māori Trustee assesses the impairment of assets at each reporting date by evaluating conditions specific to the Māori Trustee and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined.

» Revaluation of investment property:

The Māori Trustee assesses the fair value of its investment property at each reporting date by completing a property valuation, which evaluates market conditions at balance date.

» Employee benefits:

The Māori Trustee makes assumptions in calculating employee benefits that are payable beyond 12 months of balance date, such as long service leave, which are calculated on an actuarial basis, taking into account years of service, years until entitlement, the likelihood that staff will reach the point of entitlement, and the net present value of the estimated cash flows.

» Revenue:

The Māori Trustee makes judgement when recognising and categorising revenue as revenue from exchange and non-exchange transactions.

» Top-Up Loan Scheme:

The Māori Trustee Top-Up Loan Scheme is a concessionary loan scheme included in loans and other receivables. As fair value is the amount that the loans could theoretically be sold into the market where unrelated buyers and sellers would set a price that reflects the concessions (i.e. below market terms such as an interest-free period) and risks of borrowers defaulting, a number of assumptions have been applied for financial reporting. The key assumptions in determining the fair value of the Top-Up Loan Scheme are the timing of the principle and interest repayments and the default rate.

Repayments are not required in the first two years but voluntary payments can still be made over that period. The borrowers in the Top-Up Loan Scheme were a subset of the Inland Revenue's Small Business Cashflow

Scheme (SBCS) recipients and the Māori Trustee has significantly relied on the Inland Revenue's model to estimate the likely rates of default as moderated for the Top-Up Loan Scheme borrowers. The Inland Revenue model explicitly modelled the default rates for each industry sector and cross checked with reference to market discount rates.

1. Revenue from Crown

The Māori Trustee received revenue from the Crown in accordance with the Funding Agreement signed in March 2020 and the variation to the funding agreement between the Minister for Māori Development and the Māori Trustee. The revenue in the current financial year is \$11,586,000 (2020 \$11,261,000).

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Revenue from Crown	11,586	11,261	11,586	11,261
	11,586	11,261	11,586	11,261

2. Revenue

ACCOUNTING POLICY

The specific accounting policies for significant revenue items are explained below:

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that economic benefits will flow to the Māori Trustee and that the revenue can be reliably measured.

Revenue is comprised of:

- » Non-exchange transactions – Revenue from Crown, fees and interest revenue from lending.
- » Exchange transactions – Commissions, Common Fund management fees, interest revenue from investment, dividends, rent, farm revenue, director's fees and other revenue.

FEES AND COMMISSIONS

The Māori Trustee can only deduct commissions upon actual receipt of trust monies. Therefore, commissions are recognised on a cash basis and fees on an invoice basis.

INTEREST

Interest revenue is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated cash flows associated with a financial instrument over the expected life of the instrument.

REVENUE FROM THE CROWN

Revenue from the Crown is recognised as revenue when the Māori Trustee is entitled to receive the funding.

FARM REVENUE

Farm revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that economic benefits will flow to the Partnership and that the revenue can be reliably measured.

DIVIDENDS AND EQUIVALENTS

Dividends are recognised when the Māori Trustee's right to receive payments is established. Where the Māori Trustee's investment entitles it to dividends paid at a predetermined rate of return, any dividend payment that exceeds the accumulated predetermined return due is treated as a repayment of capital.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Revenue from non-exchange transactions				
Fees	2,842	2,848	2,930	2,904
Less fees forgiven/written off	(418)	(472)	(418)	(472)
Revenue from Crown	11,586	11,261	11,586	11,261
Interest revenue from lending	164	164	164	164
Total revenue from non-exchange transactions	14,174	13,801	14,262	13,857
Revenue from exchange transactions				
Commissions	1,305	1,288	1,305	1,288
Common Fund management fees	980	899	980	899
Interest revenue from investment	2,281	3,747	2,281	3,747
Farm revenue	3,224	2,371	-	-
Dividends	32	-	695	77
Other revenue	327	272	676	599
Total revenue from exchange transactions	8,149	8,577	5,937	6,610
Total revenue	22,323	22,378	20,199	20,467

3. Employee benefits

ACCOUNTING POLICY

SUPERANNUATION SCHEMES

Obligations for contributions to KiwiSaver and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the statement of comprehensive revenue and expense as incurred.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Salaries and wages	11,019	9,865	10,772	9,605
Defined contribution plan employer contributions	273	245	273	245
Increase in employee entitlements	2	49	2	49
Recruitment related costs	229	190	229	190
Total employee benefits	11,523	10,349	11,276	10,089

4. Farm and land expenses

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Administration expenses	155	88	-	-
Feed	284	296	-	-
Lease payments	12	12	-	-
Repairs and maintenance	48	84	-	-
Stock movement	(303)	(111)	-	-
Other farm expenses	1,152	824	-	-
Total farm and land expenses	1,348	1,193	-	-

5. Other expenditure

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Fees paid to auditors				
- Audit fees for Parent	166	162	166	162
- Audit fees for Subsidiary	28	32	-	-
Impairment of loans and receivables current year	863	243	863	243
Occupancy	992	801	992	801
Consultants' fees	2,037	2,220	2,054	2,220
Legal fees	82	60	82	60
Travel	215	422	215	422
Telecommunications	203	210	203	210
Printing and stationery	91	108	91	108
Insurance	106	91	106	91
Software licences and maintenance	1,419	1,233	1,419	1,233
Loss on disposal/write-off assets	1,544	91	1,544	-
Bad debts – loans and receivables written off	(72)	13	6	13
Other operating costs	992	1,121	992	1,121
Total other expenditure	8,666	6,807	8,733	6,684

During the year the Māori Trustee reviewed the software assets on hand and observed that \$1,544 worth of historical software upgrades were no longer in use as a result of changes in technology. These assets were derecognised because no future economic benefits were expected from their use or disposal.

6. Taxation

ACCOUNTING POLICY

The Parent, the Māori Trustee, is exempt from income tax as a public authority. Accordingly, no provision has been made for income tax for the Parent. All controlled entities of the Parent are taxpayers. The accounting policies applied in respect of the controlled entities are as follows:

Income tax expense comprises both current and deferred tax. Income tax expense is charged or credited to the statement of comprehensive revenue and expense, except when it relates to items charged or credited directly to equity, in which case the tax is charged to equity.

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

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the carrying amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantively enacted at each reporting date. Deferred tax assets and liabilities are not discounted. A deferred tax asset is recognised in the financial statements for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits only to the extent that it is probable that future taxable surpluses will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each balance sheet date.

	GROUP	
	2021 \$000	2020 \$000
Reconciliation between tax expense and accounting surplus:		
Surplus before tax	(677)	982
Tax at 28% (2020 28%)	(190)	275
Tax effect of:		
Parent company income not taxable	659	(560)
Non-taxable income	(470)	285
Tax expense	-	-

Figures above are presented only for the Group as the Parent is exempt from tax.
There is zero tax expense (2021 \$Nil) and there is no offsetting movements (2020 \$Nil).

7. Cash and cash equivalents

ACCOUNTING POLICY

Cash and cash equivalents comprise cash on hand, cash at bank, and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Cash at bank and on hand	831	611	105	100
Deposits at call	6,832	1,029	6,832	1,029
Short-term deposits	-	-	-	-
Total cash and cash equivalents	7,663	1,640	6,937	1,129

The carrying value of cash at bank, deposits at call and short-term deposits with maturities less than three months approximates their fair value.

8. Debtors and other receivables

ACCOUNTING POLICY

Debtors and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

A provision for impairment of debtors is established when there is objective evidence that the Māori Trustee will not be able to collect all amounts due according to the original terms of the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment.

The amount of the provision for impairment is the difference between an asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the statement of comprehensive revenue and expense. When a debtor is uncollectable, it is written off against the provision account.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Receivables from non-exchange transactions				
Trade debtors	191	171	188	171
Sundry receivables	2,897	2,815	2,897	2,815
Receivables from exchange transactions				
Interest receivable	72	706	72	706
Sundry receivables	543	734	378	604
Total debtors and other receivables	3,703	4,426	3,535	4,296

The carrying value of debtors and other receivables approximates their fair value. Trade debtors are non-interest bearing and are generally on monthly terms. An impairment loss is recognised when there is objective evidence that an individual trade debtor is impaired. All debtors past due have been assessed for impairment.

9. Held-to-maturity investments

ACCOUNTING POLICY

Non-derivative financial assets with fixed or determinable payments are classified as held-to-maturity investments when the Māori Trustee has the positive intention and ability to hold these investments to maturity. Held-to-maturity investments include bank, corporate and government bonds. Investments intended to be held for an undefined period are not included in this classification.

Held-to-maturity investments are initially recorded at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest method less any impairment losses. The amortisation is recorded in the statement of comprehensive revenue and expense as interest revenue/expense. Gains and losses are recognised in the statement of comprehensive revenue and expense when the investments are derecognised or impaired.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Current portion				
Bank bonds	10,119	2,098	10,119	2,098
Corporate bonds	13,885	168	13,885	168
Government bonds	-	25	-	25
Total current portion	24,004	2,291	24,004	2,291
Non-current portion				
Bank bonds	2,103	4,500	2,103	4,500
Corporate bonds	28,176	20,999	28,176	20,999
Government bonds	3,223	2,208	3,223	2,208
Total non-current portion	33,502	27,707	33,502	27,707
Total held-to-maturity investments	57,506	29,998	57,506	29,998

10. Loans and receivables

ACCOUNTING POLICY

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Loans and receivables include loans and mortgages, Conversion Fund loans and other advances.

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rates of return for similar financial instruments. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of a loan is recognised in the net surplus or deficit as impairment.

These assets are initially recorded at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest method less provision for impairment.

A provision for impairment of loans and receivables is established when there is objective evidence that the Māori Trustee will not be able to collect all amounts due according to the original terms of the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment.

The amount of the provision for impairment is the difference between an asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the statement of comprehensive revenue and expense. When an asset is uncollectable, it is written off against the provision account.

Loans and mortgages are classified as current assets if principal repayments are due within 12 months of balance date or if the principal amount is overdue at balance date. All other amounts are classified as non-current assets.

	GROUP					
	GROSS \$000	2021 IMPAIRMENT \$000	NET \$000	GROSS \$000	2020 IMPAIRMENT \$000	NET \$000
Current portion						
Loans and mortgages	365	(216)	149	301	(216)	84
Conversion Fund loans	50	-	50	75	-	75
Total current portion	415	(216)	199	376	(216)	159
Non-current portion						
Loans and mortgages	3,782	(761)	3,021	1,197	(171)	1,027
Conversion Fund loans	2,654	(2,529)	125	2,697	(2,484)	213
Other advances	17	-	17	157	(7)	150
Total non-current portion	6,453	(3,290)	3,163	4,051	(2,662)	1,390
Total loans and receivables	6,868	(3,506)	3,362	4,427	(2,878)	1,549

	PARENT					
	GROSS \$000	2021 IMPAIRMENT \$000	NET \$000	GROSS \$000	2020 IMPAIRMENT \$000	NET \$000
Current portion						
Loans and mortgages	365	(216)	149	301	(216)	84
Conversion Fund loans	50	-	50	75	-	75
Total current portion	415	(216)	199	376	(216)	159
Non-current portion						
Loans and mortgages	4,920	(1,899)	3,021	2,117	(1,091)	1,027
Conversion Fund loans	2,654	(2,529)	125	2,697	(2,484)	213
Other advances	17	-	17	157	(7)	150
Total non-current portion	7,591	(4,428)	3,163	4,971	(3,582)	1,390
Total loans and receivables	8,006	(4,644)	3,362	5,347	(3,798)	1,549

The carrying value of loans and receivables approximates their fair value. Movements in the provision for impairment of loans and receivables are as follows:

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Provision for impairment at 1 April	2,878	2,652	3,798	3,572
Additional provisions made during the year	644	236	862	236
Receivables written off during the year	(6)	-	(6)	-
Provisions reversed during the year	(10)	(10)	(10)	(10)
Provision for impairment at 31 March	3,506	2,878	4,644	3,798

All loans and receivables have been reviewed at balance date and impaired where necessary to approximate their fair value.

Conversion Fund loans were established under the Māori Affairs Act 1953. The Māori Trustee is either applying funds from distributions to the repayment of such loans or converting loans to an interest-free loan with repayment terms.

MĀORI TRUSTEE TOP-UP LOAN SCHEME

Loans and other receivables include the Māori Trustee Top-Up Loan Scheme. During the 2021 financial year, the Māori Trustee established the Top-Up Loan Scheme as part of the organisation's response to COVID-19. The scheme advanced \$1.3 million to 177 Māori-owned businesses who had successfully applied for the Inland Revenue's Small Business Cashflow Scheme (SBCS).

The Top-Up Loan Scheme is managed by the Māori Trustee and provided 5-year loans to eligible Māori businesses to manage the impact of lower cash flows due to the COVID-19 pandemic. Borrowers under the Top-Up Loan Scheme are not charged interest if the loan is fully repaid within one year, otherwise the interest is 3% per annum on amounts outstanding for a maximum term of 5 years. Repayments are not required for the first two years, but voluntary payments can still be made over this period.

The Top-Up Loan Scheme is new, there is no data to determine the likely rates of repayment default and limited data to determine the discount rates used in valuing the loans. The Māori Trustee notes the uncertain and volatile nature of future debt repayments and therefore the uncertainty in estimating the fair value of the loans. The borrowers in the Top-Up Loan Scheme were a subset of the Inland Revenue's SBCS recipients and the Māori Trustee has significantly relied on the Inland Revenue's model to estimate the likely rates of default as moderated for Top-Up Loan borrowers' businesses. The discount rate applied was the average base rate for unsecured business loans from New Zealand financial institutions. Significant assumptions behind the carrying value are:

- » Loan interest rate 3%
- » Default rate 46.5%
- » Discount rate 9%

The Top-Up Loan Scheme creates exposure to the risk that the borrowers will default on their obligation to repay their loans. The scheme did not require borrowers to provide any collateral or security to support their borrowings. As the loans are widely dispersed over many borrowers, the scheme does not have any material concentrations of credit risk.

The ageing profile of loans and receivables at year end is detailed below.

	GROUP					
	GROSS \$000	2021 IMPAIRMENT \$000	NET \$000	GROSS \$000	2020 IMPAIRMENT \$000	NET \$000
Not past due	2,231	(108)	2,193	1,311	(50)	1,261
Past due 1 – 30 days	-	-	-	-	-	-
Past due 31 – 60 days	-	-	-	-	-	-
Past due 61 – 90 days	-	-	-	-	-	-
Past due over 90 days	4,637	(3,398)	1,239	3,116	(2,828)	288
Total loans and receivables	6,868	(3,506)	3,432	4,427	(2,878)	1,549

	PARENT					
	GROSS \$000	2021 IMPAIRMENT \$000	NET \$000	GROSS \$000	2020 IMPAIRMENT \$000	NET \$000
Not past due	2,231	(108)	2,193	1,311	(50)	1,261
Past due 1 – 30 days	-	-	-	-	-	-
Past due 31 – 60 days	-	-	-	-	-	-
Past due 61 – 90 days	-	-	-	-	-	-
Past due over 90 days	5,775	(4,536)	1,239	4,036	(3,748)	288
Total loans and receivables	8,006	(4,644)	3,432	5,347	(3,798)	1,549

Impairment in the 'Not past due' category includes the fair value impairment of loans that have an interest rate of 0%.

LOAN TO AUCKLAND AND ONEHUNGA HOSTELS ENDOWMENT TRUST

The Māori Trustee provided a concessionary loan facility to Auckland and Onehunga Hostels Endowment Trust for \$2.5 million. At 31 March 2021 \$1.98 million of this facility had been drawn down (2020 \$390,000). The Māori Trustee has a commitment to advance the remaining \$520,000 once the conditions for drawdown have been met.

11. Investments in subsidiaries

ACCOUNTING POLICY

The consolidated financial statements comprise the financial statements of the Māori Trustee, its wholly owned and controlled entities, MTD1 Limited (100%), Te Tumu Paeroa Dairy Limited Partnership (100%), M9 Limited (100%), Matakana 9 Limited Partnership (100%), O39 Limited (100%), Omaio 39 Limited Partnership (100%), TTP Services (Mānuka) Limited (100%) and TTP Mānuka Limited Partnership (100%). Controlled entities are those entities over which the Māori Trustee has the power to govern the financial and operating policies to obtain benefits from their activities.

MTD1 Limited is a wholly owned and controlled entity of the Māori Trustee with no transactions for the year ended 31 March 2021 (2020 Nil). MTD1 Limited is the general partner for Te Tumu Paeroa Dairy Limited Partnership, which was created in May 2013. As the general partner, MTD1 Limited has responsibility for the management and control of the business and partnership.

Te Tumu Paeroa Dairy Limited Partnership was originally created with the Māori Trustee as the only limited partner owning 100 partnership units. Subsequently, 50 of the 100 partnership units were transferred to the Māori Education Trust. During the 2016 financial year, the Māori Trustee bought back the 50 partnership units from Māori Education Trust, leaving the Māori Trustee as the only limited partner.

The investment was initially carried at cost in the Parent accounts. Fair value is determined using net asset values as most of the Limited Partnership's assets are measured at fair value. The recoverable amount of the investment

is the fair value less costs to sell. At 31 March 2021, there were no impairment losses that were identified from the impairment testing conducted (2020 \$1.28m).

M9 Limited is a wholly owned and controlled entity of the Māori Trustee with no transactions for the year ended 31 March 2021 (2020 Nil). M9 Limited is the general partner for Matakana 9 Limited Partnership, which was created in April 2016. As the general partner, M9 Limited has responsibility for the management and control of the business and partnership.

Matakana 9 Limited Partnership was created with the Māori Trustee as the only limited partner. The partnership is engaged in developing a kiwifruit orchard and producing kiwifruit.

Matakana 9 Limited Partnership leases land from Matakana 9 Trust. At the end of the lease the assets owned by the partnership transfer to the trust. The carrying value of these assets is \$772,430 (2020 \$847,040) and they are classified as farm assets.

O39 Limited is a wholly owned and controlled entity of the Māori Trustee with no transactions for the year ended 31 March 2021 (2020 Nil). O39 Limited is the general partner for Omaio 39 Limited Partnership, which was created in April 2016. As the general partner, O39 Limited has responsibility for the management and control of the business and partnership.

Omaio 39 Limited Partnership was created with the Māori Trustee as the only limited partner. The partnership is engaged in developing a kiwifruit orchard and producing kiwifruit.

Omaio 39 Limited Partnership leases land from Omaio 39 Trust. At the end of the lease the assets owned by the partnership will transfer to the trust. The carrying value of these assets is \$412,785 (2020 \$450,105) and they are classified as farm assets.

Impairment testing was undertaken with regards to the carrying value of the investments in Matakana 9 Limited Partnership and Omaio 39 Limited Partnership in the Parent accounts. The impairment assessment was done based on future cash flows and an appropriate discount rate was applied to reflect the risk of the investment. The risks associated with holding these investments include exposure to adverse climatic (e.g. drought or flooding) and environmental (e.g. disease outbreaks, biosecurity) conditions. There were no impairments that arose from this testing.

TTP Services (Mānuka) Limited is a wholly owned and controlled entity of the Māori Trustee with no transactions for the year ended 31 March 2021 (2020 Nil). TTP Services (Mānuka) Limited is the general partner for TTP Mānuka Limited Partnership, which was created in July 2017. As the general partner, TTP Services (Mānuka) Limited has responsibility for the management and control of the business and partnership. Subsequent to balance date, TTP Services (Mānuka) Limited was wound up and deregistered.

TTP Mānuka Limited Partnership was created with the Māori Trustee as the only limited partner. The partnership is engaged in developing a Mānuka plantation in New Zealand.

During the 2021 financial year, TTP Mānuka Limited Partnership terminated the lease with Hauhungaroa 7 Trust and the assets owned by the partnership were transferred to the trust. The carrying value of these assets was \$Nil (2020 \$Nil) at the end of the lease.

The financial statements of the wholly owned and controlled entities are prepared for the same reporting period as the Māori Trustee, with the exception of Te Tumu Paeroa Dairy Limited Partnership, which has a 31 May balance date to align with farming practice.

Intercompany transactions, balances and unrealised gains on transactions between the controlled entities and the Group are eliminated. Investments in controlled entities are subject to annual review for impairment.

The subsidiaries of the Group are incorporated/established in New Zealand and undertake their business in New Zealand.

12. Equity accounted investments

ACCOUNTING POLICY

Equity accounted investments are accounted for using the equity method of accounting in the consolidated financial statements. Under the equity method, equity accounted investments are carried at cost plus post-acquisition changes in the Māori Trustee's share of the net assets of the equity accounted investments, less provision for impairment.

The Māori Trustee's share of post-acquisition surplus/(deficit) and other comprehensive revenue/(expense) is recognised in the statement of comprehensive revenue and expense. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Equity accounted investments are recorded at cost less any impairment losses in the Parent's financial statements and are accounted for using the equity method of accounting in the Group financial statements.

The financial statements of equity accounted investments are prepared for the same reporting period as the Māori Trustee, with the exception of: Rangihamama Dairy Limited Partnership and RDF1 Limited, which have a 31 May balance date to align with farming practice and Opotiki Packing and Cool Storage Limited, which has a 31 December balance date. The financial statements of Equity Accounted Investments are prepared using consistent accounting policies.

A joint venture is an arrangement in which the Māori Trustee has joint control, while an associate is an entity in which the Māori Trustee has significant influence, but not control or joint control over the financial and operating policies. Some investments are classed as associates due to the nature of the relationship with the entity which allows the Māori Trustee to have significant influence, despite having less than 20% of the voting rights.

The Māori Trustee's investments in associates include Mānuka Research Partnership (NZ) Limited, Opotiki Packing and Cool Storage Limited, Farm Data Accreditation Limited and Te Tumu Miere Limited *in liquidation*. The Māori Trustee's investments in joint ventures include Rangihamama Dairy Limited Partnership, RDF1 Limited, Huakiwi Developments Limited Partnership and Huakiwi Services Limited.

Equity accounted investments are comprised as follows. (A) denotes an 'associate' and (JV) 'Joint Venture':

	EQUITY HOLDING		GROUP		PARENT	
	2021 %	2020 %	2021 \$000	2020 \$000	2021 \$000	2020 \$000
RDF1 Limited (JV)	50	50	-	-	-	-
Rangihamama Dairy Limited Partnership (JV)	50	50	745	485	617	227
Huakiwi Services Limited (JV)	50	50	-	-	-	-
Huakiwi Developments Limited Partnership (JV)	50	50	13,215	11,178	14,038	13,650
Mānuka Research Partnership (NZ) Limited*	0	6.78	-	-	-	-
Opotiki Packing and Cool Storage Limited (A)**	10.1	10.1	2,892	2,603	1,798	1,798
Farm Data Accreditation Limited (A)	14.29	14.29	-	-	-	-
Total equity accounted investments			16,852	14,266	16,453	15,675

*The Māori Trustee disposed of the interest in Mānuka Research Partnership (NZ) Limited in 2021.

** Subsequent to balance date Opotiki Packing and Cool Storage Limited (OPAC) was acquired by Seeka Limited. Shareholders in OPAC received new shares in Seeka at the ratio of 1.4833 Seeka Limited shares for every OPAC share held.

Movements in the carrying amounts of equity accounted investments are as follows:

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Associates				
Opening balance at 1 April	2,603	2,599	1,798	1,798
Transfer balance of former subsidiary to associate	-	-	-	1,041
Share of net surplus/(deficit)	117	12	-	-
Share of other comprehensive revenue/(expenditure)	275	70	-	-
Share of dividends distributed	(104)	(78)	-	-
New investments during the year	-	92	-	456
Impairment of investments during the year	-	(92)	-	(1,497)
Closing balance at 31 March	2,891	2,603	1,798	1,798
Joint Ventures				
Opening balance at 1 April	11,663	10,526	13,877	11,127
Share of net surplus/(deficit)	(234)	(1,575)	-	-
Share of other comprehensive revenue/(expenditure)	(43)	(38)	-	-
Share of dividends distributed	-	-	-	-
Capital repayment during the year	-	-	-	-
New investments during the year	2,575	2,750	2,575	2,750
Impairment of investments during the year	-	-	(1,797)	-
Closing balance at 31 March	13,961	11,663	14,655	13,877
Total equity accounted investments	16,852	14,266	16,453	15,675

Summarised financial information of equity accounted investments is as follows:

	GROUP	
	2021 \$000	2020 \$000
Associates		
Current assets	6,108	6,255
Non-current assets	53,530	53,733
Current liabilities	20,154	28,628
Non-current liabilities	10,860	5,581
Net assets	28,624	25,779
Revenue	48,013	53,339
Total comprehensive revenue/(expenditure)	3,880	805
Share of total comprehensive revenue		
Net surplus/(deficit) after tax	117	11
Other comprehensive revenue/(expenditure)	275	70
Total share of comprehensive revenue	392	81

OPOTIKI PACKING AND COOL STORAGE LIMITED

Opotiki Packing and Cool Storage Limited provides full orchard management, orchard services and post-harvest services to kiwifruit growers in eastern Bay of Plenty, Gisborne, Te Puke and Hawke's Bay. The Māori Trustee is a 10.1% shareholder in Opotiki Packing and Cool Storage Limited (purchased in December 2015) and has one director, which represents 17% of the board. The Māori Trustee actively participates in the decision making along with the other shareholders and directors with intention of ensuring the success of the company. Subsequent to year end, Opotiki Packing and Cool Storage Limited was acquired by Seeka and the Māori Trustee is not represented on the Seeka Limited board.

FARM DATA ACCREDITATION LIMITED

Farm Data Accreditation Limited provides New Zealand Farm Data Standards, which are a set of common data vocabularies that help the business and industry organisations that serve New Zealand farmers to develop efficient technology applications and integrations. The Māori Trustee is a 14.29% shareholder in Farm Data Accreditation Limited and has one director, which represents 25% of the board. Subsequent to year end, the Māori Trustee commenced a process to exit the investment in Farm Data Accreditation Limited.

TE TUMU MĪERE LIMITED IN LIQUIDATION

Te Tumu Mīere Limited *in liquidation* (TTM) has been written down by \$91,012 (2020 \$151,000) to its value in use. TTM is currently undergoing liquidation and the Māori Trustee is unlikely to derive any future cash flows from this investment.

TTM is a wholly owned entity of the Māori Trustee for which the nature of business was collection and wholesaling of mānuka honey from Māori land blocks. TTM was incorporated in February 2015, however the company went into liquidation in November 2018. The Māori Trustee now classes TTM as an associate, previously a subsidiary, as control of the entity was lost when it entered into liquidation.

	GROUP					
	2021			2020		
	\$000	\$000	\$000	\$000	\$000	\$000
	Rangihamama Dairy Limited Partnership	Huakiwi Developments Limited Partnership	Total	Rangihamama Dairy Limited Partnership	Huakiwi Developments Limited Partnership	Total
Joint Ventures						
Current assets	618	4,971	5,589	490	1,678	2,168
Non-current assets	2,196	21,940	24,136	2,077	21,386	23,463
Current liabilities	210	481	691	210	707	917
Non-current liabilities	1,113	-	1,113	1,387	-	1,387
Net assets	1,491	26,430	27,921	970	22,357	23,327
Revenue	1,888	2,418	4,306	1,659	-	1,659
Total comprehensive revenue/(expenditure)	606	(1,075)	(469)	408	(3,573)	(3,165)
Share of total comprehensive revenue						
Net surplus/(deficit) after tax	304	(538)	(234)	204	(1,779)	(1,575)
Other comprehensive revenue/(expenditure)	(43)	-	(43)	(38)	-	(38)
Total share of comprehensive revenue	261	(538)	(277)	166	(1,779)	(1,613)

RANGIHAMAMA DAIRY LIMITED PARTNERSHIP AND RDF1 LIMITED

Created in December 2013, Rangihamama Dairy Limited Partnership is a partnership between the Māori Trustee and the Omapere Taraire E & Rangihamama X3A Ahu Whenua Trust to run a joint venture dairy farm. The Omapere Taraire E & Rangihamama X3A Ahu Whenua Trust and the Māori Trustee have appointed RDF1 Limited as general partner to manage the partnership business. The company is 50% owned by Omapere Taraire E & Rangihamama X3A Ahu Whenua Trust and 50% by the Māori Trustee. In 2016, an impairment loss of \$391,000 was recognised in the Māori Trustee Parent account, due to the significant reduction in the net assets of the Limited Partnership. This impairment loss was reserved in current year as the value of net assets has increased significantly and there are no more indicators of impairment.

HUAKIWI DEVELOPMENT LIMITED PARTNERSHIP AND HUAKIWI SERVICES LIMITED

Huakiwi Development Limited Partnership was created in March 2017 between the Māori Trustee and Quayside Holdings Limited and is engaged in developing kiwifruit orchards and producing kiwifruit in New Zealand. The Māori Trustee and Quayside Holdings Limited have appointed Huakiwi Services Limited as general partner to manage the partnership business. The company is 50% owned by Quayside Holdings Limited and 50% by the Māori Trustee.

Huakiwi Investments Limited has been written down by \$2.19 million to its carrying value due to a reduction in the recoverable amount from the investment over the current term of the leases where the orchard businesses operate from. This was caused by an increase in the cost of the investment, which was unforeseen at the inception of the investment, namely:

- » The substantial increase in the price of G3 kiwifruit licences has resulted in a significant shift in the cost of the investment on three of the orchards.
- » The project management and administrative support required for the investments is now provided by an external party outside Te Tumu Paeroa. The cost of this external administration has not been included in the original cost of the investment.

These impairments were based on the best information available that the Māori Trustee could obtain at the reporting date.

The Māori Trustee has committed uncalled capital in its equity accounted investments of \$3,775,000 (2020 \$6,350,000).

There are no contingent liabilities relating to the Parent's interests in its equity accounted investments.

The equity accounted investments of the Māori Trustee are all incorporated/established in New Zealand.

13. Other financial assets

ACCOUNTING POLICY

Other financial assets are measured at fair value through other comprehensive revenue and expense as the Māori Trustee has no significant influence over the investment. At the end of each reporting period, the Māori Trustee will assess if there's any objective evidence of impairment for its investments.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Opening balance at 1 April	2,257	1,402	2,257	1,402
Advances during the year	-	913	-	913
Repayments during the year	(877)	-	(877)	-
Impairment	(91)	(58)	(91)	(58)
Closing balance at 31 March	1,289	2,257	1,289	2,257

HONEYLAB LIMITED

The Māori Trustee holds 91,507 shares at \$3.00 per share in Honeylab Limited, which makes the Māori Trustee a 2.06% shareholder in Honeylab Limited. The Māori Trustee has not been appointed as a director and does not have the capacity to influence operating and financial policies or to participate in decision making. Subsequent to year-end the Honeylab Limited shares traded at \$2.00 per share which provided objective evidence that the investment was impaired by \$91,507.

RANGINUI STATION LIMITED PARTNERSHIP & BAKER NO TILLAGE LIMITED IN LIQUIDATION

Prior to the 2018 financial year, the Māori Trustee's interest in Ranginui Station Limited Partnership (RSLP) was a limited partner of Putake Investments Limited Partnership (PILP). As a result of the completion of the winding up of PILP, the Māori Trustee came to directly hold a 5.26% interest in RSLP and a 2.44% interest in Baker No Tillage *in Liquidation*.

Attempts by PILP to sell its interest in RSLP prior to its winding up were not successful. The investment has a significantly long-term horizon for return (more than 50 years), and minimal expectations for a short to medium term return unless the limited partners decided to liquidate the partnership. The Māori Trustee has continued to hold Ranginui Station Limited Partnership at cost of \$1,105,942. Fair value is determined using the net assets value of the Ranginui Station Limited Partnership as most of the Limited Partnership's assets are measured at fair value.

In 2020, Baker No Tillage entered into liquidation and the Māori Trustee has estimated that no future cash flows will be received from this investment. The investment does not have a carrying value in the Māori Trustee financial statements (2020 \$Nil).

TE PUIA TAPAPA LIMITED

Te Puia Tapapa Limited was formed as a collective investment vehicle to allow 25 different Māori organisations access to large scale direct investments. In December 2020, the Māori Trustee disposed of its 8.66% interest in the company and the one director seconded to a board of 10 ceased to be a director on 7 December 2020.

14. Biological assets

ACCOUNTING POLICY

Biological assets include livestock measured at fair value.

Livestock are measured at estimate of market value at reporting date. The estimated market return less selling cost is established by reference to current and expected sales returns when available, in the event market data is not available an assessment is made based on historical data.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Opening balance at 1 April	991	1,176	-	-
Livestock losses	(42)	(40)	-	-
Reclassify kiwifruit bearer plants from/(to) property, plant and equipment	-	(202)	-	-
Change in fair value due to biological transformation	366	244	-	-
Change in fair value of livestock due to price changes	(21)	(93)	-	-
Increase/(decrease) due to sale	(136)	(94)	-	-
Closing balance at 31 March	1,158	991	-	-

PGG Wrightson Limited determines livestock market value by using sales that have taken place at the time of the valuation. Sales figures are based on similar types of stock that were being traded either through paddock sales or sold at auction.

Matakana 9 Limited Partnership, Omaio 39 Limited Partnership and TTP Mānuka Limited Partnership hold bearer plants recorded at cost, in accordance with for profit accounting standard NZ IAS 16 Property, Plant and Equipment, because the bearer plants are exempt and excluded from the scope of accounting standard NZ IAS 41 Agriculture.

The Group applies PBE accounting standards for reporting and, hence, on consolidation, the bearer plants, previously reclassified to biological assets in accordance with PBE IPSAS 27 Agriculture, have been reclassified back to property, plant and equipment in accordance with PBE IPSAS 17 Property, Plant and Equipment.

15. Equities

ACCOUNTING POLICY

Equities are measured at fair value of the investment through quoted prices in the market through other comprehensive revenue and expense which are initially measured at fair value plus transaction costs.

After initial recognition, these investments are measured at their fair value with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses that are recognised in the surplus or deficit.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to surplus or deficit.

RISK MANAGEMENT

The Group minimises credit risk by transacting all cash management, fixed interest investment and interest rate risk management activity with counterparties that are of high credit quality as determined by international credit rating agencies (e.g. Standard & Poor's or Moody's). This policy enables higher dollar value exposures to parties assessed by rating agencies as being most able to meet their obligations.

The Group holds equities of \$22.61 million (2020 \$18.87 million). These are comprised of portfolios of debt and equity investments managed by the Group's investment manager. Together with the Group's statement of

investment policies and objectives, the Group ensures prudent management of a well-diversified portfolio of assets.

16. Investment property

ACCOUNTING POLICY

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs. After initial recognition, investment properties are measured at fair value at balance date determined annually by an independent qualified valuer.

Any gain or loss arising from a change in the fair value of investment property shall be recognised in surplus or deficit for the period in which it arises.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Opening balance at 1 April	-	-	9,996	10,631
Additions at cost	-	-	-	-
Fair value adjustment	358	(635)	358	(635)
Transfer to property, plant and equipment	(358)	635	-	-
Closing balance at 31 March	-	-	10,354	9,996

The investment properties are dairy units located in the Ōtorohanga region. It is the Māori Trustee's policy that investment properties are valued at fair value based on an independent valuation. Fair value is based on market values, being the price that would be received for the sale of the property in an orderly transaction between market participants at the measurement date less expected costs incurred in selling the property. Movements in the valuation of investment property are reflected in the statement of comprehensive revenue and expense as a gain on investment property revaluation of \$378,000 (2020 loss \$476,000).

Since 2016, the Māori Trustee is the only limited partner in Te Tumu Paeroa Dairy Limited Partnership. As a result, investment property is transferred to property, plant and equipment in the Group accounts as the dairy units are considered owner occupied from the Group's perspective.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Rental revenue from investment property	-	-	371	371
Direct operating expenses (including repair and maintenance) arising from investment property that generated rental revenue during the period	-	-	-	-
Total amount recognised in profit and loss (excluding revaluations)	-	-	371	371

17. Property, plant and equipment

ACCOUNTING POLICY

Property, plant and equipment consist of land, IT equipment, office equipment, furniture and fittings and motor vehicles.

Land is measured at fair value at balance date determined annually by an independent qualified valuer.

Property, plant and equipment is measured at historical cost, less accumulated depreciation and impairments.

Depreciation is charged to the statement of comprehensive revenue and expense on all property, plant and equipment, other than work in progress. Depreciation is calculated on a straight-line basis at rates estimated to allocate the cost of an asset over the estimated useful life. The estimated useful lives and associated depreciation rates of the asset classes are as follows:

IT equipment	-3 years 33%
Office equipment	-5 years 20%
Furniture and fittings	-5 years 20%
Motor vehicles	-5 years 20%

ADDITIONS

The cost of an item of property, plant or equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with it will flow to the Māori Trustee and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and it is not depreciated.

In most instances, an item of property, plant or equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

DISPOSALS

Property, plant and equipment assets are derecognised when disposed of or when no further future economic benefits are expected from use of the assets. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the statement of comprehensive revenue and expense.

REVALUATIONS

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference, then the off-cycle asset classes are revalued.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in the value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then in other comprehensive revenue.

On subsequent sale of a revalued property, the attributed revaluation surplus remaining in the asset revaluation reserve is directly transferred to retained earnings.

GROUP 2021								
	IT EQUIPMENT	OFFICE EQUIPMENT	FURNITURE AND FITTINGS	MOTOR VEHICLES	BUILDING	LAND	FARM ASSETS	TOTAL
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost at beginning of year	839	182	189	474	-	9,996	2,115	13,795
Additions	105	58	49	3	-	-	58	273
Transfer from investment property	-	-	-	-	-	358	-	358
Disposals	(35)	-	(3)	(244)	-	-	(20)	(302)
Cost at end of year	909	240	235	233	-	10,354	2,153	14,124
Accumulated depreciation at beginning of year	653	174	133	283	-	-	663	1,906
Depreciation	106	15	19	59	-	-	138	337
Depreciation on disposals	(35)	-	(3)	(202)	-	-	(2)	(242)
Accumulated depreciation at end of year	724	189	149	140	-	-	799	2,001
Net carrying value at end of year	185	51	86	93	-	10,354	1,354	12,123

GROUP 2020								
	IT EQUIPMENT	OFFICE EQUIPMENT	FURNITURE AND FITTINGS	MOTOR VEHICLES	BUILDING	LAND	FARM ASSETS	TOTAL
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost at beginning of year	691	174	180	473	-	10,631	1,971	14,120
Additions	148	8	9	43	-	-	53	261
Transfer from investment property	-	-	-	-	-	(635)	-	(635)
Movement in work in progress	-	-	-	-	-	-	(90)	(90)
Bearer plants reclassified from biological assets	-	-	-	-	-	-	230	230
Impairment	-	-	-	-	-	-	(91)	(91)
Derecognise TTM assets	-	-	-	(42)	-	-	42	-
Cost at end of year	839	182	189	474	-	9,996	2,115	13,795
Accumulated depreciation at beginning of year	558	168	116	203	-	-	452	1,497
Depreciation	95	6	17	94	-	-	169	381
Bearer plants reclassified from biological assets	-	-	-	-	-	-	28	28
Transfer motor vehicle to farm assets	-	-	-	(14)	-	-	14	-
Accumulated depreciation at end of year	653	174	133	283	-	-	664	1,906
Net carrying value at end of year	186	8	56	191	-	9,996	1,452	11,889

PARENT 2021								
	IT EQUIPMENT	OFFICE EQUIPMENT	FURNITURE AND FITTINGS	MOTOR VEHICLES	BUILDING	LAND	FARM ASSETS	TOTAL
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost at beginning of year	840	182	188	474	-	-	-	1,684
Additions	105	58	49	3	-	-	-	215
Disposals	(35)	-	(3)	(244)	-	-	-	(282)
Cost at end of year	910	240	234	233	-	-	-	1,617
Accumulated depreciation at beginning of year	654	172	138	283	-	-	-	1,247
Depreciation	106	15	19	59	-	-	-	199
Depreciation on disposals	(35)	-	(3)	(202)	-	-	-	(240)
Accumulated depreciation at end of year	725	187	154	140	-	-	-	1,206
Net carrying value at end of year	185	53	80	93	-	-	-	411

PARENT 2020								
	IT EQUIPMENT	OFFICE EQUIPMENT	FURNITURE AND FITTINGS	MOTOR VEHICLES	BUILDING	LAND	FARM ASSETS	TOTAL
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost at beginning of year	691	174	179	431	-	-	-	1,475
Additions	149	8	9	43	-	-	-	209
Cost at end of year	840	182	188	474	-	-	-	1,684
Accumulated depreciation at beginning of year	558	168	116	189	-	-	-	1,031
Depreciation	96	6	17	94	-	-	-	213
Accumulated depreciation at end of year	654	174	133	283	-	-	-	1,244
Net carrying value at end of year	186	8	55	191	-	-	-	440

There are no restrictions over the title to items of property, plant and equipment, nor are any property, plant and equipment assets pledged as security for liabilities.

Bearer plants are held with the primary objective of generating a predetermined return and this is restricted to the term of the leases (including rights of renewal) for the land that orchard businesses operate on. No further future economic benefits are expected from use of the assets beyond the earlier of the date the predetermined return is achieved and capital is paid back or the end of the lease. The recoverable amount for the bearer plants is based on the discounted cash flows that are generated from them.

18. Intangible assets

ACCOUNTING POLICY

Intangible assets consist of acquired computer software, software modified for use and carbon credits.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs incurred with development and maintenance of the Māori Trustee's website are recognised as an expense when incurred.

Acquired software and software modified for use are measured at historical cost less accumulated amortisation and impairments.

The estimated useful lives and associated amortisation rate of the asset class are as follows:

Acquired software	3-5 years	20-33%
Carbon credits (NZUs)	Unlimited	N/A

NZUs are initially measured at cost. Subsequently, at each reporting date, the NZUs are measured at fair value.

Any increase in the carrying amount is recognised in other comprehensive revenue and expense and accumulated in equity as revaluation reserve. The increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease is recognised in surplus or deficit. The decrease is recognised in other comprehensive revenue and expense to the extent of any credit balance in the revaluation reserve in respect of that asset.

Amortisation is charged to the statement of comprehensive revenue and expense on all intangible assets, other than work in progress. Amortisation is calculated on a straight-line basis at rates estimated to allocate the cost of an asset over the estimated useful life. The useful lives of the intangible assets have been assessed to be finite.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is recognised in the statement of comprehensive revenue and expense for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use for non-cash generating assets is determined as the depreciated replacement cost where the future economic benefits are not dependent on the assets ability to generate cash flows. Losses resulting from impairment are reported in the surplus or deficit.

Cash-generating assets and non-cash generating assets are distinguished by reviewing the assets primary objective. Cash-generating assets are those assets held with the primary objective of generating a commercial return and non-cash generating assets are those assets from which the Māori Trustee does not intend to realise a commercial return.

	GROUP					
	2021			2020		
	CARBON CREDITS	OTHER INTANGIBLE ASSETS	TOTAL	CARBON CREDITS	OTHER INTANGIBLE ASSETS	TOTAL
	\$000	\$000	\$000	\$000	\$000	\$000
Cost at beginning of year	1,625	6,965	8,590	1,740	6,463	8,203
Additions	-	628	628	-	470	470
Disposals/Write off	-	(4,619)	(4,619)	-	-	-
Revaluation increase/(decrease)	1,017	-	1,017	(115)	-	(115)
Movement in work in progress	-	645	645	-	32	32
Impairment	-	-	-	-	-	-
Cost at end of year	2,642	3,619	6,261	1,625	6,965	8,590
Accumulated amortisation at beginning of year	-	3,136	3,136	-	2,497	2,497
Amortisation	-	737	737	-	639	639
Amortisation on disposal	-	(3,075)	(3,075)	-	-	-
Accumulated amortisation at end of year	-	798	798	-	3,136	3,136
Net carrying value at end of year	2,642	2,821	5,463	1,625	3,829	5,454

	PARENT					
	2021			2020		
	CARBON CREDITS	OTHER INTANGIBLE ASSETS	TOTAL	CARBON CREDITS	OTHER INTANGIBLE ASSETS	TOTAL
	\$000	\$000	\$000	\$000	\$000	\$000
Cost at beginning of year	1,625	6,258	7,883	1,740	5,846	7,586
Additions	-	628	628	-	380	380
Disposals/Write off	-	(4,619)	(4,619)	-	-	-
Revaluation increase/(decrease)	1,017	-	1,017	(115)	-	(115)
Movement in work in progress	-	645	645	-	32	32
Cost at end of year	2,642	2,912	5,554	1,625	6,258	7,883
Accumulated amortisation at beginning of year	-	3,045	3,045	-	2,435	2,435
Amortisation	-	705	705	-	610	610
Amortisation on disposal	-	(3,075)	(3,075)	-	-	-
Accumulated amortisation at end of year	-	675	675	-	3,045	3,045
Net carrying value at end of year	2,642	2,237	4,879	1,625	3,213	4,838

There are no restrictions over the title to intangible assets nor are any intangible assets pledged as security for liabilities. In 2021, the Māori Trustee reviewed the amortisation period for software assets due to changes in the estimated useful lives of the assets from 10 years to 3-5 years. The change in estimate became effective on 1 January 2021.

19. Payables

ACCOUNTING POLICY

Creditors and other payables represent liabilities for goods and services provided to the Māori Trustee prior to the end of the financial year.

Creditors and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Payables under exchange transactions				
Creditors	971	972	971	972
Accrued expenses	852	442	552	275
Revenue in advance (Rent)	-	-	-	-
Total payables under exchange transactions	1,823	1,414	1,523	1,247
Payables under non-exchange transactions				
GST payable	155	87	172	100
Revenue in advance (Crown appropriation)	-	-	-	-
Total payables under non-exchange transactions	155	87	172	100
Total payables	1,978	1,501	1,695	1,347

As payables are non-interest bearing and are normally settled on monthly terms, their carrying value approximates their fair value.

20. Employee benefits

ACCOUNTING POLICY

Employee benefits include accrued salaries and wages, annual leave earned, and retiring and long service leave entitlements.

Employee benefits expected to be settled within 12 months of balance date are measured at the undiscounted current rates of pay and the accrued entitlements.

Employee benefits that are payable beyond 12 months of balance date, such as long service leave, are calculated on an actuarial basis, which takes into account years of service, years until entitlement, the likelihood that staff will reach the point of entitlement, and the net present value of the estimated cash flows.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Current portion				
Accrued salaries and wages	-	-	-	-
Severance	-	-	-	-
Annual leave	497	499	497	499
ACC liabilities	13	10	13	10
Retirement and long service leave	2	2	2	2
Total current portion	512	511	512	511
Non-current portion				
Retirement and long service leave	16	12	16	12
Total non-current portion	16	12	16	12
Total employee benefits	528	523	528	523

The present value of retirement and long service leave obligations are determined on an actuarial basis. These determining factors include: discount rate, salary inflation, years of service, years until entitlement, and the likelihood that staff will reach the point of entitlement. Any changes to these factors will affect the net present value of the estimated cash flows and the carrying amount of the liability.

Expected future payments are discounted using New Zealand government stock rates. A discount rate of 0.21% (2020 1.02%) and an inflation factor of 3.00% (2020 3.00%) were used based on historical salary inflation patterns.

21. Liability to Māori Education Trust

The Māori Trustee owns and leases the Ouruwhero and Te Kawa farms to Te Tumu Paeroa Dairy Limited Partnership, a wholly owned limited partnership. The farms were acquired by the Māori Trustee from the Māori Education Trust in 2016. At the time of the sale the parties made provision for a gain-sharing arrangement in the event the Māori Trustee decided to sell the farms above an agreed amount. The farms have not been sold. Had the farms sold at the end of the 2021 financial year, the Māori Trustee would have had no liability under the arrangement (2020 \$Nil).

22. Reconciliation of net operating surplus with net cash flows from operating activities

	NOTES	GROUP		PARENT	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000
Net Surplus		(747)	982	(2,424)	2,001
Add/(deduct) non-cash items					
Amortisation of premiums/discount		225	84	245	84
Depreciation	17	337	381	199	213
Amortisation of intangible assets	18	737	639	705	610
Impairment losses/(gains)		1,178	385	1,178	294
Share of equity accounted investments' net deficit/(surplus)	12	118	1,564	-	-
Decrease in market value of shares		50	69	-	-
Loss on investment property revaluation		-	-	(378)	635
Reduction in liability to MET		-	-	-	(159)
Impairment of investments in associates		-	166	1,794	166
Reversal of impairment		(10)	(10)	(10)	(10)
Disposal of investments in associates		102	-	-	-
Interest income on loans and advances		(110)	(157)	(110)	(157)
Add/(deduct) investing activities					
(Gain)/loss on sale of non-current assets held for sale		-	2	-	2
(Gain)/loss on disposal of property, plant and equipment		1,408	77	1,439	-
Dividend received from associate		-	-	-	-
Investments in associates		-	70	-	70
Movement in other financial assets		-	-	-	-
Movement in work in progress		-	90	-	-
Add/(deduct) movements in working capital					
(Increase)/decrease in debtors and other receivables		719	550	761	581
(Increase)/decrease in stock		167	(712)	-	-
Increase/(decrease) in payables		423	(181)	353	(96)
Net cash flows from operating activities		4,597	3,999	3,752	4,234

23. Commitments

ACCOUNTING POLICY

Commitments are future expenses and liabilities to be incurred on contracts entered into before balance date.

Cancellable commitments that have penalty or exit costs explicit in the agreement are reported at the minimum future payments, including the value of the penalty or exit cost. Commitments include:

- » Non-cancellable operating leases for property, which are measured as the future payments due under the lease contract.
- » Other non-cancellable commitments for consulting contracts, which are measured as the future payments due under the contracts.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Lease commitments as lessee				
Less than 1 year	766	760	754	748
1 year to 2 years	458	681	446	669
2 years to 5 years	120	459	84	423
Greater than 5 years	81	73	9	-
Total lease commitments as lessee	1,425	1,973	1,293	1,840

The Māori Trustee leases its head office and regional office premises. A significant portion of the non-cancellable operating lease expense relates to the lease of the Wellington head office which has a November 2022 right of renewal and a termination date of 30 November 2028. The Māori Trustee does not have the option to purchase assets pursuant to any of the leases.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Lease commitments as lessor				
Less than 1 year	(308)	-	63	371
1 year to 2 years	(63)	-	-	63
2 years to 5 years	-	-	-	-
Greater than 5 years	-	-	-	-
Total lease commitments as lessor	(371)	-	63	434

100% (2020 100%) of the commitment as lessor in the Parent figures relates to investment property.

24. Contingent liabilities and assets

ACCOUNTING POLICY

Contingent assets and contingent liabilities are disclosed at the point at which the contingency is evident.

Contingent assets are disclosed if it is probable that the benefits will be realised. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote.

UNCLAIMED MONIES (1963 TO 1993)

A contingent liability of \$7,644,000 (2020 \$7,644,000) relates to beneficiary monies paid out by the Māori Trustee under section 30(9) of the Māori Trustee Act 1953 to the Māori Education Trust, the Māori Purposes Fund Board and the New Zealand Māori Council. This section was later substituted by section 2(1) of the Māori

Trustee Amendment Act 1996, which became effective on 24 June 1996. The Māori Trustee will be liable to make payment to beneficiaries who establish an entitlement in the future.

COMPENSATION LEASES

The Māori Trustee administers leases where compensation is payable to the lessee on expiry or resumption of a lease.

In some of these cases, the Māori Trustee is required by the Māori Vested Land Administration Act 1954 to advance to owners monies required to meet compensation payments, where sums set aside during the course of the lease prove to be insufficient. Advances that the Māori Trustee may be required to make upon resumption of such leases is not quantifiable at this time.

In other cases where the lease provides for compensation to be paid to the lessee, and there are insufficient funds held on behalf of the owners, the Māori Trustee is not required by statute to provide these funds. However, the Māori Trustee may be called upon to provide a loan from the General Purposes Fund to assist owners to meet the obligations to lessees to pay for improvements. The value of such advances is not quantifiable at this time.

LAND OVERLAY 3A

A number of Māori Land Trusts administered by the Māori Trustee as Responsible Trustee have received notification from the Gisborne District Council that parts of their land are subject to serious land erosion and have been classified as 'Land Overlay 3A' under the Council's Combined Regional Land and District Plan. Under the Combined Regional Land and District Plan a works plan must be developed for land classified as Land Overlay 3A, which provides, amongst other things, for the establishment of effective tree cover for the affected land by 2021. Work is already underway on some land blocks and this has been funded by the Gisborne District Council.

As Land Overlay 3A obligations ultimately rest with the legal landowner, the Māori Trustee could in the future be required to cover compliance costs associated with the Land Overlay 3A requirements, which are unable to be met by the affected Trusts.

The potential costs (if any) are unable to be quantified at this time. Factors that would impact quantification include the outcome of the discussions with the Gisborne District Council and other agencies, whether affected Trusts are eligible to meet some of the compliance costs from the Erosion Control Funding Programme (East Coast) grant (and if so, the amount of the grant), and the financial ability of individual Trusts to meet compliance costs when called upon to do so.

PRE-1990 FOREST

A number of Māori Land Trusts administered by the Māori Trustee as Responsible Trustee or as Custodian Trustee own 'pre-1990 forest' (as defined under the Climate Change Response Act 2002). The Māori Trustee has the obligations of the legal landowner of 'pre-1990 forest' under the Act, associated legislation and rules.

If 'deforestation' (as defined under the Act) of any pre-1990 forest were to occur, the Trusts concerned would need to meet the deforestation liability by the surrender of NZUs or Kyoto-compliant emissions units (except where the Environmental Protection Authority has determined that responsibility for the deforestation lies with a third party e.g. the holder of a forest right or lessee). If a Land Trust that the Māori Trustee administers as Responsible Trustee or Custodian Trustee did not have sufficient emissions units to meet a deforestation liability and did not have, or could not obtain, third party finance to acquire sufficient emissions units to meet the deforestation liability, the Māori Trustee as legal landowner would need to ensure that the affected Trust acquired emissions units to meet the deforestation liability.

The potential costs (if any) are unable to be quantified at this time. Factors that would impact quantification in the event of deforestation include the number of hectares subject to deforestation (and accordingly the number of emissions units that need to be surrendered), whether the emissions units held by an affected Trust are sufficient to meet the deforestation liability and, if not, the cost to acquire additional emissions units at the time.

OTHER CONTINGENT LIABILITIES

The Māori Trustee has received or is aware of potential claims totalling \$35,000 (2020 \$35,000). There have been no additional claims during the year (2020 Nil).

25. Financial instruments

ACCOUNTING POLICY

The Māori Trustee is party to financial instruments as part of its normal operations. Financial instruments include:

- » Financial assets – cash and cash equivalents, debtors and other receivables, term deposits, held-to-maturity investments, loans and receivables, equities and non-current assets held for sale.
- » Financial liabilities – creditors and other payables, revenue in advance and employee benefits.

Purchases and sales of financial assets are recognised on the date when the Māori Trustee becomes party to a financial contract. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

Financial instruments are initially recognised at fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification of the financial instrument.

The carrying amounts of each category of financial assets and financial liabilities are as follows:

	NOTES	GROUP		PARENT	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000
Financial assets					
Cash and cash equivalents	7	7,663	1,640	6,937	1,129
Debtors and other receivables	8	3,703	4,426	3,535	4,296
Term deposits		41,510	77,010	41,500	77,000
Held-to-maturity investments	9	57,506	29,998	57,506	29,998
Loans and receivables	10	3,432	1,549	3,432	1,549
Equities		22,610	18,866	22,610	18,866
Total financial assets		136,424	133,489	135,520	132,838
Financial liabilities					
Payables	19	1,978	1,501	1,695	1,347
Employee benefits	20	528	523	528	523
Other non-current liabilities	21	-	-	-	-
Total financial liabilities		2,506	2,024	2,223	1,870

FAIR VALUE HIERARCHY

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- » Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- » Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- » Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable. The following table analyses the basis of the valuation classes of financial assets measured at fair value in the statement of financial position.

	HIERARCHY LEVEL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
GROUP 2021					
	NOTE	\$000	\$000	\$000	\$000
Available for sale equities	15	22,610	-	-	22,610
Other financial assets	13	-	-	1,288	1,288
		22,610	-	1,288	23,898
GROUP 2020					
	NOTE	\$000	\$000	\$000	\$000
Available for sale equities	15	18,866	-	-	18,866
Other financial assets	13	-	877	1,380	2,257
		18,866	877	1,380	21,123
PARENT 2021					
	NOTE	\$000	\$000	\$000	\$000
Available for sale equities	15	22,610	-	-	22,610
Other financial assets	13	-	-	1,288	1,288
		22,610	-	1,288	23,898
PARENT 2020					
	NOTE	\$000	\$000	\$000	\$000
Available for sale equities	15	18,866	-	-	18,866
Other financial assets	13	-	877	1,380	2,257
		18,866	877	1,380	21,123

There were no transfers between the different levels of the fair value hierarchy.

FAIR VALUE

The fair value of all loans and receivables is equivalent to the carrying amount disclosed in the Māori Trustee's statement of financial position.

The held-to-maturity investments had a fair value of \$57,506,000 as at 31 March 2021 (2020 \$29,998,000). The fair value is determined using quoted market prices (level 1).

Equities are measured at fair value of the investment through quoted prices in the market (level 1) through other comprehensive revenue and expense.

FINANCIAL INSTRUMENTS RISK

The Māori Trustee's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Māori Trustee has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instrument risks.

MARKET RISK

PRICE RISK

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Māori Trustee's equity investments are exposed to price risk because they are listed investments. The equity investments are publicly traded.

SENSITIVITY ANALYSIS

If the price at 31 March 2021 had fluctuated by plus or minus 0.5%, the effect would have been to increase/decrease other comprehensive revenue and expense by:

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
0.5% increase/(decrease) in price would increase/(decrease) the other comprehensive revenue and expense	117	98	113	94

COMMODITY ANALYSIS

Te Tumu Paeroa Dairy Limited Partnership (TTPDLP) is exposed to commodity price risk as a result of its agreement with Fonterra to supply milk products. In the 2021 year TTPDLP supplied Fonterra with 128,059kg of milk with an average price of \$7.60. A 0.5% increase/(decrease) in the price of milk would increase/(decrease) the other comprehensive revenue and expense by \$4,366.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in interest rates. The Māori Trustee is exposed to interest rate risk on those financial instruments that have fluctuating interest rates.

The investments that have floating or variable interest rates are as follows:

		GROUP		PARENT	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000
Cash and cash equivalents sensitivity analysis					
Weighted average effective interest rate	%	0.11	0.25	0.05	0.05
1% increase/(decrease) in interest rates would increase/(decrease) interest revenue and equity	\$000	73	14	72	14
Held-to-maturity investments sensitivity analysis					
Weighted average effective interest rate	%	-	-	-	-
1% increase/(decrease) in interest rates would increase/(decrease) interest revenue and equity	\$000	-	-	-	-

CREDIT RISK

Credit risk is the risk that a third party will default on its obligation to the Māori Trustee, causing a loss to be incurred. Credit risk arises from the financial assets of the Māori Trustee, which comprise cash and cash equivalents, term deposits, debtors and other receivables, loans and receivables and held-to-maturity investments.

CASH, CASH EQUIVALENTS AND TERM DEPOSITS

Cash, cash equivalents and term deposits are invested with registered banks.

DEBTORS AND OTHER RECEIVABLES

There are no material concentrations of credit risk with respect to debtors and other receivables.

HELD-TO-MATURITY INVESTMENTS

The Māori Trustee maintains a diversified investment portfolio of bonds in order to minimise credit risk. The General Purposes Fund investment parameters are:

- » The minimum rating of the portfolio will be at least BBB rated or better unless approved by the Investment and Credit Committee and the Māori Trustee.
- » For corporate issuers, no single issuer shall exceed 10% of the fixed revenue portfolio.
- » For bank issuers, no single issuer shall exceed 25% of the fixed revenue portfolio.

LOANS AND RECEIVABLES

The Māori Trustee has issued mortgages under section 32 of the Māori Trustee Act 1953 and section 248 of the Māori Affairs Act 1953, Conversion Fund loans and other advances.

Advances under section 32 of the Māori Trustee Act 1953 may or may not be secured.

Advances under section 248 of the Māori Affairs Act 1953 may or may not be secured. Where security is taken, the security is a memorial of charge over land.

The Conversion Fund was abolished by the Māori Affairs Amendment Act 1987, which effectively vested the Conversion Fund assets in the Māori Trustee. Conversion Fund loans are 'presumed advances' and are not secured, but the Māori Trustee owns shares in the land to which the Conversion Fund loans relate. The Māori Trustee has made impairment provisions for loans.

The following table analyses the credit quality of financial assets that are neither past due nor impaired, with reference to Standard and Poor's or equivalent credit ratings (if available) or to historical information about counter party default rates. Cash and cash equivalents are exposed to short-term ratings and held-to maturity investment to long-term ratings.

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Cash and cash equivalents and term deposits				
A-1+	29,107	58,912	28,937	58,629
A-1	19,881	19,738	19,500	19,500
Total cash and cash equivalents and term deposits	48,988	78,650	48,437	78,129
Held-to-maturity investments				
AAA to A	28,669	10,894	28,669	10,894
A- to BBB	28,837	19,104	28,837	19,104
Total held-to-maturity investments	57,506	29,998	57,506	29,998

Other than credit risks listed above, The Māori Trustee does not hold any collateral or other credit enhancements for financial instruments that give rise to credit risk.

LIQUIDITY RISK

Liquidity risk is the risk that the Māori Trustee will not have sufficient funds to meet commitments as they fall due.

CASH AND CASH EQUIVALENTS AND TERM DEPOSITS

The Māori Trustee monitors forecast cash requirements daily. Surplus funds are invested for terms appropriate for the expected cash requirements. A minimum buffer is maintained, which provides access to funds in excess of the forecast cash requirements.

The table below analyses the Māori Trustee's financial liabilities into maturity groupings based on the remaining period from end of year to the contractual maturity date.

FINANCIAL LIABILITIES

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Less than 6 months	1,978	1,501	1,695	1,347
6 –12 months	512	511	512	511
Later than 12 months	16	12	16	12
Total financial liabilities	2,506	2,024	2,223	1,870

26. Capital management

The Māori Trustee's capital is its equity, which is comprised of accumulated funds. Equity is represented by net assets. The Māori Trustee is subject to the financial management and accountability provisions of the Māori Trustee Act 1953.

The Māori Trustee manages its equity as a by-product of prudently managing revenues, expenses, assets and liabilities, investments and general financial dealings to ensure that the Māori Trustee effectively achieves its strategies and remains a going concern.

27. Related parties

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Māori Trustee would have adopted in dealing with the party at arm's length in the same circumstances.

The Māori Trustee transacts with the related parties below:

RELATED ENTITIES	NATURE OF RELATIONSHIP
MTD1 Limited	Wholly owned entity
Te Tumu Paeroa Dairy Ltd Partnership	Wholly owned entity
M9 Limited	Wholly owned entity
Matakana 9 Limited Partnership	Wholly owned entity
O39 Limited	Wholly owned entity
Omaio 39 Limited Partnership	Wholly owned entity
TTP Services (Mānuka) Limited	Wholly owned entity*
TTP Mānuka Limited Partnership	Wholly owned entity*
RDF1 Limited	Investment in joint venture
Rangihāmama Dairy Limited Partnership	Investment in joint venture
Huakiwi Services Limited	Investment in joint venture
Huakiwi Developments Limited Partnership	Investment in joint venture
Mānuka Research Partnership (NZ) Limited	Non-current asset held for sale*
Opotiki Packing and Cool Storage Limited	Investment in associate
Farm Data Accreditation Limited	Investment in associate
Te Tumu Miere Limited <i>in liquidation</i>	Investment in associate
Crown	Appropriation funding
Ranginui Station Limited Partnership	Non-current asset held for sale
Te Puia Tapapa	Non-current asset held for sale*

* disposed during the year

In addition to the transactions noted below, employees of Te Tumu Paeroa sometimes perform certain work for the subsidiaries and associates for no charge, as part of the business performance monitoring process.

The following transactions were entered into with related parties during the year:

TE TUMU PAEROA DAIRY LIMITED PARTNERSHIP

The Māori Trustee holds a 100% interest in the partnership. During the year, the Māori Trustee charged \$371,000 rent for investment properties (2020 \$371,000) and no additional capital contribution was made (2020 \$Nil). \$200,000 cash distributions were paid to the Māori Trustee in May 2021 (2020 \$Nil). The Māori Trustee received \$Nil in directors fees (2020 \$1,000).

During the year, the Māori Trustee made no reimbursements to the partnership for development expenditure incurred on the farms (2020 Nil).

Intercompany transactions and balances have been eliminated in the Group financial statements.

MATAKANA 9 LIMITED PARTNERSHIP

The Māori Trustee holds a 100% interest in the partnership. The Māori Trustee made no capital contribution during the year (2020 \$158,000), received a distribution of \$450,000 (2020 \$Nil), and received no directors fees (2020 Nil).

Intercompany transactions and balances have been eliminated in the Group financial statements.

OMAIO 39 LIMITED PARTNERSHIP

The Māori Trustee holds a 100% interest in the partnership. The Māori Trustee made no capital contribution during the year (2020 \$371,000), received a distribution of \$110,000, and received no directors fees (2020 \$Nil).

Intercompany transactions and balances have been eliminated in the Group financial statements.

TTP MĀNUKA LIMITED PARTNERSHIP

The Māori Trustee holds a 100% interest in the partnership. The Māori Trustee did not make any capital contributions during the year (2020 \$Nil). When the TTP Mānuka Limited Partnership was wound up in December 2020, the Māori Trustee received \$101,000 as a final distribution from the partnership.

Intercompany transactions and balances have been eliminated in the Group financial statements.

RANGIHAMAMA DAIRY LIMITED PARTNERSHIP

The Māori Trustee holds a 50% interest in the partnership. The Māori Trustee did not make any capital contributions during the year (2020 \$Nil).

HUAKIWI DEVELOPMENTS LIMITED PARTNERSHIP

The Māori Trustee holds a 50% interest in the partnership. The Māori Trustee made a capital contribution of \$2,575,000 during the year (2020 \$2,750,000), and received \$40,000 in directors fees (2020 \$40,000).

MĀNUKA RESEARCH PARTNERSHIP(NZ) LIMITED

The Māori Trustee has a 6.78% interest in the partnership. The Māori Trustee made a capital contribution of \$529 during the year towards a share of costs (2020 \$14,858).

OPOTIKI PACKING AND COOL STORAGE LIMITED

The Māori Trustee has a 10.1% interest in the company. During the year, the Māori Trustee received \$37,700 in directors fees (2020 \$36,000) and made no capital contributions (2020 \$Nil). The Māori Trustee received \$103,580 in dividends (2020 \$76,726).

TE TUMU MĪERE LIMITED IN LIQUIDATION(TTM)

The Māori Trustee has a 100% interest in the company. The Māori Trustee did not make any loan advances to TTM during the year (2020 \$Nil) and received a repayment of \$33,283 (2020 \$41,800). The Māori Trustee charged interest of \$124,296 (2020 \$125,000) at the rate of 14% per annum. TTM repaid no interest this year (2020 \$Nil).

Loan advances made to TTM including interest of \$91,012 (2020 \$73,000) have been fully provided for. During the year, the Māori Trustee made no capital contribution towards liquidation costs (2020 \$151,000).

RANGINUI STATION LIMITED PARTNERSHIP

The Māori Trustee has a 5.26% interest in the company. The Māori Trustee made no capital contribution during the year (2020 \$Nil) and received a distribution of \$31,579 (2020 \$Nil).

TE PUIA TAPAPA LIMITED PARTNERSHIP

The Māori Trustee held an 8.66% interest in the partnership which was sold in December 2020. The Māori Trustee received directors fees of \$8,333 (2020 \$20,000).

CROWN

The Crown is the major source of revenue for the Māori Trustee. Appropriation revenue from the Crown of \$11,586,000 (2020 \$11,261,000) is provided pursuant to a funding agreement signed in March 2020 and the variation to funding agreement between the Māori Trustee and the Minister for Māori Development for a four-year term until 31 March 2024.

The funding provided by the Crown enables the Māori Trustee to fulfil statutory and other common law obligations. The statement of service performance reports against the outputs detailed in the funding agreement. Payment for these services is managed by Te Puni Kōkiri on behalf of the Crown.

GENERAL PURPOSES FUND EQUITY

The equity of the General Purposes Fund has been disaggregated in order to identify the equity that has accumulated over the years from the net fees and commissions generated from the Māori Trustee's operations since 1 July 2009 (MT Operating Fund). The balance of the MT Operating Fund included in the General Purposes Fund was \$43.04 million (2020 \$42.87 million).

STATUTORY ROLE

A principal role of the Māori Trustee is to provide trustee services as Responsible or Custodian Trustee to trusts established by the Māori Land Court under Te Ture Whenua Māori Act 1993, including Māori Land Trusts and Kaitiaki Trusts. The Māori Trustee is also declared to be the trustee of certain trusts created by statute. Examples include determination as statutory trustee under the Māori Reserved Land Act 1955 and under the Māori Soldiers Trust 1957. The Māori Trustee receives remuneration for trustee services rendered to these trusts as prescribed by or determined in accordance with the Māori Trustee Act 1953 and Māori Trustee Regulations 2009. The Māori Trustee is also empowered to accept appointments to carry out agency services for trusts, including trusts established by the Māori Land Court. The Māori Trustee has no governance role in respect of these appointments; but is again remunerated for agency services rendered as prescribed by or determined in accordance with the Māori Trustee Act 1953 and Māori Trustee Regulations 2009.

For the year ended 31 March 2021, the Māori Trustee earned \$4,235,000 in fees and commissions (2020 \$4,192,000).

Three of the Māori Trustee's wholly-owned subsidiaries lease parcels of land at market rate from the following trusts that the Māori Trustee administers as Responsible Trustee; Matakana 9 Trust, Omaio 39 Trust and Hauhungaroa 7 Trust. The assets that the subsidiaries own under these leases will be transferred to the landlord at the end of the lease (Note 11). The Hauhungaroa 7 Trust ceased in December 2020 and the assets were transferred to the landlord at a consideration of \$89,135.65.

The Māori Trustee is able to lend monies under the Māori Trustee Act 1953. Loans made to Trusts, agencies and landowners are generally at market interest rates. Loans advanced to replace Conversion Fund loans are non-interest bearing (Note 10).

KEY LEADERSHIP PERSONNEL COMPENSATION

	GROUP		PARENT	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Senior Leadership Team				
Remuneration	1,086	1,171	1,086	1,171
Full-time equivalent members	4.00	3.89	4.00	3.89
Total key leadership personnel remuneration	1,086	1,171	1,086	1,171
Total full time equivalent members	4.00	3.89	4.00	3.89

Key leadership personnel comprise of the Māori Trustee, Deputy Māori Trustee, Corporate Services Director and Trust and Property Director.

	PARENT	
	2021 \$000	2020 \$000
\$100,000 – \$109,999	5	6
\$110,000 – \$119,999	6	9
\$120,000 – \$129,999	6	4
\$130,000 – \$139,999	3	3
\$140,000 – \$149,999	4	2
\$150,000 – \$159,999	2	1
\$160,000 – \$169,999	-	-
\$170,000 – \$179,999	1	2
\$180,000 – \$189,999	1	-
\$190,000 – \$199,999	-	1
\$200,000 – \$209,999	-	1
\$210,000 – \$219,999	-	-
\$220,000 – \$229,999	-	-
\$230,000 – \$239,999	-	-
\$240,000 – \$249,999	1	-
\$250,000 – \$259,999	1	-
\$260,000 – \$269,999	-	1
\$270,000 – \$279,999	1	1
\$280,000 – \$289,999	1	-
\$290,000 – \$299,999	-	1
	32	32

28. Events after the balance date

After balance date, the Crown approved increasing the funding to the Māori Trustee to \$16.686 million. This additional funding will support the Māori Trustee to maintain and upgrade its technological infrastructure and systems, and manage additional regulatory compliance work.

29. Explanation of significant variances against budget

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

REVENUE

Interest revenue was lower than budget, reflecting the reduction in market interest rates as a result of COVID-19. In addition, fee revenue was lower than budget due to an increase forgiveness of fees due to the inability of trusts to afford the fees, as well as lower fees billed to high-touch entities as the high-touch services were not provided, due to a change in operating model.

Farm and land revenue was higher than budget due to higher productivity than budgeted particularly in the kiwifruit sector, coupled with favourable commodity prices in the dairy and kiwifruit businesses.

EXPENDITURE

Employee benefits were slightly less than budget as some roles were filled later in the year than had been budgeted for.

Farm expenses were below budget largely due to the movement in livestock values.

Other expenses were higher than budget due to derecognition of software assets that were identified as redundant at the end of the year. These relate to upgrades done in the past which are no longer in use.

OTHER GAINS/(LOSSES) AND OTHER COMPREHENSIVE REVENUE AND EXPENSE

Share of associates' net surplus/(deficit) and other comprehensive revenue/(expense) varied from budget as these movements were not budgeted for.

The gains on asset revaluations and fair values of other financial assets are higher than budget due to a conservative approach taken during budgeting due to uncertainty about how market prices for rural properties, shares and carbon credits would respond to COVID-19.

STATEMENT OF FINANCIAL POSITION

ASSETS

Term deposits were lower than budget as there was a change in investment strategy during the year in response to the low interest rates in the market which resulted in higher purchases of Held to Maturity bonds and lower purchase of term deposits.

Investment in equities was higher than budget because the market bounced back after a slump during the first lockdown at the end of the last financial year.

Loans and receivables were higher than budget due to the Māori Trustee Top-Up Loan Scheme which was established as part of the Māori Trustee's COVID-19 reponse.

Investment in equity accounted investments were less than budget due to the exit from Te Puia Tapapa which reduced the requirement for investment, as well as a lower than budget investment in Huakiwi Development Limited Partnership as some of the kiwifruit licences which required a capital call were acquired after balance date.

Investment property was higher than budget because the property market performed better than had been anticipated when budgets were completed during the first lockdown.

Intangible assets were lower than budget due to write off of redundant software, as well as the change in the expected useful lives of software from 10 years to 3-5 years. This was offset by the substantial increase in the market values of carbon credits.

LIABILITIES

Other non-current liabilities were higher than budget due to increased business activity in the last quarter of the year, which made up for some COVID-19 delays and some of the invoices had not yet been settled at year end.

STATEMENT OF CASH FLOWS

Net cash flows from operating activities varied significantly from budget mainly due to underspend in other activities that were delayed due to COVID-19 and a higher payables balance at year end.

Net cash flows from investing activities varied from budget mainly due to the capital pay back from Te Puia Tapapa, higher receipts from loans and receivables paid back as well as reduced investment in equity investments. Other movements in key investments like bonds and term deposits offset each other due to a change in investment strategy in response to low interest rates on term deposits due to COVID-19.

30. COVID-19

The COVID-19 outbreak remains a serious global health threat and has had a major impact on the movement of people and goods throughout the world, with governments instituting restrictions on individuals and businesses across the world.

The Māori Trustee has continued to monitor and assess the impact of the COVID-19 pandemic on the Group's operations and the valuation of its assets. The extent and duration to which COVID-19 will continue to disrupt and depress activity remains uncertain. The Māori Trustee's assessment is that the Group has no significant COVID-19 related exposures such as significant business interruption.

The main possible exposures on the Group's assets remain the volatility of commodity prices and the ability to continue accessing overseas markets for its kiwifruit and dairy investments.

The Māori Trustee remains confident of the ability of the Group to continue as a going concern into the foreseeable future with no significant impact from COVID-19 on the Group's operating and financial performance. The Group has adequate liquid resources to continue to sustain its operations for the foreseeable future.

The carrying value of financial assets have been assessed for the impact of COVID-19 and this assessment did not identify any COVID-19 related impairment of assets that are required to be recognised, apart from the recoverability of the Top-Up Loans noted in Note 10.

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