

2023

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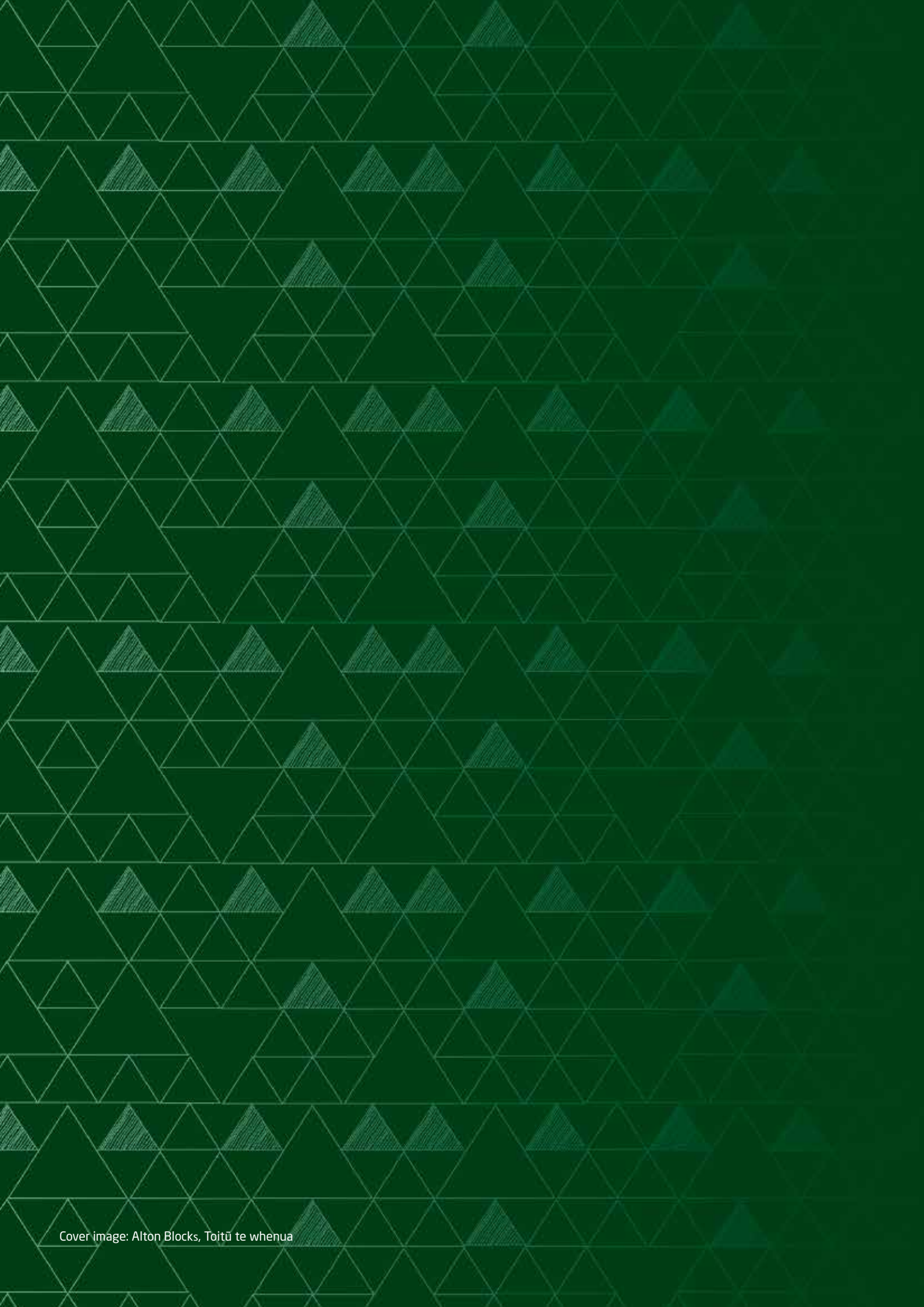
# Te Pūrongo ā-Tau

Annual Report

TE  
TUMU  
PAEROA

Office of the Māori Trustee





# Foreword

## 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 2023.

## To the Minister for Māori Development

I am honoured to present the Annual Report  
for the Māori Trustee for the year ended  
31 March 2023.



Dr Charlotte Severne  
Kaitiaki Māori | Māori Trustee



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

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Ruanui 24B, Toitū te whenua



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# Mai i te Kaitiaki Māori

**Tini whetū ki te rangi, Ngāi Tāua ki te whenua,  
Tini tīpuna i taenahi, tini mokopuna hei āpōpō.  
Nō te whenua te mana o te tangata.  
Tihei whenua ora!**



I aku tau e rima nei hei Kaitiaki Māori, he nui tonu hei whakanui, i a mātou e whakapau werawera ana kia tukuna tēnei ratonga tiaki whenua kouna ki ngā kapa tiaki whenua neke atu i te 1,700 puta noa i Aotearoa.

Kei te pūtaka tonu o te mahi nei ko te whenua me te pupuri tonu ki te tirohanga e mau nei mātou, kia tūturu ai te tiaki me te whakanikoniko mō ngā whakatipuranga o āpōpō. Nō reira, ko te kite i te whakapātanga mai o te huarere ki te whenua me āna kaitiaki ka ngaukino nei.

Whai muri tata i a Huripari Gabrielle ko te whakatūturu i te hauoratanga o ō mātou kaimahi me ō rātou whānau i ngā rohe whaipānga tō mātou aronga. Whai muri mai ka huri tika mātou ki ō mātou kainoho kei ngā whenua whaipānga e mōhio ai mātou ki ngā pātanga atu ki a rātou, ō rātou whānau, ngā mahinga pakihi, me te whenua.

I te tau 2022, hei wāhanga o te Hinonga, Mātai Rawa i whakapakari mātou i ō mātou āheitanga whakamahere taiao, pāmu hoki. Nā tēnei rauemi mātanga rōtari nei kua āwhinatia nuitia te hanga wātaka me te whakamahere i tā mātou aro atu ki ngā āhuatanga huarere kino, ā, ka noho kaupapa nui i a mātou ka huri ki te whakaora me te whakatikatika.

Ka mahia ēnei mahi i tēnei taiao me ōna wero-ā-pūtea nei, ā, he kaha tō mātou mahi tahi me ngā tari kāwanatanga e tika ana kia tika te aroā o ngā taki e rongu rā ngā whaimana whenua Māori i pāngia.

Me pūnaha katoa te mahi e whai wāhi taurite, tauroa ai ngā hua mo te Māori, whai whakaaro ana ki ngā āhuatanga motuhake o te whenua Māori me te hunga whaimana.

Nā konei ka kaha tō mātou tūhono ki ngā umanga, ngā kaunihera, ā, ki te ao ahumahi ki te tuari kōrero hei āwhina me te whakamōhiohio i ngā whiriwhiringa. He wāhanga nui o tēnei i tēnei tau ko tā mātou tāuru mā ētahi tukunga, take tōtika, māraakerake anō, mō ngā kaupapa here me ngā whakatureturehanga, matua rā ko ngā kaupapa nui e pā ana ki te taiao.

Kua kī kē au, ahakoa ngā wero, he nui tonu hei whakanui. I whai wā mātou i tō mātou tautoko i te whakataetae Ahuwhenua me tērā o te Kaiahuwhenua Rangatahi ki te whakanui i te whaihua o te ao pakihi Māori me te hunga rangatahi o roto i te ao Ahuwhenua. I te tau 2022, i tū te teihana o Hereheretau, tērā e puritia rā e te Māori Soldiers Trust, he mema ahau, anō hoki ko Hōnore Willie Jackson, te Tiamana, ki te whiringatoatanga mō te taonga. Kei te hiahia mihi au ki ngā mahi nui o te katoa i te whakataetae nei me te tautoko nui o ngā kaimahi o te teihana, te hāpori whānui o Whakakī anō hoki, nā rātou katoa ngā mahi rangatira o Hereheretau i whakaatuhia ai.

He mea nui anō mōku te whakakotahi i ō mātou kaimahi katoa ki tō mātou hui Tū Whakarauika i Rotorua i te Whiringa-ā-rangi kua pahure nei. Mā te noho tahi pēnei ka whai wāhi mātou ki te whakaahu āhuatanga mahi hou hei painga mō te whenua, mō ngā whaimana anō. Nā te kouna o te hōtaka ka whakakahangia ake ō mātou mātāpono tahi me tō mātou aro kia kouna anō tō mātou rato i ō mātou mahi mō ō mātou whaipānga.

Hei whakamutu ake, kei te hiahia mihi au ki ngā taonga Rangatira i hinga atu i te tau kua hori nei. He kaiarataki, nā rātou tonu te huarahi i para, pau noa te kaha hei oranga mō te Māori. Me mihi ka tika au ki ō rātou mahi, me ngā mahi hoki o te hunga Arataki o naianei kua hiki i te rākau, ā, ka kimi āhuatanga ora tonu mō te Māori.

Nāku noa, nā

Dr Charlotte Severne  
Kaitiaki Māori | Māori Trustee

# From the Māori Trustee

Tini whetū ki te rangi, Ngāi Tāua ki te whenua,  
Tini tīpuna i tāenahi, tini mokopuna hei āpōpō.  
Nō te whenua te mana o te tangata.  
Tihei whenua ora!



During my five years as Māori Trustee, there has been much to celebrate as we strive to deliver high-quality, professional trustee services to over 1,700 Māori land trusts across Aotearoa.

At the heart of this mahi is the whenua and holding true to the vision we have, to ensure it is protected and enhanced both now and for future generations. So, to see the impact that recent significant weather events have had on the whenua and those who care for it is distressing.

In the immediate aftermath of Cyclone Gabrielle, confirming the well-being of our kaimahi and their whānau in affected rohe was our priority. We were then able to quickly move to engaging with our tenants in affected areas to understand the impact on them, their families and communities, the business operations, and the whenua.

In 2022, as part of our Mātai Rawa project, we strengthened our internal environmental and farm planning capability. This specialist internal resource has helped us enormously in the timeliness and planning of our extreme weather response and will be invaluable as we move into a recovery and restoration phase.

We do this in a fiscally challenging environment and have been working constructively with government agencies to ensure that the challenges for owners of affected whenua Māori are understood.

This requires a whole-of-system approach to ensure an equitable and enduring outcome for Māori that takes into account those matters and the special significance of whenua Māori to its owners.

To this end, we continue to proactively engage with agencies, local and regional councils and with industry to share information to support and inform decision making. An important part of this has been our input this year by way of submissions, both targeted and public, on policy and proposed legislation and in particular on pressing matters affecting the environment.

As I mentioned, despite the challenges, there has been much to celebrate. Our support of the Ahuwhenua Trophy and Young Māori Farmer Award provided an opportunity to celebrate the success of Māori business and rangatahi involved in the primary sector. In 2022, Hereheretau Station, which is owned by the Māori Soldiers Trust – of which I am a committee member along with our Chair, the Honourable Minister Jackson, – was a finalist in the Trophy. I want to acknowledge the significant effort of those involved in the competition and the support of the Station's kaimahi and Whakakī community, all of whom helped to showcase the Station's operations.

Another highlight for me was bringing together our kaimahi throughout the motu at our Tū Whakarauika in Rotorua last November. This time together provides the opportunity to learn and develop new ways to work that will benefit the whenua and owners. An excellent programme helped reinforce our shared values and our commitment to delivering an excellent professional trustee service for our clients.

Lastly, I want to acknowledge those treasured Rangatira who passed this year. Leaders who have forged a pathway, working tirelessly to secure better futures for all Māori. I want to recognise their mahi and also that of the current leaders who have taken up the rākau and continue to look for ways to deliver better outcomes for Māori.

Nāku noa, nā

Dr Charlotte Severne

Kaitiaki Māori | Māori Trustee

# Māori Trustee Outcomes Framework



## 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.

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



## Output areas

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

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



## Critical impacts

- » 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.

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



## Outcomes

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

*The Crown will be able to measure these impacts.*



## 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



**\$133m**

Client funds held (market value)



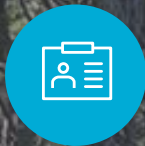
**\$165m**

Māori Trustee equity



**17,093**

Enquiries received in 2022/23



**61%**

Owners for whom contact details are held



**134,427**

Visits to Te Tumu Paeroa website



**1,746**

Number of trusts and other entities under administration



**\$4.8m**

Distributions on behalf of trusts this financial year



**357**

Number of owner hui held



**10**

Number of enterprises under Māori Trustee administration



# 14,360

Number of My Whenua users



# 263,233

Number of ownership interests



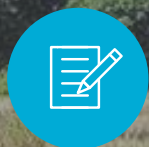
# 104,049

Number of owner accounts maintained



# 82,161

Total hectares administered by Māori Trustee



# 1,704

Number of leases under management



Pirinoa Blocks, Toitū te whenua



Protecting the whenua  
for future generations

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Responding to  
Cyclone Gabrielle

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Delivering better  
outcomes for owners

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Sharing the voice of  
whenua Māori





**Protecting  
and enhancing  
the whenua**



Motukawa 202B, Toitū te whenua

## Protecting the whenua for future generations

**Fulfilling the vision to protect and enhance whenua Māori involves responding to the needs of current and future legislative changes impacting whenua Māori.**

In 2021, Te Tumu Paeroa initiated Project Mātai Rawa to analyse, manage and deliver activities identified in Farm Environment Plans and Freshwater Farm Plans.

These plans assist in ensuring new and impending environmental regulatory requirements are considered in the wider strategy for each block.

Te Tumu Paeroa recognised that these new regulations would often require technical farming expertise to assess impacts and would create an increased volume of new ongoing work, including activities such as riparian planting, protecting indigenous biodiversity, and fencing of waterways.

Funding to support the implementation of Mātai Rawa was received in Budget 2021. Following a pause to the project (due to the COVID-19 outbreak response), Te Tumu Paeroa undertook work to better understand how the organisation would respond to external change impacts, including developing new processes and identifying the necessary skills and technical knowledge required to deliver the outcomes of the project.

In 2022, following consultation with kaimahi, a proposed organisational structure was established to support the implementation of Mātai Rawa, including new regionally based rural specialist roles and a new Whenua Services team.

The organisational structure supporting Mātai Rawa was designed to simplify roles and responsibilities across Te Tumu Paeroa. The Whenua Services team provides specialised services and is responsible for large enterprise businesses (farms, forests, orchards, whenua projects), while rural specialists and coordinators, located in the regional offices plan, deliver, and monitor improvements to whenua and local trust assets.

Te Tumu Paeroa is now better placed to centralise the management of key rural operations, taking advantage of similarities, while being better placed to support regional complexities in the management of whenua.

This sharing of knowledge across Te Tumu Paeroa will ensure ongoing continuity and management of key projects that support the protection and enhancement of whenua Māori. The combined benefits of this work will continue to deliver positive outcomes for whenua, owners and Māori.

## Responding to Cyclone Gabrielle

**In February 2023, regions across Te-Ika-a-Māui, the North Island, were devastated by the effects of Cyclone Gabrielle.**

Te Tumu Paeroa responded quickly, ensuring kaimahi and whānau in the impacted regions were safe and well.

Attention then turned to lessees of blocks administered by the Māori Trustee as trustee or agent. Te Tumu Paeroa reached out through email and phone to check on their welfare and subsequently understand the impact to whenua and operations.

More than 400 lessees provided information about the whenua they lease, which helped to identify the extent of damage to impacted whenua. Lessees were also encouraged and supported by Te Tumu Paeroa to apply for initial available funding as part of the early cyclone response.

Trustees and owners were updated on the response through email, our website and social media.

While the National State of Emergency was in place, Te Tumu Paeroa postponed scheduled meetings of owners in Te Tairāwhiti.

During the initial regional response, kaimahi from Tūranganui-a-Kiwa worked alongside representatives from

the Ministry for Primary Industries and Te Puni Kōkiri to visit local communities. They have also engaged with local and regional authorities, Te Puni Kōkiri, MPI and the Māori Land Court to identify ways to share resources to best support owners, lessees and the wider communities.

Behind the scenes, Te Tumu Paeroa integrated new data into its geographic information systems (GIS) that has allowed important visual analysis and monitoring of the impact on whenua by Cyclone Gabrielle.

Te Tumu Paeroa Kapa Pou Arahi Senior Leadership Team updated Cyclone Response Ministers and the Minister for Māori Development throughout the response period to share insights and ensure that the voice of whenua Māori owners is included in cyclone recovery planning.

In May, in consultation with the Māori Land Court, the Māori Trustee agreed to include 680 unadministered Māori land blocks in its inspection and damage assessment programme.

A pilot programme was established involving desktop analysis and in-field inspections in Te Tairāwhiti, Hawke's Bay and Wairarapa regions. This aimed to provide a detailed assessment of the impact to the whenua and help inform decision making for planning in the recovery phase.



Eparaima H2 - cyclone damage, Toitū te whenua

## Delivering better outcomes for owners

**Over the past two years, three whenua Māori blocks located on the shores of Lake Rotorua have been transformed, delivering positive returns for their owners.**

Historically, these blocks had limited opportunity for development because of the damp soil conditions and limited investment in the local infrastructure.

“The whenua is low lying and dotted with springs,” says Rangimiria Ihakara-Teaia, Kaitaki Team Leader with Te Tumu Paeroa. “Two of the blocks have boundaries located in the lake, so it has been difficult to identify the best way to utilise the whenua.”

“We saw that the whenua had potential and wanted to ensure that we could improve it and provide a sustainable income source for the owners.”

Managing the whenua also means ensuring it remains for future generations. The Māori Trustee has successfully challenged splitting the blocks in half to support the development of the eastern highway, and an application to discharge stormwater onto the whenua by a local housing development.

In 2021, Te Tumu Paeroa was approached by a local forestry nursery looking to lease the whenua to assist with meeting the demand for pine seedlings that could contribute to the government’s One Billion Trees programme.

A five-year lease was signed in May 2021, and the first harvest saw more than four million seedlings produced.

“It has not always been smooth sailing,” says Rangimiria. “The whenua was used in the past to grow maize, and historical root structures and weeds meant that work was needed to nurture the soil to support the seedlings.”

The nursery continues to produce good levels of seedlings and is on track for another strong harvest in the 2023/24 season.

This year, seedlings from the nursery were used by a Taranaki trust administered by the Māori Trustee. More than 8,000 seedlings were planted to re-establish a plantation that will provide income to the owners at harvest in 25–30 years.



Owhatiura 1A1 and Owhatiura 1A2, Toitū te whenua

## Sharing the voice of whenua Māori

The Māori Trustee is the largest administrator of whenua Māori across Aotearoa. As trustee or agent for approximately 82,000 hectares of Māori freehold land on behalf of more than 104,000 individual Māori landowners, Te Tumu Paeroa is uniquely positioned to provide feedback and insights on proposed changes to environmental policies and regulations impacting whenua Māori.

This year, the Māori Trustee made submissions on 15 proposed local and national policies and legislation.

### Submissions made by the Māori Trustee this year:

- Submission on the Natural and Built Environment Bill
- Submission on the Spatial Planning Bill
- Improving Market Governance of the NZ Emissions Trading Scheme
- Exposure draft of proposed changes to the National Policy Statement for Freshwater Management (NPS-FM) and the National Environmental Standards for Freshwater (NES-F) (including wetland regulations)
- Te Ara Whakahou - Ahumahi Ngahere - Draft Industry Transformation Plan
- Climate Change (Forestry Sector) Regulations 2022
- Proposed Timaru District Plan - He Po, He Ao, Kia Awatea
- Te tātai utu o ngā tukunga Ahuwhenua - Pricing agricultural emissions
- Kia urutai, kia ora: Proposed Te Tai o Poutini Plan
- Managing our wetlands in the coastal marine area
- Draft National Policy Statement for Indigenous Biodiversity
- Kia āhuarangi rite a Aotearoa/Te mahere urutaunga ā-motu (tuhinga hukihuki) Discussion Documents - Draft National Adaptation Plan and Managed Retreat
- Managing Exotic Afforestation Incentives Discussion Document
- Forestry in the ETS: Second set of proposed recovery fees and charges
- Our future resource management system: Developing the next stages

All submissions are available on Te Tumu Paeroa website - [www.tetumupaeroa.co.nz/submissions](http://www.tetumupaeroa.co.nz/submissions)

Connecting to whenua  
through succession

Whenua provides gateway  
for restoration project

Name change retains  
connection to the whenua





**Engaging with  
owners and trustees**

## Connecting to whenua through succession

**The Māori Land Court process to succeed to a deceased's Māori land interests can take time and is sometimes a complex process for whānau and owners.**

Te Tumu Paeroa becomes involved in the succession process when an application is made to the court to vest a deceased's Māori land interests in the successors and the interests (also known as shares) are in whenua being administered by the Māori Trustee.

Tom Pearce is a Kaititui Tono Orders Coordinator at Te Tumu Paeroa. As part of the orders team in Ratonga Āwhina Kiritaki Client Services, Tom receives requests from the Māori Land Court regarding information Te Tumu Paeroa holds about land being succeeded to and the deceased's interests in land.

The process often involves some investigative work to ensure the information Tom provides to the court is accurate. The court uses this information to make decisions and orders. Last year, Tom and the orders team resolved more than 1,700 court search requests for owner information.

Tom also works on processing the court orders received from the Māori Land Court. The orders he receives can range from successions, name changes, and legal appointments all the way up to orders from the Chief Judges.

"Some of the archives date back to the 1800s, so it's important that we are confident of matching the court order with the information we have," says Tom.

By connecting the owners with their whenua, it means they can receive the shares passed on to them through the succession process.

In the 2022/23 year, Ratonga Tono, the orders team, have received 1,118 succession orders and processed more than 900 within 30 days of receiving them from the court.

What can be challenging is that some people may have changed names or their names have been spelt differently over time. Tom finds this part of the job interesting, investigating and connecting the right person to the court order.

"We need to work within the legal framework, so it's important for us to know about the legislation. Our role is to follow the information we received from the court via the court orders."

For Tom, this is more than a job. He feels he is making a difference, helping someone to connect to whenua that has been in their whānau for generations.

Because of the complex nature of this mahi, Tom received comprehensive training when he started at Te Tumu Paeroa. "The team is so supportive. We follow a process of peer review for our mahi, so that we can be confident we have executed the court order in the way it is intended."

Ratonga Āwhina Kiritaki maintains the owners' register for Te Tumu Paeroa, which contains more than 104,000 owner accounts, whose owners collectively have more than 260,000 individual land interests (shares) in whenua Māori.



## Whenua provides gateway for restoration project

**Mahanga 1C1D is a 25-hectare property located near Nūhaka, administered by the Māori Trustee. Previously used for cattle and sheep grazing, it has a large area of indigenous bush. It is now being lovingly restored as part of Whakatika Tawhito o Te Mahia (Mahia Restoration Project).**

In 2021, the block was leased to provide access to the adjoining property that supports Te Rau Oranga Project, a project that is part of Whakatika Tawhito o Te Mahia. The project received funding from the government's Jobs for Nature project to support the restoration and protection of the Mahanga Forest and surrounding areas.

Over the past two years, the project has made significant progress to restore the wider area, including establishing fencing and clearing large rocks and scrub from the Mahanga 1C1D flats. This has assisted the project to create

areas of productive land for a nursery and community garden. On the balance of the whenua adjacent to Mahanga 1C1D, tracks have been implemented, waterways fenced, and riparian planting has also been installed.

Pest and predator management has also supported the protection work, and the need for key infrastructure has been identified to support the community.

The project has established a community approach, with tamariki from the local kura kaupapa involved through learning opportunities, such as undertaking water testing in the local stream.

"If we hadn't had the opportunity to lease this block from Te Tumu Paeroa, we wouldn't be where we are," says Moana Cooper, lessee and advisory trustee for the trust. "The project has been transformative for owners and the Mahanga community."

## Name change retains connection to the whenua

**Working alongside advisory trustees, Te Tumu Paeroa has been able to support owners to change the legal name of their whenua to better reflect its origins and provide greater meaning for its owners.**

A decision to change the name followed an agreed land exchange between the owners of Mairiirikapua F1 and the purchasers of Lot 6 76781. The exchange was successfully completed through the Māori Land Court in the late 1990s. The two blocks are located across the road from each other and are situated near Masterton.

The Māori Trustee is the responsible trustee for the Mairiirikapua Trust and administers the whenua on behalf of the owners. During a meeting of the trust, owners

expressed their desire to change the name of the land block from Lot 6 76781. Attendees at the meeting recommended the new name should retain the whenua's connection to Mairiirikapua.

Support for the name change was sought by Te Tumu Paeroa from those owners who were unable to attend the hui, and at the next meeting of the trust, a motion was supported by the owners. In January 2022, an application was submitted to the Māori Land Court to change the name of the block on behalf of the owners.

The name of the block was successfully changed following a Māori Land Court hearing in September 2022, and orders confirming the name change were received enabling the block name to be changed to Mairiirikapua.





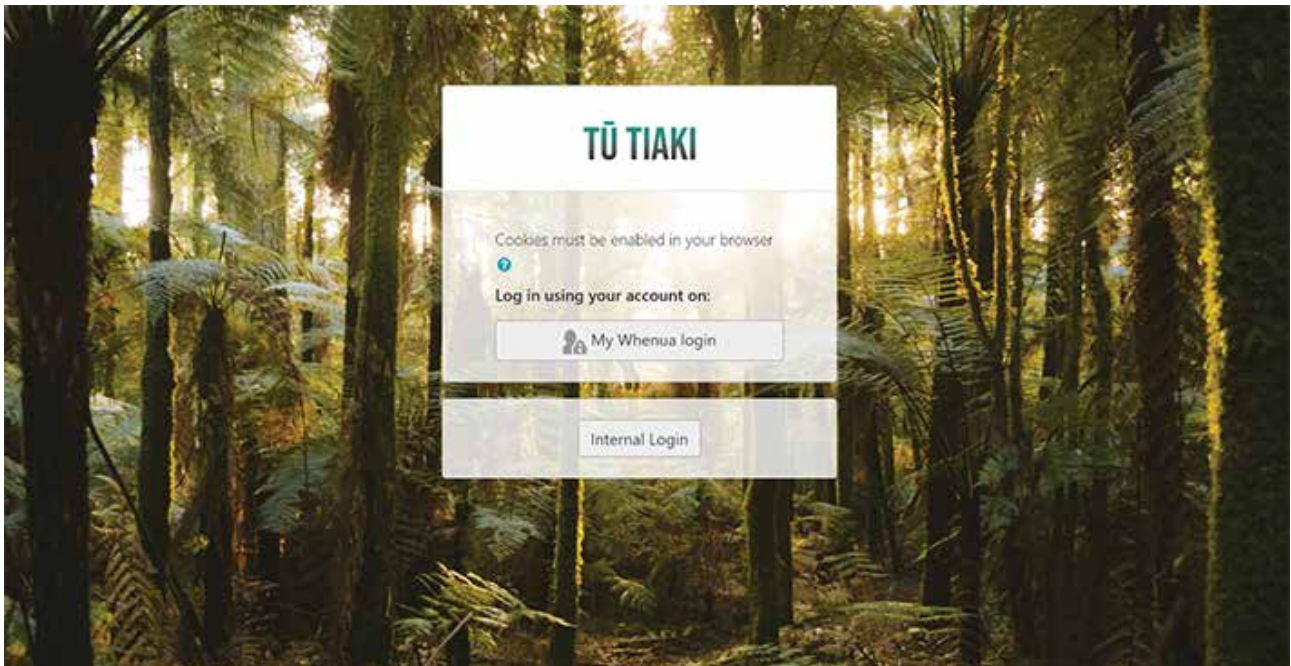
Tū Tiaki - Whenua Māori  
Governance

Celebrating excellence in  
Māori farming



A photograph of two women seated in armchairs for a panel discussion. The woman on the left, wearing glasses and a black t-shirt with a white geometric logo, is looking towards the woman on the right. The woman on the right, wearing a floral dress, is holding a microphone and speaking. Behind them is a large, tall arrangement of pampas grass. The background wall features a geometric pattern of light and dark triangles. The text 'Developing capability and supporting Māori whānau' is overlaid at the bottom in white.

**Developing capability  
and supporting  
Māori whānau**



## Tū Tiaki – Whenua Māori Governance

**Developing the capability of owners of whenua Māori to self-govern and administer their whenua is an important part of the mahi of Te Tumu Paeroa.**

This year, 11 trusts completed their journey to self-governance, and Te Tumu Paeroa is working with an additional 85 trusts in the process of transitioning to self-governance.

Whenua Māori governance is distinctive due to the significance of whenua to Māori. In order to deliver on the vision of ensuring whenua Māori is protected and enhanced for generations to come, Te Tumu Paeroa is continuing to identify new pathways for owners and rangatahi to develop capability in Māori land administration and governance.

Tū Tiaki (stand as a trustee) was launched this year and was developed as part of a wider Whenua Māori Governance programme. Its aim is to provide training resources for owners of whenua Māori who aspire to taking on the position of responsible trustees and self-govern their Ahu Whenua Trust (Māori land trust).

Providing improved support services for owners wishing to become responsible trustees begins with helping them to understand what good governance means, what is legally expected of them as responsible trustees and focussing in on what is involved in carrying out key administrative responsibilities.

This includes understanding the need for establishing processes, systems, and controls that are used to safeguard and grow the whenua and assets of the trust.

Tū Tiaki is a resource delivered through an online learning platform and is available to all trusts administered by the Māori Trustee. Each course contains a video that looks at a different aspect of trusteeship and follows the fictional journey of five new responsible trustees as they learn how to govern their Ahu Whenua Trust, and work together to achieve the best outcome for the owners of the whenua.

The videos cover topics such as:

- Trustee duties
- Trust Orders
- Strategy and vision
- Owner engagement
- Leases
- Leadership
- Financial statements
- Risk management
- Ethics.



The videos supporting this programme will be shared as part of a formal launch with the Community Governance Group, which Te Tumu Paeroa is represented on.

Mātanga Tuarā Kawea Trust Specialists from Te Tumu Paeroa have been introducing the Tū Tiaki programme at meetings of owners this year, where advisory trustees and owners have indicated a desire to move towards self-governance or self-administration of their whenua and assets.

## Celebrating excellence in Māori farming

**In 2022, Hereheretau Station, a 2,750 hectare sheep and beef farm near Wairoa, and major asset of the Māori Soldiers Trust, became a finalist in the 2022 Ahuwhenua Trophy – Sheep and Beef.**

Alongside other finalists Onuku Māori Lands Trust and, eventual Ahuwhenua Trophy winners, Wi Pere Trust, Hereheretau Station was congratulated by Ahuwhenua Trophy Chair Nukuhia Hadfield on its excellent farming operation.

Following an intensive programme of judging, Hereheretau Station opened its doors on 8 September for its Field Day, which was attended by about 350 people.

The day began with a pōwhiri at the local Whakakī Marae, followed by the presentation of the Ahuwhenua bronze medal to Brigadier Lisa Ferris, of the Māori Soldiers Trust Committee, and Paul Te Aho, Block Manager at Hereheretau Station.

Guests were then taken on a tour of the farm to experience the operations and learn more about the extensive work being undertaken.

Hereheretau Station is coming to the end of an extensive capex programme and continues to increase its contributions to support aspiring young Māori through the Māori Soldiers Fund scholarships.

The station also plays a role in the Whakakī community, proactively engaging in local projects, such as the restoration and protection of the Whakakī Lagoon, working alongside the local marae where possible, and supporting the local primary school in various capacities.

Today, Hereheretau Station farms 122 land titles, many of which are Māori owned and under various agreements. Once inside the Hereheretau Station farming operation, best practice is implemented across the whenua with environmental well-being and appropriate land use at the forefront of decision making.

Hereheretau Station employs eight full-time staff, with a progressive shepherd growth programme that echoes the purpose of the Māori Soldiers Trust.

Governance structure and reporting are key to Hereheretau Station's ability to make sound and timely decisions as a commercial entity.

Earnings from Hereheretau Station are transferred into the Māori Soldiers Fund for distribution through the Sir Āpirana Ngata Memorial Scholarship programme. The Māori Soldiers Fund also supports the Ahuwhenua Young Māori Farmer of the Year award, recognising the success of rangatahi who strive to become future leaders in the primary sectors.

This year's recipient of the Ahuwhenua Young Māori Farmer of the Year was Chloe Butcher-Herries (Ngāti Mahanga, Waikato-Tainui), an assistant farm manager at Newstead Farms in Puketapu.

Dr Charlotte Severne, Māori Trustee and Deputy Chair of the Māori Soldiers Trust Committee, presented the award to Chloe, noting that this year's finalists were of exceptionally high calibre.

In an unprecedented move, all three Young Farmer finalists were inducted into the Ahuwhenua Young Māori Farmer alumni programme.





Our purpose | Our vision

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Kapa Pou Arahi

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Our kaimahi

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Profile of kaimahi

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Creating a positive and  
safe workplace





**Our organisation**

## Our purpose

Dedicated professional trustee service for Māori

## 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.

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 reappointed for a five-year term in October 2021.

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

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

## Kapa Pou Arahi



KAITIAKI MĀORI  
MĀORI TRUSTEE

Dr Charlotte Severne OMNZ  
(Ngāti Tūwharetoa, Ngāi Tūhoe)



POUTIRIWĀ | DEPUTY MĀORI TRUSTEE  
POU NGĀRAHU | GENERAL COUNSEL

Greg Shaw



POU ARAHI OHU RINGA RAUPĀ  
ENTERPRISE DELIVERY DIRECTOR

Tāne Wilson (from October 2022)  
(Ngāi Tūhoe, Ngāti Porou)



POU ARAHI TUARĀ TAONGA  
TRUST & PROPERTY DIRECTOR

Brae Watkins (until July 2022)



POU ARAHI TUARĀ TAONGA  
TRUST & PROPERTY DIRECTOR

Sonya Rimene (from October 2022)  
(Rangitāne, Kahungunu, Te Arawa, Kai Tahu)



POU ARAHI RANGATŌPU  
CORPORATE SERVICES DIRECTOR

Martin Eadie

## The Kapa Pou Arahi are supported by:



**POU TIKANGA**

Te Hāmua Nikora  
(Ngāti Porou, Ngāti Konohi, Te Whakatōhea)



**POU ARAHI KŌPURA**  
**SENIOR INVESTMENTS MANAGER**

Chris Rich



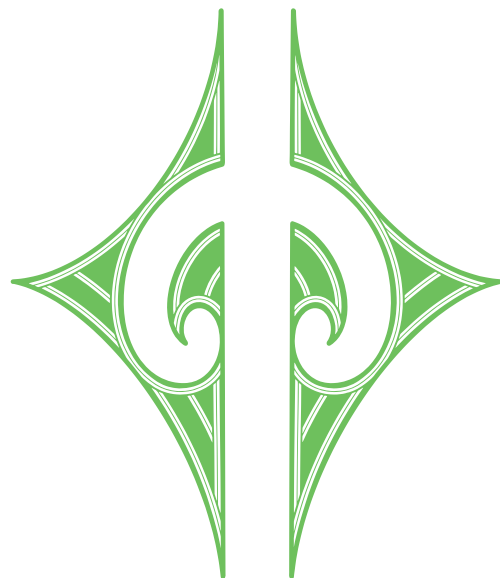
**KAIHAUTŪ HANGARAU WHAKAATURANGA**  
**CHIEF INFORMATION OFFICER**

Ruth Russell



**KAIHAUTŪ WHAKAMARU**  
**RISK & ASSURANCE MANAGER**  
**KAIHAUTŪ PŪMANAWA TANGATA**  
**HR MANAGER (ACTING)**

Rob Hanratty



## Audit and Risk Committee



**INDEPENDENT CHAIR**

Pat Waite



**INDEPENDENT MEMBER**

Whaimutu Dewes (from June 2022)



**INDEPENDENT MEMBER**

Ngila Bevan (from November 2022)

## Investment Committee

- Dr Charlotte Severne
- Greg Shaw (Chair)
- Chris Rich
- Sam Jury

# Our kaimahi

## Overview

Te Tumu Paeroa is committed to being a values-centred organisation that empowers kaimahi to deliver professional trustee services that improve the outcomes for whenua Māori, its owners and whānau.

As at May 2023, Te Tumu Paeroa had 158 kaimahi working in three rohe, with five offices located across Aotearoa New Zealand. Many of our kaimahi have a deep knowledge and long association with the whenua in their rohe.

Our kaimahi includes specialists in trust administration, property management, whenua development, legal and financial services, client services, IT, human resources, project management and communications.

## Rohe

### POU TĀHŪ

- » Rotorua
- » Kirikiriroa (Hamilton)

### POU TOKOMANAWA

- » Tūranga-nui-a-Kiwa (Gisborne)

### POU TUARONGO

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

## Our values

Values are fundamental to how Te Tumu Paeroa approaches and carries out its mahi, guiding the judgement, choices, actions, and behaviour of kaimahi. Living the values of Te Tumu Paeroa is an outward reflection of the commitment to ensuring whenua Māori is protected and enhanced, now and for generations to come.

### Tōtika | Professionalism

TE TIKA O TE TŪ

### Kotahitanga | Unity

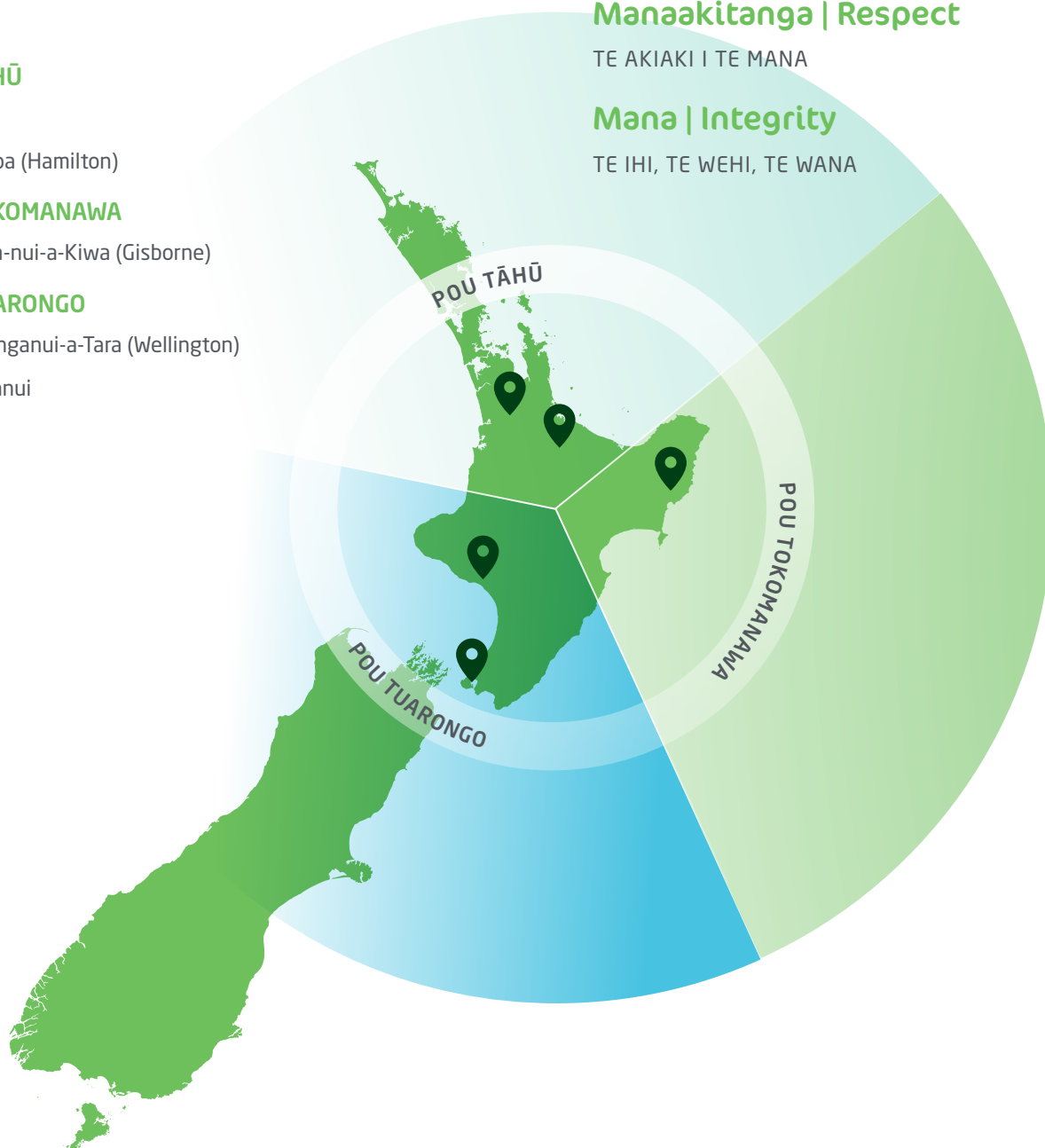
TE RARANGA I TE TIRA

### Manaakitanga | Respect

TE AKIAKI I TE MANA

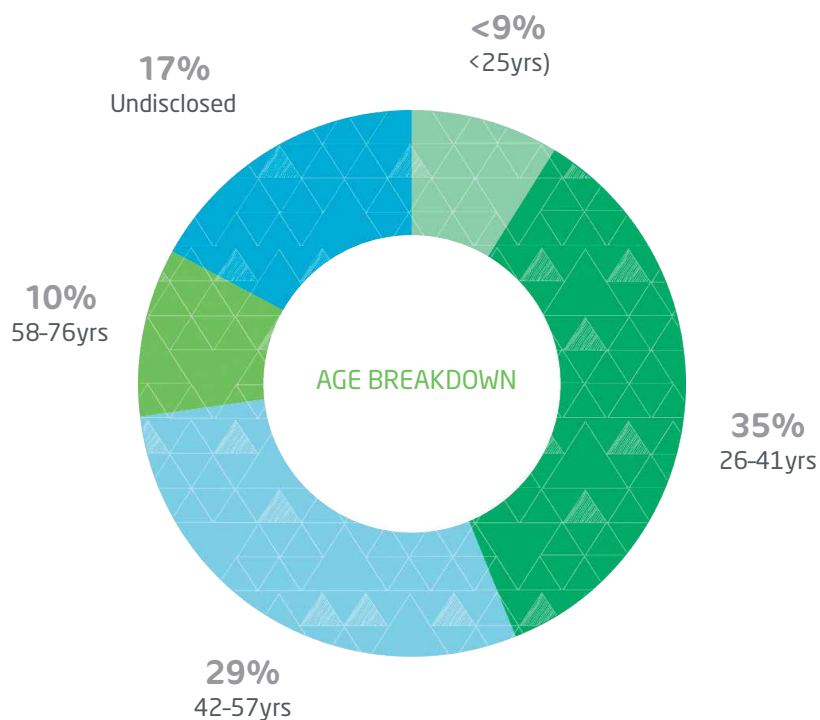
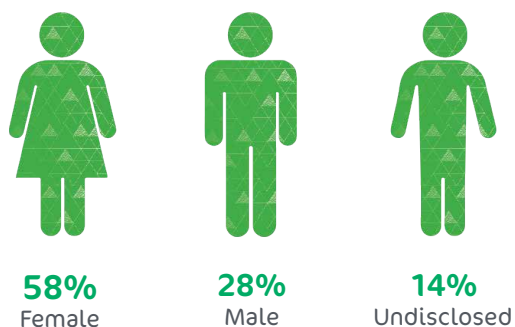
### Māna | Integrity

TE IHI, TE WEHI, TE WANA



## Statistics

### GENDER BREAKDOWN



## Creating a positive and safe workplace

Continuing to grow the competence and confidence of our kaimahi in te ao Māori is important for Te Tumu Paeroa, its clients and stakeholders.

Te Tumu Paeroa offers a range of learning and development opportunities, including weekly te reo and tikanga courses. Three times per week, kaimahi come together for karakia led by a different team each week.

A graduation ceremony was held in April 2023 for 16 kaimahi, which started with an assessment of pepeha or mihimihi in a whakatau situation.

The health, safety and well-being of kaimahi is fundamental to Te Tumu Paeroa delivering the best outcomes for whenua Māori.

Te Tumu Paeroa continually reviews its health and safety initiatives against its risk framework and is focussed on building capability and a culture of identifying, managing and monitoring risks.

This year, kaimahi undertook training on a new GetHomeSafe app, implemented to support their safety when travelling to remote whenua or meeting venues.



In June 2022, Te Tumu Paeroa welcomed all kaimahi back into the office following national COVID-19 restrictions being removed.

In 2022, a Flexible Working Policy was introduced following a successful pilot in force during COVID-19 restrictions.

In early 2023, following a series of significant weather events in the North Island, Te Tumu Paeroa activated its Business Continuity Plan and a Cyclone Gabrielle response team was established. This team coordinated

the organisational response, which initially focussed on supporting kaimahi and their whānau affected by this event, including delivery of essential items to kaimahi in Gisborne and Hawke's Bay, and providing well-being leave.

Climatic events of this kind are likely to be more prevalent in the future. Te Tumu Paeroa is continuing to review its business continuity practices, policies and procedures along with its systems to ensure our kaimahi will be supported to carry out their mahi in a safe manner.

## VALUING OUR KAIMAHI

Ensuring kaimahi feel empowered and valued begins from the time they join the organisation. This year Te Tumu Paeroa continued work on reviewing its recruitment and induction programmes to ensure they reflect the organisation values and deliver the best experience for kaimahi.

With increased recruitment needed to support the implementation of Mātai Rawa, a review of the overarching recruitment strategy resulted in a broadening of recruitment channels and the approach to attracting and retaining kaimahi in the organisation.

Te Tumu Paeroa introduced an employee loyalty scheme in March 2022, which recognises the loyalty of full-time permanent employees who have had three or more years' continuous service with Te Tumu Paeroa. It aims to recognise their contribution, as well as the experience and knowledge they bring to our mahi.

In July 2022, kaimahi were consulted on proposals developed as part of the 2022 remuneration review.

Kaimahi provided feedback to the proposal which grouped roles into bands based on key duties and responsibilities, as well as skills and knowledge. The review was implemented in late July.



SALARY BANDS (\$ THOUSANDS)	EMPLOYEE NUMBERS 2023	EMPLOYEE NUMBERS 2022
100-109	18	8
110-119	11	2
120-129	6	4
130-139	4	5
140-149	1	1
150-159	2	5
160-169	3	2
170-179	2	0
180-189	3	2
190-199	-	2
200-209	1	1
210-219	2	1
Over 220	6	4
	<b>59</b>	<b>37</b>

## EMPLOYEE INFORMATION

The table on the left presents information on the remuneration banding (in \$10,000 bands) of all permanent and fixed-term staff employed under New Zealand terms and conditions at 31 March 2023 earning above \$100,000 per annum. The allocation of a remuneration band is based on an employee's base salary only (and is not FTE adjusted). It does not include allowances or employer superannuation contributions. Salary bands above \$220,000 have been combined to protect the privacy of those employees.



Statement of Responsibility

Independent Auditor's Report

Statement of Service  
Performance



**Our performance**

## STATEMENT OF RESPONSIBILITY

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 2023, set out on pages 38 to 96, fairly reflect the financial position and operations of the Māori Trustee.



Gregory Shaw

Poutiriwā | Deputy Māori Trustee

Acting pursuant to Section 6C of the Māori Trustee Act 1953,  
in the absence of the Māori Trustee.

27 July 2023

## 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 2023

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, Grant Taylor, using the staff and resources of Ernst & Young to carry out the audit of the financial statements and the performance information, including 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 56 to 96 that comprise the statement of financial position and statement of trust monies as at 31 March 2023, 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 including a summary of significant accounting policies and other explanatory information; and
- » the performance information of the Trustee and Group on pages 38 to 53

In our opinion:

- » the financial statements of the Trustee and Group on pages 56 to 96
  - › present fairly, in all material respects:
    - its financial position as at 31 March 2023; and
    - its financial performance and cash flows for the year then ended; and
  - › comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- » the performance information for the year ended 31 March 2023:
  - › presents fairly, in all material respects, 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;
    - 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 27 July 2023. 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 audit opinion.

## **RESPONSIBILITIES OF THE MĀORI TRUSTEE FOR THE FINANCIAL STATEMENTS AND THE STATEMENT OF SERVICE PERFORMANCE**

The Māori Trustee is responsible on behalf of the Trustee and Group for preparing financial statements and performance information that are fairly presented and 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 merge or to terminate the activities of the Trustee and Group, or there is no realistic alternative but to do so.

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

## **RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE STATEMENT OF SERVICE PERFORMANCE**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information 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 the statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the Trustee and Group's budget approved by the Māori Trustee and the funding agreement with the Minister for Māori Development.

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 skepticism 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 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 statement of service performance which reports against 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 statement of service performance 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 statement of service performance, 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 statement of service performance of the entities or business within the Trustee and Group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. 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 34 but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance 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 statement of service performance, 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 statement of service performance, 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 (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit we provided market remuneration data to the Group, which is compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interests in the Trustee and Group.



Grant Taylor

Ernst & Young

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 2023 is summarised below:

	2023		2022
	ACTUAL \$000	BUDGET \$000	ACTUAL \$000
<b>Crown appropriation</b>	<b>16,686</b>	<b>16,686</b>	<b>16,686</b>
Trust Services	9,373	10,823	8,632
Registry Services	2,144	2,687	1,993
Governance and Capability Development	189	227	198
Property Management	5,736	6,898	4,408
Common Fund Management	395	352	376
Land Development	1,145	1,232	799
Business Support	982	943	839
Enablement Funding	317	305	318
<b>Total cost allocated</b>	<b>20,281</b>	<b>23,467</b>	<b>17,563</b>
<b>Shortfall in Crown Appropriation</b>	<b>(3,595)</b>	<b>(6,781)</b>	<b>(877)</b>

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

The total cost of operating the Office of the Māori Trustee is as follows:

	2023	2022
	\$000	\$000
Cost of outputs	20,281	17,563
Cost of management and support services to the General Purposes Fund (GPF)	1,748	1,887
Occupancy costs paid for the GPF	997	986
<b>Total cost of operating the Office of the Māori Trustee</b>	<b>23,026</b>	<b>20,436</b>

## 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.

## SERVICE PERFORMANCE REPORTING

The Māori Trustee has adopted PBE FRS 48, a standard that establishes requirements for improved reporting of service performance information in order to meet the needs of users of general-purpose financial reports. This standard aligns with the Māori Trustee's planned progress towards more integrated reporting designed to improve the visibility and relevance of information about the Māori Trustee's activities for Māori landowners, government, the community, and other stakeholders.

## DISCLOSURE OF JUDGEMENTS

In determining key service performance information for each outcome, the Māori Trustee has used judgement based on indicators that align with the Māori Trustee's mission and annual business activities. While the Māori Trustee does have discretion over these, the business seeks to maintain consistency across years where appropriate and to determine service performance information that is relevant, reliable, neutral, understandable, and complete. The Māori Trustee's mission is to be a professional trustee and its vision is to ensure that whenua Māori is protected and enhanced, now and for generations to come. This vision and mission guides the selection of measures that are based on externally validated information and likely to be comparable with other professional trustees and land administrators.

The selected measures were agreed with the Minister for Māori Development (on behalf of the Crown) and the Māori Trustee under schedule 1 of the funding Agreement signed in March 2020.

## 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 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 whenua Māori.

**Enablement funding:** Funding the establishment and operation of businesses and joint ventures on whenua Māori 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.

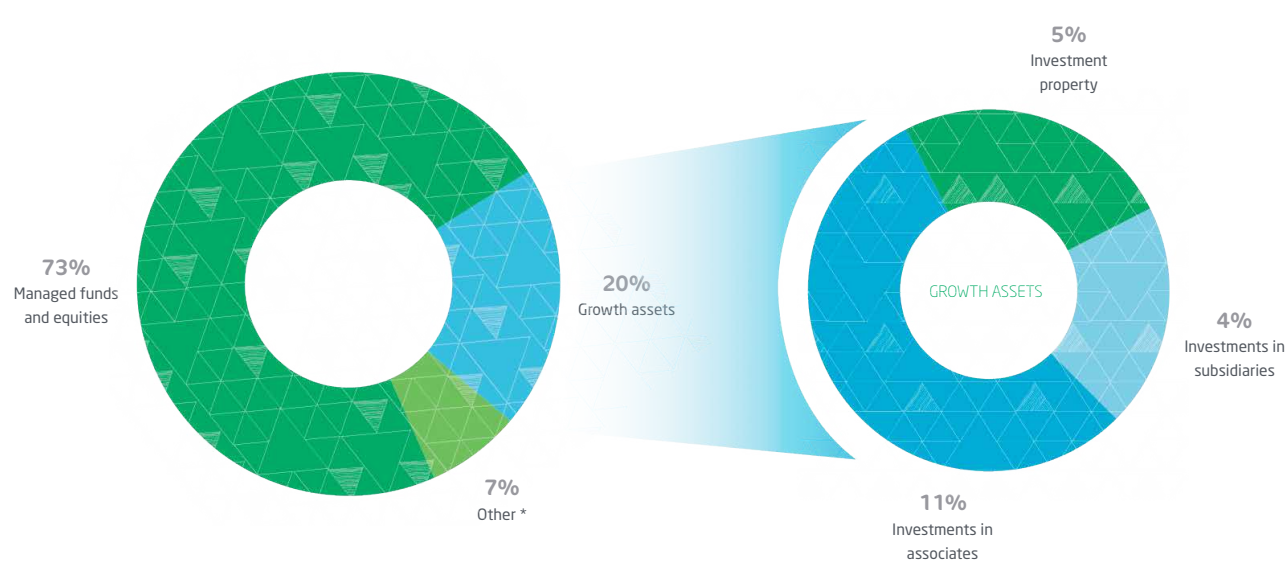
### COST OF DELIVERING OUTPUTS TO THE GENERAL PURPOSES FUND

During the year ended 31 March 2023, the Māori Trustee attributed \$1.748 million (2022: \$1.887 million) of operating costs to the delivery of outputs to the General Purposes Fund applied as follows:

	2023	2022
	ACTUAL \$000	ACTUAL \$000
<b>Output</b>		
Investment management	78	84
Funds administration	87	94
Enablement funding	353	381
Governance	475	513
Administrative and other support	755	815
<b>Total costs attributable to General Purposes Fund</b>	<b>1,748</b>	<b>1,887</b>

COMPOSITION OF THE GENERAL PURPOSES FUND

At 31 March 2023, the General Purposes Fund had assets valued at \$165 million (2022: \$173 million). These assets were held as follows:



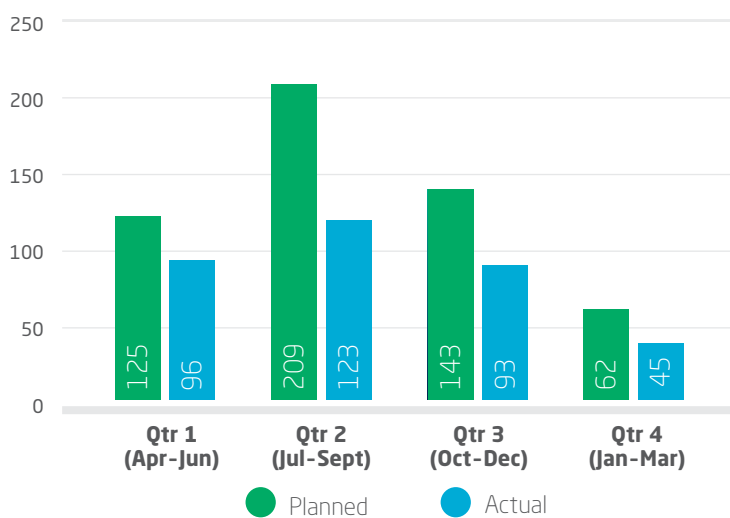
\* Carbon credits, other financial assets, and receivable and cash equivalents

## OUTPUT 1. TRUST SERVICES

Meetings of beneficial owners of Māori Trustee land trusts the Māori Trustee administers are held at intervals required by the terms of trust and otherwise when the Māori Trustee considers a meeting would be helpful to update owners on matters relating to the administration of their trust and whenua.

Following the impact of COVID-19 restrictions in the 2021/22 year, meetings of owners returned to in-person for the majority of 2022/23 year.

However, where practicable, owners were also given the option to attend the meeting by audio-visual link (AVL).



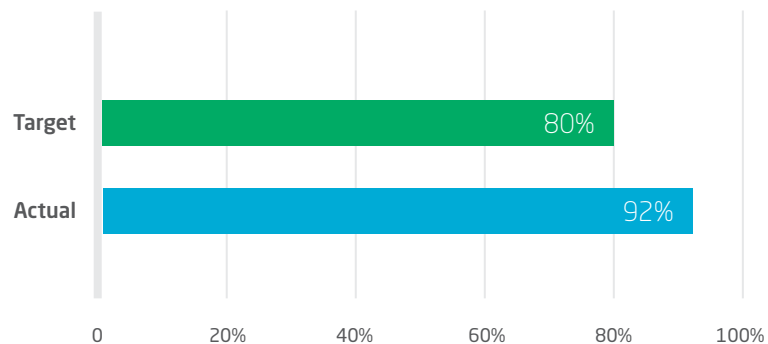
Planned vs actual meeting of owners

This year, the Ratonga Tuarā Taonga-ā-Ringa (Trust & Property Operations team) held 357 of the 539 planned meetings of owners. The reasons for this number held was they were affected by high spring illness and COVID-19 reinfections amongst kaimahi in Quarter 3 and Cyclone Gabrielle impacted meetings scheduled in the Tairāwhiti region in Quarter 4.

Apprehension surrounding travel within Aotearoa due to ongoing COVID-19 outbreaks and weather disruptions impacted the level of attendance at owner hui held ā-tinana (in person) in the year. However, while less owners attended meetings as a percentage of the total number

of owners of those trusts holding meetings compared to the previous year (1.4% compared to 2.4%), the same or increased owner attendance was achieved in 59% of cases compared to the last meeting for those trusts.

Owners attending meetings receive a Whenua Report. These reports are also able to be accessed by owners from My Whenua, Te Tumu Paeroa's online client information portal, and are posted out to owners on request. This year, over 7,208 whenua reports (2022: 5,149) were uploaded to My Whenua.

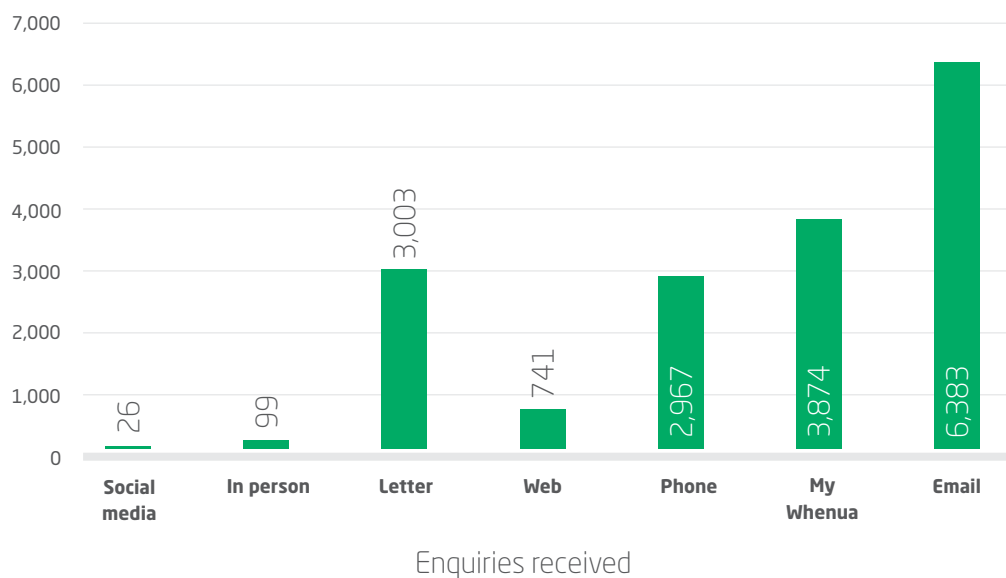


Trust reviews successfully completed at first hearing

### TRUST REVIEWS

The Māori Trustee is entrusted to administer whenua Māori as responsible trustee for approximately 1,320 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 the administration of the trust and their whenua by the Office of the Māori Trustee.

This year, Te Tumu Paeroa filed 185 trust review applications with the Māori Land Court (2022: 271 trust reviews). 92% were successfully completed at the first Māori Land Court hearing against the target of 80%. This demonstrates the high level of confidence the Māori Land Court has in the administration of the trusts by Te Tumu Paeroa.

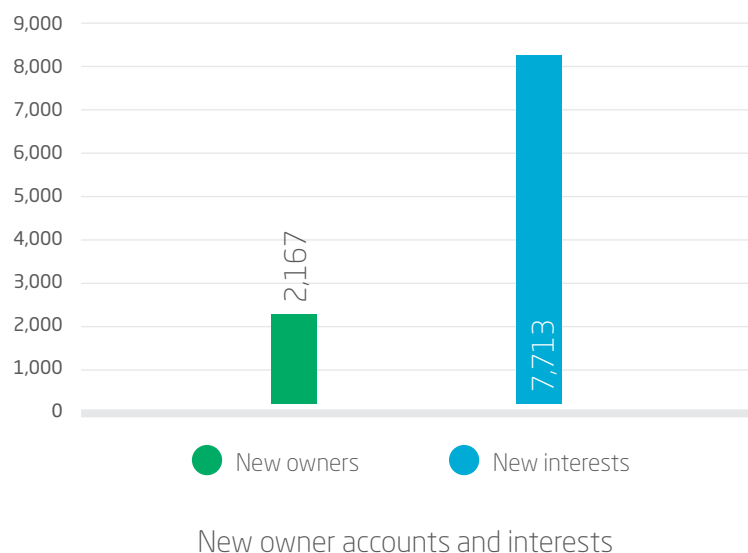


## ENQUIRIES

Of the 17,093 (2022: 16,619) enquiries received by Te Tumu Paeroa, email continues to be the primary channel used by clients (6,383 received). Combined with phone calls (2,967 received) this comprised approximately 55% (2022: 63%) of all enquiries received by Te Tumu Paeroa in the year.

93% of the enquiries were acknowledged within seven days (2022: 92%) and 94% addressed within 30 days of receipt (2022: 95%). All enquiries are recorded in Te Tumu Paeroa's customer relationship management database to ensure they are tracked and proactively managed by Ratonga Āwhina Kiritaki (Client Services). Of the complaints received by the Māori Trustee this year, 86% were resolved within 60 days (2022: 86%).

## OUTPUT 2. REGISTRY SERVICES



Te Tumu Paeroa maintains a register of 104,049 owners for the 1,704 trusts and other entities the Māori Trustee administers as trustee or agent (2022: 1,751). This year 2,167 new owner accounts (2022: 2,181) and 7,713 owner interests in whenua (2022: 8,229) were added to the register of owners.

### OWNER CONTACT INFORMATION

The maintenance and management of client contact information is a priority for ensuring owners and trustees can receive relevant information and updates relating to their trust and whenua. This year, 2,883 existing owner contact details (2022: 3,042) and 107 new owner contact details (2022: 100) were updated.

Te Tumu Paeroa is continuing to identify campaigns and events aimed at increasing the accuracy of owner contact details. This year Te Tumu Paeroa kaimahi had planned to have a kiosk at Te Matatini in February to provide information about Māori land ownership and encouraging owners to update their details. Unfortunately, internal resources needed to be redirected to respond and support the North Island weather events that month.

## SUCCESSION ORDER PROCESSING

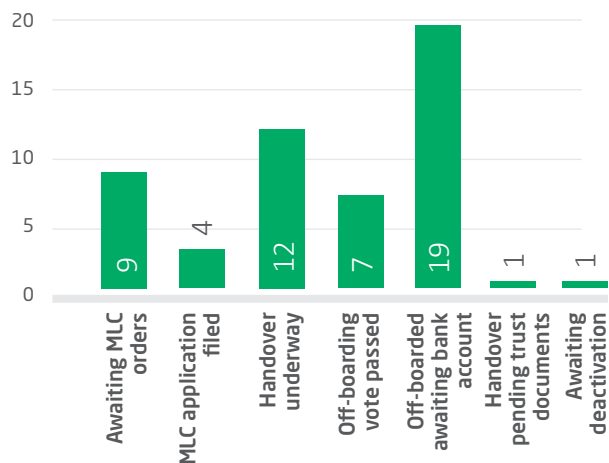
Succession to Māori land interests is hugely important as it confirms the deceased's whānau's connection to the whenua and their legal rights to the benefits, rights and interests as a landowner.

The succession process is managed by the Māori Land Court. Once the Māori Land 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. Te Tumu Paeroa then updates its register of owners for the whenua and opens new owner accounts for the successors.

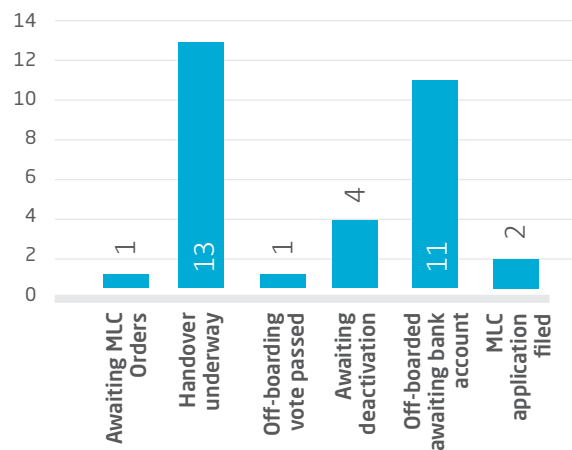
In the year, improvements were made to the information on the Te Tumu Paeroa website relating to succession. This has assisted owners to better understand the process and the respective roles and responsibilities of the Māori Land Court and Te Tumu Paeroa.

Te Tumu Paeroa was able to increase the number of succession orders processed within in the year. 49% of succession orders received by Te Tumu Paeroa were loaded within 30 days (2022: 24%) and 58% of succession orders received were loaded within 60 days (2022: 43%). A project to scan and transfer key data from succession orders received from the Māori Land Court was completed this year. This tool will help to reduce the time taken to create records in the Te Tumu Paeroa customer relationship management database and improve efficiencies in the processing of orders. It is expected that these benefits will further assist Te Tumu Paeroa towards meeting targets of 80% of succession orders loaded within 30 days and 100% in 60 days in the coming years.

## OUTPUT 3. GOVERNANCE AND CAPABILITY DEVELOPMENT



Status of trusts transitioning to self-governance where Māori Trustee is responsible trustee (as at 31 March)



Status of trusts transitioning to self-governance where Māori Trustee is agent, statutory or custodian trustee (as at 31 March)

Developing the capability of owners of whenua Māori to self-govern and administer their whenua and supporting the new responsible trustees through governance training, where required, is an important part of the mahi of Te Tumu Paeroa.

Te Tumu Paeroa has developed a Whenua Māori Governance Programme – Tū Tiaki which provides resources and online training to tautoko owners and trustees on their journey to self-governance. Te Tumu Paeroa is also a member of the Community Governance Group, which is led by Te Tari Taiwhenua (Department of Internal Affairs). Through the Whenua Māori Governance Project, Te Tumu Paeroa has made the Tū Tiaki video resources available to the members of Community Governance Aotearoa. The videos were officially launched in July 2023.

As at 31 March 2023, 11 trusts (2022: 14) had completed their transition to self-governance, and a further 85 trusts (2022: 33) were in the process of doing so.

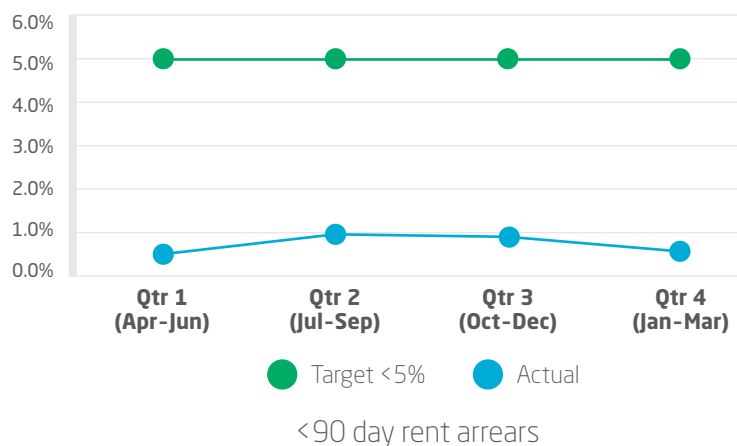
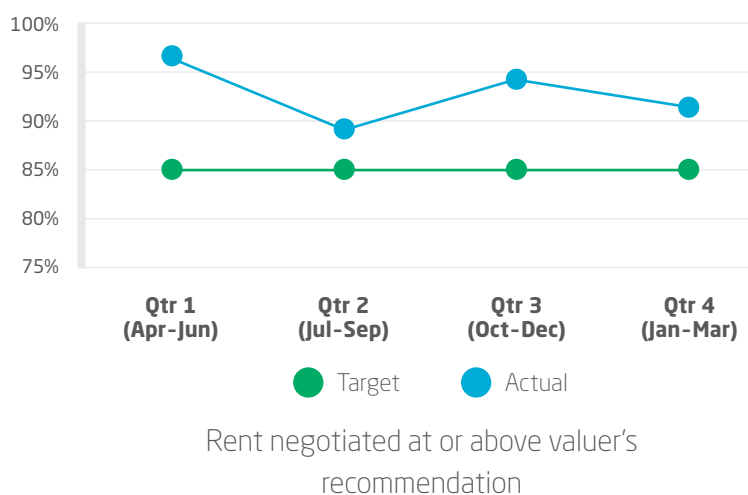
### TAUPAE PIA - TE TUMU PAEROA GRADUATE PROGRAMME

The second intake of graduates into Taupae Pia successfully completed their 12-month programme with Te Tumu Paeroa and all accepted permanent roles within the organisation. The programme aims to develop excellence in whenua Māori administration, opening new career pathways for rangatahi in protecting and enhancing whenua Māori for future generations.

## OUTPUT 4. PROPERTY MANAGEMENT

This year, Te Tumu Paeroa was able to negotiate rental at or above market rental in 91.8% of its negotiations with lessees of whenua the Māori Trustee administers (2022: 90.3%) against the target of 85%. Rental arrears continue to be well managed, with 90+ days rental arrears at 0.55% (2022: 0.33%), well below the target of 5%. Against a rental roll of \$17 million, the ability to maintain low rental arrears provides additional funds for trust distributions and capital expenditure.

Ongoing engagement with lessees is occurring in the regions most affected by Cyclone Gabrielle (Tairāwhiti and Hawke's Bay) to understand the potential effect on rental arrears in the coming financial year. The Whenua Damage Inspection Programme, launched in June 2023, involves desktop and on-site damage assessments for approximately 660 Māori Trustee administered blocks and a similar number of unadministered Māori land blocks.



Te Tumu Paeroa has focussed on positive engagement with tenants and prospective tenants, and our programme to proactively manage tenant lease non-compliance continues to contribute to improved outcomes for the whenua and its owners.

The number of property vacancies remained consistently under the 5% target, averaging 4.1% across the 12-month period (2022: 4.64%)

As at 31 March 2023, 1,104 Asset Management Plans had been completed for whenua Māori that the Māori Trustee administers as responsible trustee – leaving approximately

212 still to be completed in the coming year.

Te Tumu Paeroa has worked with specialists to complete these plans which support planning and decision-making relating to the whenua and improvements including identifying necessary capital works, investment, maintenance, and alternative use options.

This year 77% of trusts whose plans have been completed and approved have held a meeting of owners to present information from their Asset Management Plans, against a target of 95%.

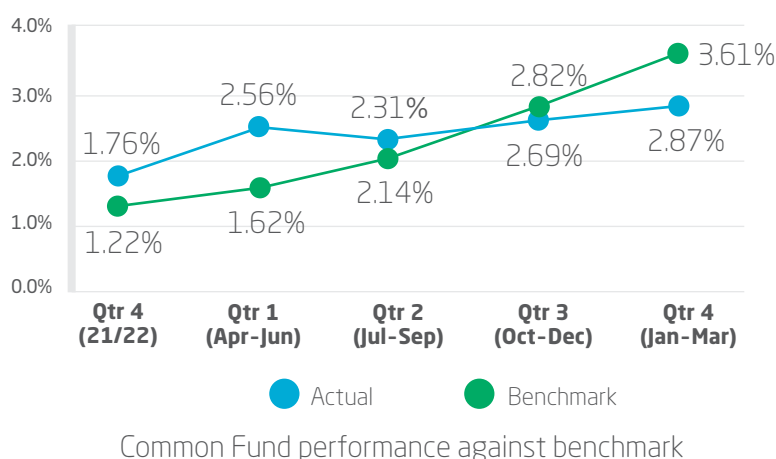
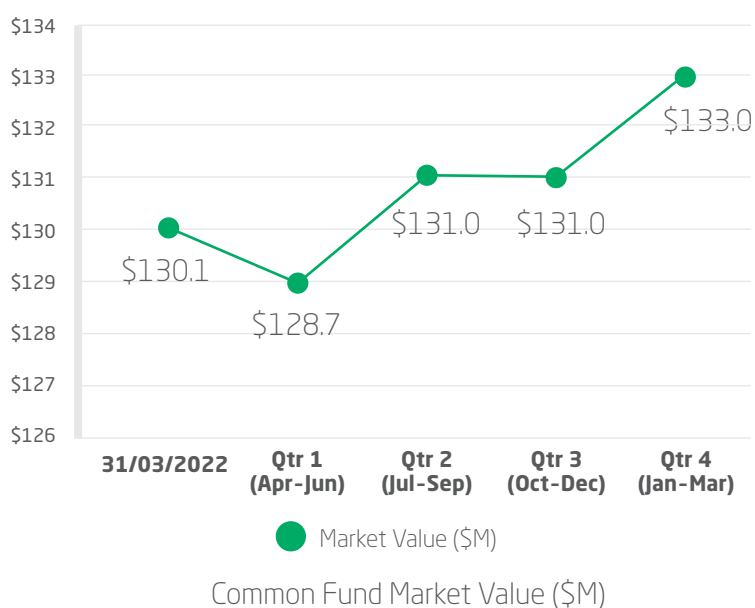
## OUTPUT 5. COMMON FUND MANAGEMENT

As at 31 March 2023, the Common Fund held \$133 million (2022: \$130.1 million) of client funds. This represents over 100,000 individual and entity accounts. The Common Fund's returns were above the benchmark for the first two quarters and below benchmark for the second two quarters.

The Reserve Bank of New Zealand's dramatic raising of the Official Cash Rate (OCR) in response to resurgent domestic inflation has enabled the Common Fund to invest at higher

rates. However, the benchmark is based on the six-month bank term deposit rates available for investment today whereas the Common Fund has a range of investment maturities, so there is a lagged effect. If interest rates move down quickly, the Common Fund exceeds the benchmark and vice versa.

Once the OCR stabilises, actual returns should meet and then exceed the benchmark once again.



**Note:** The Benchmark is the 12-month rolling Reserve Bank of New Zealand six-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.

Under section 26 of the Māori Trustee Act 1953, distributable income is paid to all Common Fund account holders with balances at the end of each month. This year the total amount of distributions paid to account holders was \$4.8 million (2022: \$5.2 million). In addition, \$3.85 million (2022: \$4.10 million) was paid by trusts we administer as trustee or agent to owners.

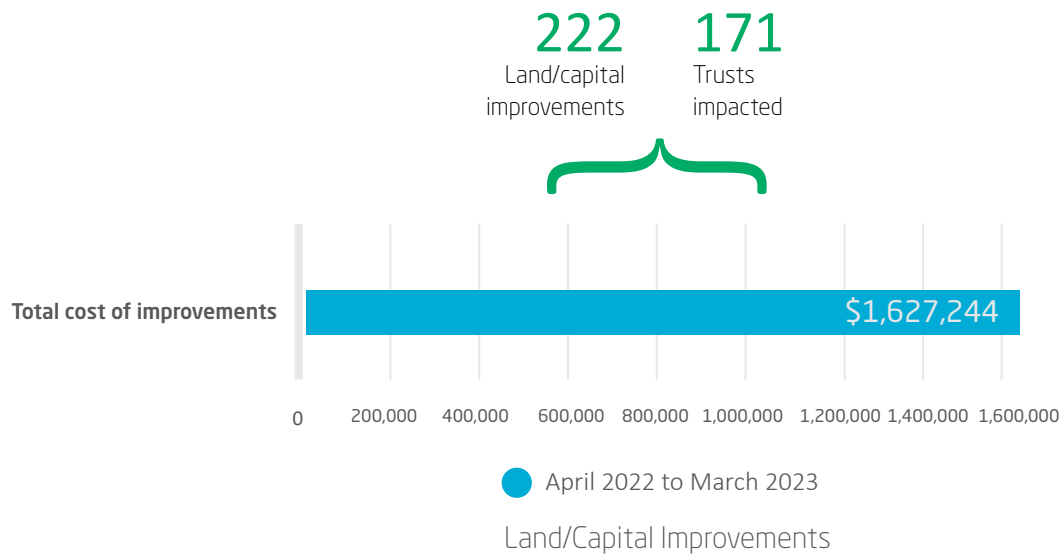
Where no information is held, Te Tumu Paeroa continues to seek to obtain bank account information from individual Common Fund account holders so that balances held in the Common Fund from trust distributions and distributable income can be paid out to them.

#### COMMON FUND INVESTMENTS

Common Fund investments during the year were made in accordance with the Fund's Statement of Investment Policies and Objectives (SIPO).

Late in March 2023, a Common Fund member repaid a sizeable loan which reduced the size of the Fund by over \$3.0 million. This caused a temporary breach to the Fund's SIPO in relation to one bond held which marginally exceeded an investment parameter. The Investment Committee approved a specific temporary waiver.

## OUTPUT 6. LAND DEVELOPMENT



During the year, 222 land or capital improvement projects or initiatives (2022: 265) with a total cost of \$1.6 million (2022: \$4.13 million) were undertaken impacting 171 trusts (2022: 169).

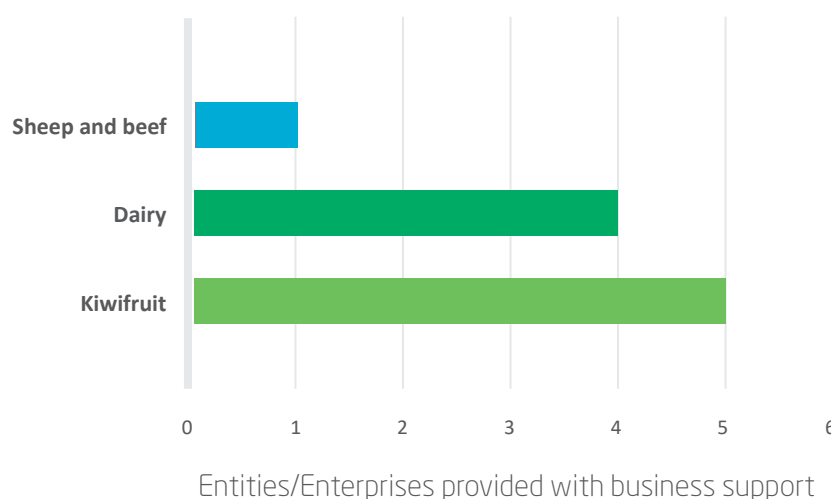
Of these, \$519,442 (32%) was for protection work and \$1.1 million was spent on development on the whenua.

This year, Te Tumu Paeroa set an ambitious target of completing 150 Farm Environment Plans (FEPs) for whenua where the Māori Trustee is appointed as responsible trustee. These plans assist in ensuring new and impending environmental regulatory requirements are considered in farm planning. From these Farm Environment Plans, all of

the associated actions identified have been costed and uploaded to the individual land block records held in Te Tumu Paeroa's customer relationship management (CRM) system.

A total of 144 Farm Environment Plans (2022: 120) were completed in the year, and as at 31 March 2023, 451 plans have been completed against the target of 600. The completion of the plans has taken longer than anticipated due to the increasing level of detail required in the reports, along with a higher level of engagement required with contractors to finalise individual reports.

## OUTPUT 7. BUSINESS SUPPORT



### CONSOLIDATED BUSINESSES UNDER MANAGEMENT

Overall, our enterprises continued to deliver in difficult market conditions and a tough economic environment. However, the ongoing impact of supply chain pressures and the impact of recent weather events continues to put pressure on costs affecting overall profitability.

Kiwifruit orchards experienced a very difficult season climatically following a cooler spring and lower sunshine hours. Adverse weather events throughout the season experienced in the Bay of Plenty region have had a compounding impact on fruit production, fruit quality, and operating costs. A warmer winter meant pests were more prevalent through spring, a lack of frosts in early spring caused reduced bud burst, low sunshine hours through spring led to lower bee activity within the orchards (and subsequent pollination), two cyclones through summer caused unfavourable soil conditions and multiple wind and hail events also caused physical damage/ blemishes to the fruit once established.

The farming enterprises also endured difficult weather conditions affecting pasture growth through the spring, a crucial time of livestock feeding on farm. A wetter than average summer led to above average pasture growth, however severe weather events, including Cyclone Gabrielle, affected the farms from an infrastructure and management perspective. Overall, none of the farming enterprises were as severely impacted as others but it is expected that there will be an impact on expenditure across all farms.

The economic environment has changed substantially over the past 12 months, persistent double-digit inflation has affected essential farm inputs (interest, fertiliser, labour, feed, timber products) and farm gate product prices have declined substantially.

### HEALTH AND SAFETY

This year, Te Tumu Paeroa reported 0 (zero) significant health and safety incidents (2022: 0). A significant incident is an incident that requires reporting to WorkSafe or immediate action.

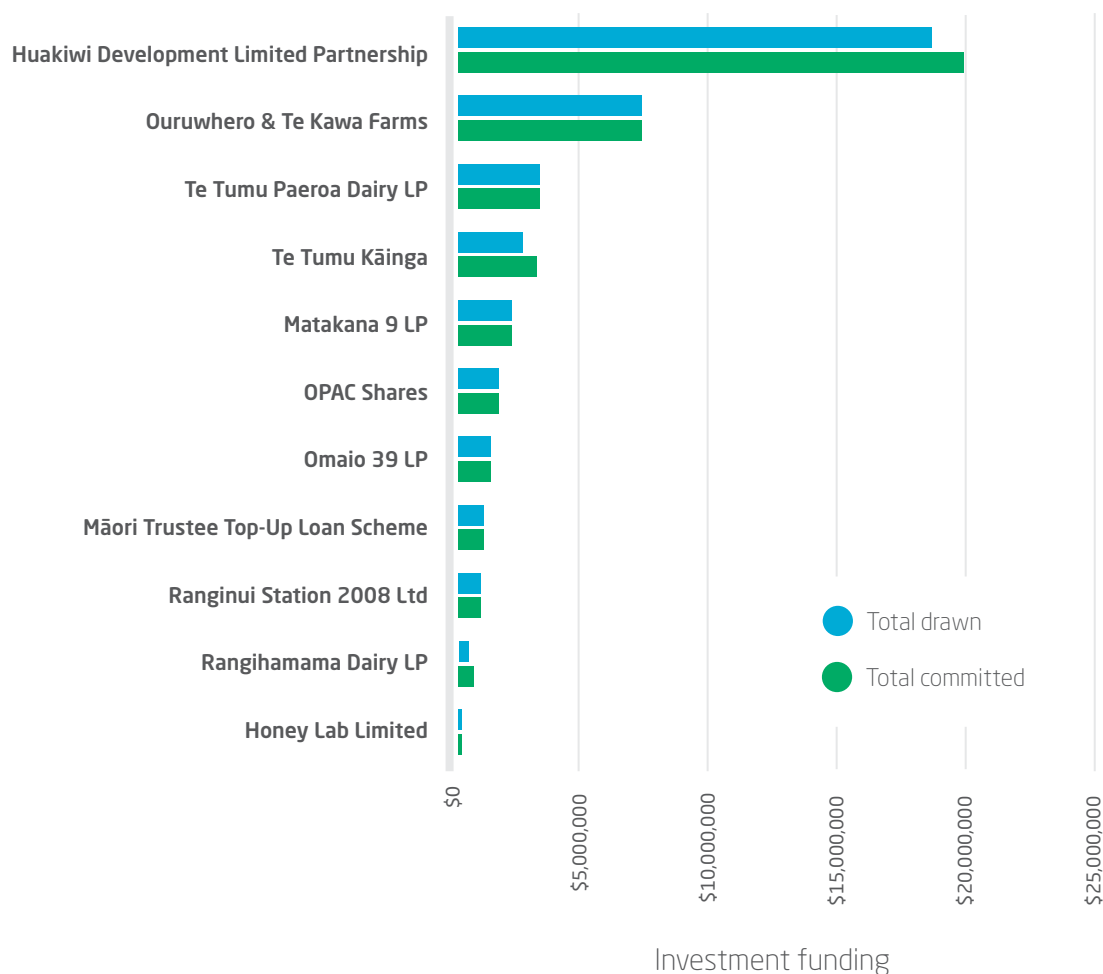
Te Tumu Paeroa continues to identify health and safety initiatives to tautoko the health, safety and wellbeing of its kaimahi. Following the impact of Cyclone Gabrielle in February 2023, the initial focus was on ensuring the health and safety of kaimahi, then lessees and the whenua in the most impacted regions of Tairāwhiti and Hawke's Bay. A cyclone response team was established to coordinate and manage a response and recovery plan.

The use of the remote worker safety app GetHomeSafe, for monitoring travel to remote whenua and meeting venues continues with additional functionality identified to support engagement with kaimahi during emergency events such as Cyclone Gabrielle, which impacts normal methods of communication.

Ongoing development of monitoring and reporting standards is 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's General Purposes Fund are used towards the feasibility, development or operation of Māori enterprises. In the year, advances totalling \$100k were made to Omaio 39 Limited Partnership to support capital work following wind damage in the previous season.

The percentage of General Purposes Fund committed to Enablement Funding equated to 23% at 31 March 2023.

### AUCKLAND AND ONEHUNGA HOSTELS ENDOWMENT TRUST (TE TUMU KĀINGA)

Te Tumu Kāinga, a charitable trust, whose statutory trustee is the Māori Trustee, with the support of the Māori Trustee's General Purposes Fund, continued its commitment to improving the outcomes for Māori whānau through providing access to healthy affordable housing, as well as undertaking the assessment and repair of homes for Māori. Advances of \$130k were made to Te Tumu Kāinga in 2022/23 to support this kaupapa and at 31 March 2023, the trust repaid the \$3.2 million advances it had received from the Māori Trustee towards the housing programme.

Statement of Comprehensive  
Revenue and Expense

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Statement of  
Financial Position

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Statement of  
Changes in Equity

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Statement of Cash Flows

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Statement of Trust Monies

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Notes to the Financial  
Statements





# **Our financial statements**

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

for the year ended 31 March 2023  
in New Zealand Dollars

	NOTE	GROUP			PARENT	
		2023 ACTUAL \$000	2023 BUDGET \$000	2022 ACTUAL \$000	2023 ACTUAL \$000	2022 ACTUAL \$000
<b>Revenue</b>						
Fees and commissions		4,515	4,586	4,566	4,567	4,608
Revenue from Crown		16,686	16,686	16,686	16,686	16,686
Interest revenue		342	84	729	342	729
Farm and land revenue		2,755	3,000	3,225	-	-
Dividends		106	1,420	243	426	1,135
Other revenue		298	-	1,187	666	1,537
<b>Total revenue</b>	<b>3</b>	<b>24,702</b>	<b>25,776</b>	<b>26,636</b>	<b>22,687</b>	<b>24,695</b>
<b>Expenses</b>						
Employee benefits	4	(13,533)	(16,404)	(12,599)	(13,202)	(12,315)
Depreciation, amortisation and impairment	13,14,19,20	(1,241)	(1,318)	(1,048)	(4,158)	(881)
Farm and land expenses	5	(1,969)	(3,000)	(1,775)	-	-
Other expenses	6	(9,112)	(7,863)	(7,656)	(9,070)	(7,626)
<b>Total operating expenses</b>		<b>(25,855)</b>	<b>(28,585)</b>	<b>(23,078)</b>	<b>(26,430)</b>	<b>(20,822)</b>
<b>Net (deficit)/surplus from operations</b>		<b>(1,153)</b>	<b>(2,809)</b>	<b>3,558</b>	<b>(3,743)</b>	<b>3,873</b>
<b>Other gains/(losses)</b>						
Reversal of impairment	12	377	-	146	377	146
Gain on investment property revaluation	18	-	-	-	-	883
Share of associates' net (deficit)/surplus	14	(1,156)	-	403	-	-
<b>Total other gains</b>		<b>(779)</b>	<b>-</b>	<b>549</b>	<b>377</b>	<b>1,029</b>
<b>(Deficit)/surplus for the Māori Trustee</b>		<b>(1,932)</b>	<b>(2,809)</b>	<b>4,107</b>	<b>(3,366)</b>	<b>4,902</b>
<b>Other comprehensive revenue and expense</b>						
Share of equity accounted investments' other comprehensive revenue/(expense)	14	62	-	(105)	-	-
Decrease in financial assets at fair value	11,15, 17	(5,942)	737	(2,996)	(6,419)	(2,827)
Gain/(loss) on asset revaluation	19,20	(2,855)	460	1,953	(2,855)	2,538
<b>Total comprehensive (expense)/revenue for the Māori Trustee</b>		<b>(10,667)</b>	<b>(1,612)</b>	<b>2,959</b>	<b>(12,640)</b>	<b>4,613</b>

Explanations of major variances against budget are provided in note 30.

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2023  
in New Zealand Dollars

	NOTE	GROUP			PARENT	
		2023 ACTUAL \$000	2023 BUDGET \$000	2022 ACTUAL \$000	2023 ACTUAL \$000	2022 ACTUAL \$000
<b>Current assets</b>						
Cash and cash equivalents	8	7,422	1,307	4,434	6,969	3,702
Debtors and other receivables	9	4,966	1,085	4,946	4,808	4,942
Term deposits		10	-	10	-	-
Loans and receivables	12	374	-	257	374	257
Biological assets	16	1,172	1,158	1,202	-	-
Equities	17	115,009	120,542	119,781	115,009	119,781
Inventory	10	802	950	661	-	-
<b>Total current assets</b>		<b>129,755</b>	<b>125,042</b>	<b>131,291</b>	<b>127,160</b>	<b>128,682</b>
<b>Non-current assets</b>						
Loans and receivables	12	570	3,565	3,822	570	3,822
Investments	11	644	713	548	-	-
Investments in subsidiaries	13	-	-	-	5,096	6,043
Equity accounted investments	14	15,428	20,612	16,598	15,118	17,155
Other financial assets	15	2,820	-	4,965	2,820	4,965
Investment property	18	-	-	-	-	11,257
Property, Plant and equipment	19	11,579	12,969	12,947	10,205	412
Intangible assets	20	6,169	7,593	7,561	5,647	7,008
<b>Total non-current assets</b>		<b>37,210</b>	<b>45,452</b>	<b>46,441</b>	<b>39,456</b>	<b>50,662</b>
<b>Total assets</b>		<b>166,965</b>	<b>170,494</b>	<b>177,732</b>	<b>166,616</b>	<b>179,344</b>
<b>Current liabilities</b>						
Payables	21	1,590	2,171	1,649	1,305	1,352
Employee benefits	22	642	620	689	642	689
<b>Total current liabilities</b>		<b>2,232</b>	<b>2,791</b>	<b>2,338</b>	<b>1,947</b>	<b>2,041</b>
<b>Non-current liabilities</b>						
Employee benefits	22	21	-	15	21	15
<b>Total non-current liabilities</b>		<b>21</b>	<b>-</b>	<b>15</b>	<b>21</b>	<b>15</b>
<b>Total liabilities</b>		<b>2,253</b>	<b>2,791</b>	<b>2,353</b>	<b>1,968</b>	<b>2,056</b>
<b>Equity</b>						
Total equity attributable to Māori Trustee		162,817	164,468	168,843	162,763	170,762
Reserves		1,895	3,235	6,536	1,885	6,526
<b>Total equity</b>		<b>164,712</b>	<b>167,703</b>	<b>175,379</b>	<b>164,648</b>	<b>177,288</b>
<b>Total liabilities and equity</b>		<b>166,965</b>	<b>170,494</b>	<b>177,732</b>	<b>166,616</b>	<b>179,344</b>

Explanations of major variances against budget are provided in note 30.

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023  
in New Zealand Dollars

	NOTE	GROUP			PARENT	
		2023 ACTUAL \$000	2023 BUDGET \$000	2022 ACTUAL \$000	2023 ACTUAL \$000	2022 ACTUAL \$000
<b>Equity at beginning of year</b>						
General Purposes Fund - balance of GP Fund		118,963	120,345	114,887	120,928	115,952
General Purposes Fund - MT Operating Funds		43,843	43,000	43,040	43,843	43,040
Appropriation Account		(1,004)	(6,891)	(127)	(1,004)	(127)
Financial assets through other comprehensive revenue and expense		8,827	13,792	11,823	8,781	11,608
Asset revaluation reserve		4,750	2,775	2,797	4,740	2,202
<b>Total equity at beginning of year</b>		<b>175,379</b>	<b>173,021</b>	<b>172,420</b>	<b>177,288</b>	<b>172,675</b>
<b>Transfers from statement of comprehensive revenue and expense for the year</b>						
General Purposes Fund - balance of GP Fund		3,939	(504)	4,076	2,443	4,976
General Purposes Fund - MT Operating Funds		(2,214)	-	803	(2,214)	803
Appropriation Account		(3,595)	(2,305)	(877)	(3,595)	(877)
Financial assets through other comprehensive revenue and expense		(5,942)	737	(2,996)	(6,419)	(2,827)
Asset revaluation reserve		(2,855)	460	1,953	(2,855)	2,538
<b>Total comprehensive revenue and expense</b>		<b>(10,667)</b>	<b>(1,612)</b>	<b>2,959</b>	<b>(12,640)</b>	<b>4,613</b>
<b>Equity at end of year</b>						
General Purposes Fund - balance of GP Fund		122,902	119,841	118,963	123,371	120,928
General Purposes Fund - MT Operating Funds		41,629	43,000	43,843	41,629	43,843
Appropriation Account		(4,599)	(9,196)	(1,004)	(4,599)	(1,004)
Financial assets through other comprehensive revenue and expense		2,885	14,529	8,827	2,362	8,781
Asset revaluation reserve		1,895	3,235	4,750	1,885	4,740
<b>Total equity at end of year</b>		<b>164,712</b>	<b>171,409</b>	<b>175,379</b>	<b>164,648</b>	<b>177,288</b>

Explanations of major variances against budget are provided in note 30.

# STATEMENT OF CASH FLOWS

for the year ended 31 March 2023  
in New Zealand Dollars

	NOTE	GROUP			PARENT	
		2023 ACTUAL \$000	2023 BUDGET \$000	2022 ACTUAL \$000	2023 ACTUAL \$000	2022 ACTUAL \$000
<b>Cash flows from operating activities</b>						
Fees and commissions		4,491	4,586	3,892	4,697	3,892
Revenue from Crown		16,686	16,686	15,411	16,686	15,411
Investment revenue		294	64	1,270	614	1,270
Other revenue		298	1,620	1,098	666	1,392
Farm and land revenue		2,614	3,000	2,841	-	-
Employee benefits		(13,574)	(15,840)	(12,139)	(13,243)	(12,139)
Suppliers		(8,954)	(9,930)	(7,703)	(9,035)	(7,703)
Farm and land expenses		(1,939)	(3,000)	(2,660)	-	-
Goods and services tax (GST) received/(paid)		(135)	(1,248)	(11)	-	(25)
<b>Net cash from operating activities</b>	<b>23</b>	<b>(219)</b>	<b>(4,062)</b>	<b>1,999</b>	<b>385</b>	<b>2,098</b>
<b>Cash flows from investing activities</b>						
Loans and receivables repaid		(199)	196	360	(199)	360
Held-to-maturity investments matured or sold		-	-	34,503	-	34,503
Term deposits matured/(invested)		-	-	65,504	-	65,504
Investment in funds and equities		498	-	(101,682)	498	(101,682)
Disposal of property, plant and equipment		-	-	(189)	-	(189)
Property, plant and equipment purchased		(296)	(242)	(262)	(68)	(206)
Intangible assets purchased		(1,032)	(1,931)	(360)	(1,032)	(360)
Loans and receivables advanced		3,783	-	(849)	3,783	(849)
Investment in subsidiaries		-	-	-	(100)	-
Investment in equity accounted investments		453	958	(2,322)	-	(2,322)
Other financial assets sold/(purchased)		-	-	(91)	-	(92)
Capital repayment from subsidiaries and associates		-	-	160	-	-
<b>Net cash from/(to) investing activities</b>		<b>3,207</b>	<b>1,019</b>	<b>(5,228)</b>	<b>2,882</b>	<b>(5,333)</b>
<b>Net movements in cash and cash equivalents</b>		<b>2,988</b>	<b>(5,081)</b>	<b>(3,229)</b>	<b>3,267</b>	<b>(3,235)</b>
<b>Cash and cash equivalents at 1 April</b>		<b>4,434</b>	<b>6,388</b>	<b>7,663</b>	<b>3,702</b>	<b>6,937</b>
<b>Cash and cash equivalents at 31 March</b>	<b>8</b>	<b>7,422</b>	<b>1,307</b>	<b>4,434</b>	<b>6,969</b>	<b>3,702</b>

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 30.

## STATEMENT OF TRUST MONIES

for the year ended 31 March 2023  
in New Zealand Dollars

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 2023 are not included in the Māori Trustee's financial statements. Balances in these accounts were as follows:

	COMMON FUND		SPECIAL INVESTMENT ACCOUNTS	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Funds held in trust	137,221	132,824	206	244
<b>Represented by:</b>				
Cash	4,442	5,710	17	45
Bonds	83,779	58,614	189	199
Term deposits	49,000	68,500	-	-
	<b>137,221</b>	<b>132,824</b>	<b>206</b>	<b>244</b>

### 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:

	2023 \$000	2022 \$000
Common Fund investment income	3,838	2,339
Management fee	(1,058)	(1,347)
<b>Distributable income</b>	<b>2,780</b>	<b>992</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. 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 2023 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 2023 and were approved by the Māori Trustee on 27 July 2023.

## 2. Basis of preparation

These financial statements have been prepared on a going concern basis, and other than the adoption of PBE IPSAS 41 Financial Instruments, all accounting policies have been consistently applied throughout the period. Where applicable, certain comparatives have been reclassified to comply with the accounting presentation adopted in the current year to ensure consistency with the current year classification.

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 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.

These financial statements are presented in New Zealand dollars (\$), which is the Māori Trustee's functional currency. All amounts have been rounded to the nearest thousand dollars unless stated otherwise.

### 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.

### Basis of measurement

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.

## Use of judgements and estimates

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 and actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectation 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 judgements 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. In the current year, the Investment Property was reclassified to Property Plant and equipment, recognising that the property is owner occupied through a wholly owned subsidiary.
- 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 cashflows.
- 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 principal and interest repayments and the expected default rate over the five-year loan term.

## 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 (net 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.

## CHANGE IN ACCOUNTING POLICIES

### *New and amended standards and interpretations*

The Māori Trustee has adopted PBE IPSAS 41 *Financial Instruments* for the year ended 31 March 2023. This new standard is effective for periods beginning on or after 1 January 2022. PBE IPSAS 41 establishes requirements for the recognition and measurement of financial instruments by Tier 1 public benefit entities. PBE IPSAS 41 supersedes PBE IFRS 9 *Financial Instruments*, which was previously applied by the Māori Trustee.

No recognition and measurement adjustments have been required as a result of adopting the new standard. As detailed in notes 15 and 24, certain reclassifications and changes in policy have been made.

There have been no other changes in accounting policies.

### 3. Revenue

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Revenue from non-exchange transactions</b>				
Fees	2,715	2,785	2,767	2,827
Less fees forgiven/written off	(400)	(407)	(400)	(407)
Revenue from Crown	16,686	16,686	16,686	16,686
Interest revenue from lending	154	165	154	165
<b>Total revenue from non-exchange transactions</b>	<b>19,155</b>	<b>19,229</b>	<b>19,207</b>	<b>19,271</b>
<b>Revenue from exchange transactions</b>				
Commissions	1,217	1,212	1,217	1,212
Common Fund management fees	983	976	983	976
Interest revenue from investment	188	564	188	564
Farm revenue	2,755	3,225	-	-
Dividends	106	243	426	1,135
Other revenue	298	1,187	666	1,537
<b>Total revenue from exchange transactions</b>	<b>5,547</b>	<b>7,407</b>	<b>3,480</b>	<b>5,424</b>
<b>Total revenue</b>	<b>24,702</b>	<b>26,636</b>	<b>22,687</b>	<b>24,695</b>

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, directors' fees and other revenue.

#### REVENUE FROM CROWN

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

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 signed in July 2021. The revenue in the current financial year is \$16,686,000 (2022: \$16,686,000).

#### 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.

#### 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.

### 4. Employee benefits

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Salaries and wages	13,186	11,967	12,855	11,683
Defined contribution plan employer contributions	343	287	343	287
Increase/(decrease) in employee entitlements	(93)	129	(93)	129
Recruitment related costs	97	216	97	216
<b>Total employee benefits</b>	<b>13,533</b>	<b>12,599</b>	<b>13,202</b>	<b>12,315</b>

#### 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.

### 5. Farm and land expenses

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Administration expenses	13	39	-	-
Feed	354	405	-	-
Lease payments	12	12	-	-
Repairs and maintenance	133	106	-	-
Stock movement	(131)	(172)	-	-
Other farm expenses	1,588	1,385	-	-
<b>Total farm and land expenses</b>	<b>1,969</b>	<b>1,775</b>	<b>-</b>	<b>-</b>

## 6. Other expenditure

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Audit fees for parent	166	172	166	172
Audit fees for subsidiary	42	30	-	-
Impairment of loans and receivables current year	82	52	82	52
Occupancy	1,030	986	1,030	986
Consultants' fees	4,004	3,119	4,004	3,119
Legal fees	91	88	91	88
Travel	416	164	416	164
Telecommunications	153	160	153	160
Printing and stationery	92	67	92	67
Insurance	175	133	175	133
Software licences and maintenance	1,658	1,357	1,658	1,357
Loss on disposal/write-off assets	-	190	-	190
Bad debts - loans and receivables written off	8	153	8	153
Other operating costs	1,195	985	1,195	985
<b>Total other expenditure</b>	<b>9,112</b>	<b>7,656</b>	<b>9,070</b>	<b>7,626</b>

## 7. Taxation

	GROUP	
	2023 \$000	2022 \$000
<b>Reconciliation between tax expense and accounting surplus</b>		
Surplus before tax	(1,932)	3,938
Tax at 28% (2022: 28%)	(541)	1,103
Tax effect of:		
Parent company income not taxable	942	(1,218)
Non-taxable income	(401)	115
<b>Tax expense</b>	<b>-</b>	<b>-</b>

Figures above are presented only for the Group as the Parent is exempt from tax. There is zero tax expense (2022: Nil) and no offsetting movements (2022: Nil).

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.

## 8. Cash and cash equivalents

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Cash at bank and on hand	553	826	100	94
Deposits at call	6,869	3,608	6,869	3,608
<b>Total cash and cash equivalents</b>	<b>7,422</b>	<b>4,434</b>	<b>6,969</b>	<b>3,702</b>

### Cash and cash equivalents policy

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

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

## 9. Debtors and other receivables

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Non-exchange receivables</b>				
Trade debtors	266	366	266	366
Provision for doubtful debts	(12)	-	(12)	-
Sundry receivables	4,256	4,172	4,256	4,172
<b>Exchange receivables</b>				
Sundry receivables	456	408	298	404
<b>Total debtors and other receivables</b>	<b>4,966</b>	<b>4,946</b>	<b>4,808</b>	<b>4,942</b>

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 Māori Trustee carries out a detailed impairment test, and provides for doubtful debts in relation to specific debtors when it is clear that they will not be able to make payment. The process in place allows the Māori Trustee to provide an accurate indication of expected credit loss for individual customer segments. Accordingly, there is no further expected credit loss (ECL) provided for. Refer to note 26 for more detail on expected credit loss.

## 10. Inventory

Inventory consists of crops grown on bearer plants in Omaio 39 Limited Partnership and Matakana 9 Limited Partnership. Inventory assets are valued based on quotable market prices issued by Zespri (OGR per tray) less costs to sell. An independent valuation is obtained annually to determine the fair value of the crop at year end and the estimated costs to sell. Any change in fair value of inventory is recognised in the net surplus or deficit.

The fair value of inventory was estimated to be \$802,429 (2022: \$663,243). Gain or (loss) arising in fair value less cost to sell was \$139,186 (2022: (\$286,757)).

## 11. Investments

	QUANTITY	GROUP		PARENT	
		2023	2022	2023	2022
Shares - Fonterra Co-Operative Group Limited	192,581	582	486	-	-
Shares - Ballance Limited	7,676	62	62	-	-
Total investments		644	548	-	-

Investments in listed shares are stated at fair value using quoted market prices. Investments are subsequently measured at fair value through other comprehensive revenue and income. Any dividend income derived from these investments is recognised in the net surplus or deficit.

Under PBE IPSAS 41, investments are recognised as financial assets and subsequently measured in line with the management model for financial assets applied in note 26. This has resulted in a reclassification of the 2022 fair value adjustment from net surplus or deficit to other comprehensive revenue and income.

## 12. Loans and receivables

	GROUP					
	GROSS \$000	2023 IMPAIRMENT \$000	NET \$000	GROSS \$000	2022 IMPAIRMENT \$000	NET \$000
<b>Current portion</b>						
Loans and mortgages	659	(335)	324	461	(254)	207
Conversion Fund loans	50	-	50	50	-	50
<b>Total current portion</b>	<b>709</b>	<b>(335)</b>	<b>374</b>	<b>511</b>	<b>(254)</b>	<b>257</b>
<b>Non-current portion</b>						
Loans and mortgages	841	(325)	516	4,405	(686)	3,719
Conversion Fund loans	2,542	(2,498)	44	2,600	(2,514)	86
Other advances	13	(3)	10	19	(2)	17
<b>Total non-current portion</b>	<b>3,396</b>	<b>(2,826)</b>	<b>570</b>	<b>7,024</b>	<b>(3,202)</b>	<b>3,822</b>
<b>Total loans and receivables</b>	<b>4,105</b>	<b>(3,161)</b>	<b>944</b>	<b>7,535</b>	<b>(3,456)</b>	<b>4,079</b>

	PARENT					
	GROSS \$000	2023 IMPAIRMENT \$000	NET \$000	GROSS \$000	2022 IMPAIRMENT \$000	NET \$000
<b>Current portion</b>						
Loans and mortgages	659	(335)	324	461	(254)	207
Conversion Fund loans	50	-	50	50	-	50
<b>Total current portion</b>	<b>709</b>	<b>(335)</b>	<b>374</b>	<b>511</b>	<b>(254)</b>	<b>257</b>
<b>Non-current portion</b>						
Loans and mortgages	841	(325)	516	4,405	(686)	3,719
Conversion Fund loans	2,542	(2,498)	44	2,600	(2,514)	86
Other advances	13	(3)	10	19	(2)	17
<b>Total non-current portion</b>	<b>3,396</b>	<b>(2,826)</b>	<b>570</b>	<b>7,024</b>	<b>(3,202)</b>	<b>3,822</b>
<b>Total loans and receivables</b>	<b>4,105</b>	<b>(3,161)</b>	<b>944</b>	<b>7,535</b>	<b>(3,456)</b>	<b>4,079</b>

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.

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	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Provision for impairment at 1 April	3,456	3,506	3,456	4,644
Additional provisions made during the year	82	96	82	96
Receivables written off during the year	-	-	-	(1,138)
Provisions reversed during the year	(377)	(146)	(377)	(146)
<b>Provision for impairment at 31 March</b>	<b>3,161</b>	<b>3,456</b>	<b>3,161</b>	<b>3,456</b>

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

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

	GROUP					
	GROSS \$000	2023 IMPAIRMENT \$000	NET \$000	GROSS \$000	2022 IMPAIRMENT \$000	NET \$000
Not past due	1,391	(447)	944	3,867	(419)	3,448
Past due over 90 days	2,714	(2,714)	-	3,668	(3,037)	631
<b>Total loans and receivables</b>	<b>4,105</b>	<b>(3,161)</b>	<b>944</b>	<b>7,535</b>	<b>(3,456)</b>	<b>4,079</b>

	PARENT					
	GROSS \$000	2023 IMPAIRMENT \$000	NET \$000	GROSS \$000	2022 IMPAIRMENT \$000	NET \$000
Not past due	1,391	(447)	944	3,867	(419)	3,448
Past due over 90 days	2,714	(2,714)	-	3,668	(3,037)	631
<b>Total loans and receivables</b>	<b>4,105</b>	<b>(3,161)</b>	<b>944</b>	<b>7,535</b>	<b>(3,456)</b>	<b>4,079</b>

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

## Conversion Fund loans

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 \$1.28m to 177 Māori business owners who had successfully applied for the Inland Revenue Department (IRD)'s Small Business Cashflow Loan Scheme (SBCLS).

The Top-Up loan scheme is managed by the Māori Trustee and provided five-year loans to eligible Māori businesses to manage the impact of lower cashflows due to the COVID-19 pandemic. Borrowers under the Top-Up loan scheme are charged interest at 3% per annum on amounts outstanding for a maximum term of five years.

At 31 March 2023, 73 borrowers had fully repaid their loans and the unpaid loans were \$841,000. There is limited data on the remaining borrowers 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 IRD’s SBCLS recipients and the Māori Trustee has continued to rely on the IRD 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.

The Top-Up loan scheme figure is reflected in the non-current loans and mortgages in loans and receivables.

Significant assumptions behind the carrying value are:

- > Loan interest rate     3%     (2022: 3%)
- > Default rate            38.6% (2022: 45.7%)
- > Discount rate          10%    (2022: 10%)

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.

### **Loan to Auckland and Onehunga Hostels Endowment Trust**

The Māori Trustee provided a concessionary loan facility to Auckland and Onehunga Hostels Endowment Trust for \$3.5 million (2022: \$3.5 million), with \$3.06 million of this facility drawn down by 2022. At 31 March 2023, all loans advanced to the trust under this facility were repaid and the facility was cancelled.

## **13. Investments in subsidiaries**

The consolidated financial statements comprise the financial statements of the Māori Trustee, and its wholly owned and controlled entities. 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.

Investments in subsidiaries are carried at cost less impairment in the Māori Trustee's Parent financial statements. Impairment is assessed by comparing the cost of the investment to the fair value of the net assets of the subsidiary.

Details of its subsidiaries are as follows.

#### **MTD1 LIMITED**

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. There were no transactions for the year ended 31 March 2023 (2022: Nil).

#### **TE TUMU PAEROA DAIRY LIMITED 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 2023, there were no impairment losses that were identified from the impairment testing conducted (2022: Nil).

#### **M9 LIMITED**

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. There were no transactions for the year ended 31 March 2023 (2022: Nil).

#### **MATAKANA 9 LIMITED 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. The Limited Partnership leases land from Matakana 9 Trust. At the end of the lease the assets owned by the partnership transfer to the trust.

#### **O39 LIMITED (100%)**

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. There were no transactions for the year ended 31 March 2023 (2022: Nil).

#### **OMAIO 39 LIMITED PARTNERSHIP (100%).**

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. The 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.

## Risks management strategy related to agricultural activities for wholly owned and controlled entities

The Group's wholly owned and controlled entities are exposed to the following risks relating to kiwifruit orchards and dairy farms:

- Regulatory and environmental risks – The Group is subject to laws and regulations in New Zealand. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.
- Supply and demand risk – The Group is exposed to risks arising from fluctuations in the price and sales volumes of milk solids and kiwifruit. When possible, for kiwifruit the Group manages this risk by aligning the timing of the release of its picked fruit to the market to supply and demand. Management performs regular industry trend analyses to target early/late start premiums after allowing for storage costs.
- Climate and other risks – The Group's kiwifruit orchards and dairy farms are exposed to the risk of damage from extreme weather events such as storms, high winds and drought. Changes in global climate conditions could intensify one or more of these events.

Periods of drought and associated high temperatures may increase the risk of vine damage for kiwifruit and reduction of pasture for dairy operations. In addition to their effects on yields, extreme weather events may also increase the cost of operations. The Group has extensive processes in place aimed at monitoring and mitigating these risks through proactive management and early detection.

The Group has incorporated considerations for climate change into its orchard development practices, such as the establishment and maintenance of boreholes to mitigate drought, fire breaks and increased monitoring during fire danger periods. Physical risks arising from fires and drought are to a great extent subject to risk transfer and thereby within the Group's property and business interruption insurance programmes. However, if the frequency and severity of these events increase as a result of climate change, the cost of such insurance coverage may increase.

At 31 March 2023, impairments were identified from the impairment testing conducted. The business that the Group runs through Matakana 9 Limited Partnership and Omaio 39 Limited Partnership was set up to generate a predetermined return during the term of the lease for the land that the business operates on. Impairment testing showed that due to escalating operating costs, and lower production capacity than originally estimated, the Group will not be able to achieve these predetermined returns within the term 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.

## 14. Equity accounted investments

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.

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.

In prior year, the Māori Trustee's investments in associates included Farm Data Accreditation Limited which the Group divested in on 22 December 2022. The Māori Trustee 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	
	2023 %	2022 %	2023 \$000	2022 \$000	2023 \$000	2022 \$000
RDF1 Limited (JV)	50	50	-	-	-	-
Rangihamama Dairy Limited Partnership (JV)	50	50	1,186	1,041	617	617
Huakiwi Services Limited (JV)	50	50	-	-	-	-
Huakiwi Developments Limited Partnership (JV)	50	50	14,242	15,557	14,501	16,538
Farm Data Accreditation Limited (A)	-	14.29	-	-	-	-
<b>Total equity accounted investments</b>			<b>15,428</b>	<b>16,598</b>	<b>15,118</b>	<b>17,155</b>

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

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Associates</b>				
Opening balance at 1 April	-	2,891	-	1,798
Share of dividends distributed	-	(1,093)	-	-
Reclassified to other financial assets	-	(1,798)	-	(1,798)
<b>Closing balance at 31 March</b>	-	-	-	-
<b>Joint ventures</b>				
Opening balance at 1 April	16,598	13,961	17,155	14,655
Share of net surplus/(deficit)	(1,156)	402	-	-
Share of other comprehensive revenue/(expenditure)	62	(105)	-	-
New investments during the year	-	2,500	-	2,500
Distributions made during the year	(76)	(160)	-	-
Impairment of investments during the year	-	-	(2,037)	-
<b>Closing balance at 31 March</b>	<b>15,428</b>	<b>16,598</b>	<b>15,118</b>	<b>17,155</b>
<b>Total equity accounted investments</b>	<b>15,428</b>	<b>16,598</b>	<b>15,118</b>	<b>17,155</b>

Summarised financial information of equity accounted investments is as follows:

	GROUP					
	2023			2022		
	\$000	\$000	\$000	\$000	\$000	\$000
	RANGIHAMAMA DAIRY LIMITED PARTNERSHIP	HUAKIWI DEVELOPMENTS LIMITED PARTNERSHIP	TOTAL	RANGIHAMAMA DAIRY LIMITED PARTNERSHIP	HUAKIWI DEVELOPMENTS LIMITED PARTNERSHIP	TOTAL
<b>Joint ventures</b>						
Current assets	607	7,088	7,695	633	6,286	6,919
Non-current assets	2,406	21,673	24,079	2,259	25,310	27,569
Current liabilities	(562)	(309)	(871)	(274)	(491)	(765)
Non-current liabilities	(80)	-	(80)	(539)	-	(539)
<b>Net assets</b>	<b>2,371</b>	<b>28,452</b>	<b>30,823</b>	<b>2,079</b>	<b>31,105</b>	<b>33,184</b>
Revenue	1,956	1,460	3,416	2,420	4,585	7,005
Total comprehensive revenue/(expenditure)	317	(2,630)	(2,313)	1,122	(331)	791
<b>Share of total comprehensive revenue</b>						
Net surplus/(deficit) after tax	159	(1,315)	(1,156)	561	(158)	403
Other comprehensive revenue/(expenditure)	62	-	62	(105)	-	(105)
<b>Total share of comprehensive revenue</b>	<b>221</b>	<b>(1,315)</b>	<b>(1,094)</b>	<b>456</b>	<b>(158)</b>	<b>298</b>

## **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 was a 14.29% shareholder in Farm Data Accreditation Limited and had one director, which represented 25% of the board. At 31 March 2023, the Māori Trustee had exited the investment in Farm Data Accreditation Limited and removed the assigned director.

## **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.

The Māori Trustee has committed uncalled capital in Rangihamama Dairy Limited Partnership of \$183,292 (2022: \$183,292).

## **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.

The Māori Trustee has committed uncalled capital in Huakiwi Development Limited Partnership of \$1,275,000 (2022: \$1,275,000).

At 31 March 2023, there were impairment losses of \$2,037,110 (2022: \$Nil) identified from the impairment testing conducted. The business that the Group runs through Huakiwi Development Limited Partnership was set up to generate a predetermined return during the term of the lease for the land that the business operates on. Impairment testing showed that due to escalating operating costs, and lower production capacity than originally estimated, the Group will not be able to achieve these predetermined returns within the term of the lease.

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.

## 15. Other financial assets

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Balance at 1 April 2022	4,965	1,289	4,965	1,289
Reclassified from associates*	-	1,797	-	1,797
Gain on asset value post de-recognition of associate	-	1,787	-	1,787
Impairment reversal/(loss)	(688)	92	(688)	92
Loss on revaluation of shares	(1,457)	-	(1,457)	-
<b>Balance at 31 March 2023</b>	<b>2,820</b>	<b>4,965</b>	<b>2,820</b>	<b>4,965</b>

\*Following the amalgamation of OPAC and Seeka Limited in May 2021, the Māori Trustee now has a 1.69% interest in Seeka Limited and no longer has representation on the board, and therefore investment in Seeka Limited was reclassified to other financial assets in 2022 year.

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.

### TRG Natural Pharmaceuticals Limited

Māori Trustee holds 91,507 shares at \$3.00 per share in TRG Natural Pharmaceuticals Limited (TRG), which makes Māori Trustee a 2.06% shareholder in TRG. TRG is the 100% shareholder of Honeylab Limited. 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. In the 2021 year, the Māori Trustee made an impairment adjustment to the investment following a post year end offer of the shares \$2 per share which provided objective evidence that the investment was impaired by \$91,507 at the time. In 2022, the company revalued its shares to \$9 in a capital raising revaluation and its financial statements at 31 March 2022 reflected a profit of \$1 million. This provided objective evidence for the reversal of the previously recognised impairment of \$91,507. No impairment was identified in the current year.

### Ranginui Station Limited Partnership

Prior to the 2018 financial year, the Māori Trustee's interest in Ranginui Station Limited Partnership (RSLP) was as 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.

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 determined that the investment in Ranginui Station is severely impaired, as there are minimal expectations for a short or medium term return. An impairment loss of \$687,885 (2022: \$Nil) has been recognised. Fair value is determined using discounted cashflows based on historical distribution trends.

### Seeka Limited

At 31 March 2023, the Māori Trustee holds 711,299 shares (2022: 711,299 shares) in Seeka Limited. The share price for 2023 was \$2.99 per share (2022: \$5.04 per share).

## 16. Biological assets

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Balance at 1 April 2022	1,202	1,158	-	-
Livestock losses	(38)	(34)	-	-
Change in fair value due to biological transformation	273	293	-	-
Change in fair value of livestock due to price changes	(144)	(92)	-	-
Increase/(decrease) due to sale	(121)	(123)	-	-
<b>Balance at 31 March 2023</b>	<b>1,172</b>	<b>1,202</b>	<b>-</b>	<b>-</b>

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.

Progressive Livestock 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. The valuation was performed on 1 June 2023.

Matakana 9 Limited Partnership and Omaio 39 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.

## 17. Equities

Equities comprise of units in managed funds, and 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.

Under PBE IPSAS 41, on de-recognition there is no longer re-classification of gains or losses from equity to surplus or deficit. Therefore, on adoption of this standard, there has been a change in this policy.

The Group has invested in New Zealand, Australian and International Equities and Bonds which are managed by external Investment Managers. Investment reports from the Investment Managers are received to provide a basis for the valuation. The Investment Managers value the investments using quoted market prices. The Managed Funds are held as follows:

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
New Zealand fixed interest funds	9,719	9,837	9,719	9,837
Australasian equities	10,245	10,748	10,245	10,748
International equities	61,649	63,925	61,649	63,925
International fixed Interest funds	33,396	35,271	33,396	35,271
<b>Total equities</b>	<b>115,009</b>	<b>119,781</b>	<b>115,009</b>	<b>119,781</b>

## 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 \$115.01 million (2022: \$119.78 million). These are comprised of portfolios of debt and equity investments managed by the Group's investment managers. Together with the Group's statement of investment policies and objectives, the Group ensures prudent management of a well-diversified portfolio of assets.

## 18. Investment property

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Balance at 1 April 2022	-	-	11,257	10,374
Fair value adjustment	-	883	-	883
Transfer to property, plant and equipment	-	(883)	(11,257)	-
<b>Balance at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,257</b>

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 other comprehensive revenue and expense for the period in which it arises.

The investment properties are dairy units located in the Ōtorohanga region. It's the Māori Trustee's policy that investment properties are valued at fair value based on an annual independent valuation. Fair value is based on quotable market prices, 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 \$Nil (2022: \$883,000).

As at 31 March 2023, all investment property previously held either to earn rental revenue or for capital appreciation are now owner occupied and in use. As a result, all investment property has been reclassified to property, plant and equipment.

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Rental revenue from investment property	-	-	-	371
<b>Total amount recognised in profit and loss (excluding revaluations)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>371</b>

## 19. Property plant and equipment

	GROUP 2023							
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	IT EQUIPMENT	OFFICE EQUIPMENT	FURNITURE AND FITTINGS	MOTOR VEHICLES	LAND	BUILDINGS	FARM ASSETS	TOTAL
<b>Cost</b>								
Balance at 1 April 2022	1,087	240	493	257	9,596	1,406	2,151	15,230
Additions	63	-	3	-	-	-	235	301
Disposals	-	-	(21)	(28)	-	-	-	(49)
Revaluation	-	-	(83)	-	(769)	(461)	-	(1,313)
<b>Balance at 31 March 2023</b>	<b>1,150</b>	<b>240</b>	<b>392</b>	<b>229</b>	<b>8,827</b>	<b>945</b>	<b>2,387</b>	<b>14,170</b>
<b>Depreciation and impairment losses</b>								
Balance at 1 April 2022	(848)	(210)	(169)	(181)	-	-	(875)	(2,283)
Impairment loss	(133)	-	(17)	-	-	-	-	(151)
Depreciation for the Māori Trustee	-	(10)	-	(40)	-	-	(136)	(187)
Disposals	-	-	-	28	-	-	-	28
<b>Balance at 31 March 2023</b>	<b>(981)</b>	<b>(220)</b>	<b>(186)</b>	<b>(193)</b>	<b>-</b>	<b>-</b>	<b>(1,011)</b>	<b>(2,591)</b>
<b>Carrying amount</b>								
At 31 March 2023	169	20	206	36	8,827	945	1,376	11,579
At 31 March 2022	<b>239</b>	<b>30</b>	<b>324</b>	<b>76</b>	<b>9,596</b>	<b>1,406</b>	<b>1,276</b>	<b>12,947</b>

	PARENT 2023							
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	IT EQUIPMENT	OFFICE EQUIPMENT	FURNITURE AND FITTINGS	MOTOR VEHICLES	LAND	BUILDINGS		TOTAL
<b>Cost</b>								
Balance at 1 April 2022	1,087	240	236	257	-	-		1,821
Additions	63	-	3	-	-	-		66
Disposals	-	-	(19)	(28)	-	-		(47)
Transfer from investment property	-	-	255	-	9,598	1,406		11,257
Revaluation	-	-	(83)	-	(769)	(461)		(1,312)
<b>Balance at 31 March 2023</b>	<b>1,150</b>	<b>240</b>	<b>392</b>	<b>229</b>	<b>8,829</b>	<b>945</b>		<b>11,785</b>
<b>Depreciation and impairment losses</b>								
Balance at 1 April 2022	(848)	(210)	(169)	(181)	-	-		(1,410)
Depreciation for the Māori Trustee	(133)	(10)	(17)	(40)	-	-		(200)
Disposals	-	-	-	28	-	-		30
<b>Balance at 31 March 2023</b>	<b>(981)</b>	<b>(220)</b>	<b>(186)</b>	<b>(193)</b>	<b>-</b>	<b>-</b>		<b>(1,580)</b>
<b>Carrying amount</b>								
At 31 March 2023	169	20	206	36	8,829	945		10,205
At 31 March 2022	<b>239</b>	<b>30</b>	<b>67</b>	<b>76</b>	<b>-</b>	<b>-</b>		<b>412</b>

## Property, plant and equipment policy

Property, plant and equipment consists of land, IT equipment, office equipment, furniture and fittings, motor vehicles and farm assets.

Land, buildings and furniture and fittings located at the Ouruwhero and Te Kawa farms are measured at fair value at balance date determined annually by an independent qualified valuer.

Property, plant and equipment (excluding land and farm assets) is measured at historical cost, less accumulated depreciation and impairments.

Farm assets comprise bearer plants and other farm assets. Other farm assets are measured at historical cost, less accumulated depreciation and impairments. 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 cashflows that are generated from them.

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.

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	33%	3 years
Office Equipment	20%	5 years
Furniture and Fittings	20%	5 years
Motor Vehicles	20%	5 years

The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

For farm assets, these are depreciated at the appropriate rates relevant to the industry/underlying lease arrangements.

### 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 in 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.

An independent valuation was conducted by Doyle Valuations Ltd who are registered valuers and property consultants based on physical inspection of the Ouruwhero and Te Kawa farms on 13 June 2023 and in conjunction with information held within the report completed by Darragh Valuations in March 2022 and Telfer Young from CBRE in March 2023. The valuers applied the direct sales comparison approach using data from sales in the past 12 months of properties with comparable location, land use, scale and levels of production. Doyle Valuations Ltd are experienced valuers with extensive market knowledge in the types and location of the investment property owned by the Māori Trustee.

## 20. Intangible assets

	GROUP 2023		
	CARBON CREDITS \$000	ACQUIRED SOFTWARE \$000	TOTAL \$000
<b>Cost</b>			
Balance at 1 April 2022	5,179	3,806	8,985
Additions	-	1,021	1,021
Revaluation increase/(decrease)	(1,524)	-	(1,524)
<b>Balance at 31 March 2023</b>	<b>3,655</b>	<b>4,827</b>	<b>8,482</b>
<b>Amortisation and impairment losses</b>			
Balance at 1 April 2022	-	(1,424)	(1,424)
Amortisation for the Māori Trustee	-	(889)	(889)
<b>Balance at 31 March 2023</b>	<b>-</b>	<b>(2,313)</b>	<b>(2,313)</b>
<b>Carrying amount</b>			
At 31 March 2023	3,655	2,514	6,169
At 31 March 2022	5,179	2,382	7,561

	PARENT 2023		
	CARBON CREDITS \$000	ACQUIRED SOFTWARE \$000	TOTAL \$000
<b>Cost</b>			
Balance at 1 April 2022	5,179	3,099	8,278
Additions	-	1,021	1,021
Revaluation increase/(decrease)	(1,524)	-	(1,524)
<b>Balance at 31 March 2023</b>	<b>3,655</b>	<b>4,120</b>	<b>7,775</b>
<b>Amortisation and impairment losses</b>			
Balance at 1 April 2022	-	(1,270)	(1,270)
Amortisation for the Māori Trustee	-	(858)	(858)
<b>Balance at 31 March 2023</b>	<b>-</b>	<b>(2,128)</b>	<b>(2,128)</b>
<b>Carrying amount</b>			
At 31 March 2023	3,655	1,992	5,647
At 31 March 2022	5,179	1,829	7,008

## Intangible assets policy

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

Acquired computer software licences 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:

Carbon Credits	N/A	Unlimited
Acquired software	20%-33%	3-5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Carbon credits (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 and carbon credits. Amortisation is calculated on a straight-line basis at rates estimated to allocate the cost of an asset over the estimated useful life.

There are no restrictions over the title to intangible assets nor are any intangible assets pledged as security for liabilities.

## 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.

## 21. Payables

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Payables under exchange transactions</b>				
Creditors	509	384	509	384
Accrued expenses	919	968	611	666
<b>Total payables under exchange transactions</b>	<b>1,428</b>	<b>1,352</b>	<b>1,120</b>	<b>1,050</b>
<b>Payables under non-exchange transactions</b>				
GST payable	162	297	185	302
<b>Total payables under non-exchange transactions</b>	<b>162</b>	<b>297</b>	<b>185</b>	<b>302</b>
<b>Total creditors and other payables</b>	<b>1,590</b>	<b>1,649</b>	<b>1,305</b>	<b>1,352</b>

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.

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

## 22. Employee benefits

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Current portion</b>				
Accrued salaries and wages	95	46	95	46
Annual leave	530	627	530	627
ACC liabilities	17	14	17	14
Retirement and long service leave	-	2	-	2
<b>Total current portion</b>	<b>642</b>	<b>689</b>	<b>642</b>	<b>689</b>
<b>Non-current portion</b>				
Retirement and long service leave	21	15	21	15
<b>Total non-current portion</b>	<b>21</b>	<b>15</b>	<b>21</b>	<b>15</b>
<b>Total employee benefits</b>	<b>663</b>	<b>704</b>	<b>663</b>	<b>704</b>

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.

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 3.34% (2022: 0.38%) and an inflation factor of 6.00% (2022: 6.00%) were used based on historical and future salary inflation patterns.

## 23. Reconciliation of net operating surplus with net cash flows from operating activities

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Net surplus</b>	<b>(1,932)</b>	<b>4,107</b>	<b>(3,366)</b>	<b>4,902</b>
<b>Add/(deduct) non-cash items</b>				
Amortisation of premiums/discount	-	(380)	-	(380)
Depreciation	337	341	200	206
Amortisation of intangible assets	900	799	869	768
Impairment losses/(gains)	82	82	3,167	82
Share of equity accounted investments' net deficit/(surplus)	1,156	(403)	-	-
(Increase)/decrease in fair value of inventory	(141)	-	-	-
Movement in biological assets	30	-	-	-
(Gain)/loss on investment property revaluation	-	-	-	(883)
Reversal of impairment	(377)	(146)	(377)	(146)
Interest income on loans and advances	(154)	(165)	(154)	(165)
<b>Add/(deduct) investing activities</b>				
(Gain)/loss on sale of non-current assets held to maturity	-	(1,001)	-	(1,001)
(Gain)/loss on disposal of property, plant and equipment	-	88	-	88
Dividend received from associate	-	(242)	-	(178)
<b>Add/(deduct) movements in working capital</b>				
(Increase)/decrease in debtors and other receivables	(20)	(1,170)	134	(1,027)
(Increase)/decrease in stock	-	242	-	-
Increase/(decrease) in payables and employee benefits	(100)	(153)	(89)	(168)
<b>Net cashflows from operating activities</b>	<b>(219)</b>	<b>1,999</b>	<b>385</b>	<b>2,098</b>

## 24. Commitments

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 contract.

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Lease commitments as lessee</b>				
Less than 1 year	848	823	835	811
1 year to 2 years	803	803	791	791
2 years to 5 years	2,288	2,230	2,252	2,194
Greater than 5 years	8,515	1,282	8,478	1,232
<b>Total lease commitments as lessee</b>	<b>12,454</b>	<b>5,138</b>	<b>12,356</b>	<b>5,028</b>

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 termination date of 30 November 2028.

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Lease commitments as lessor</b>				
Less than 1 year	-	-	-	371
1 year to 2 years	-	372	-	435
<b>Total lease commitments as lessor</b>	<b>-</b>	<b>372</b>	<b>-</b>	<b>806</b>

During the year, all investment property was reclassified as property, plant and equipment, therefore there was no commitment as lessor in the 2023 year (2022: 100%).

## 25. Contingent liabilities and assets

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 (2022: \$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 Maori Vested Lands 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.

## 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 (2022: \$35,000). There have been no additional claims during the year (2022: Nil).

## 26. Financial instruments

The Māori Trustee has adopted PBE IPSAS 41 *Financial Instruments* for the year ended 31 March 2023. This new standard is effective for periods beginning on or after 1 January 2022.

PBE IPSAS 41 establishes requirements for the recognition and measurement of financial instruments by Tier 1 public benefit entities. PBE IPSAS 41 supersedes PBE IFRS 9 *Financial Instruments*, which was previously applied by the Māori Trustee.

As a result of adopting PBE IPSAS 41, employee benefits are no longer classified as financial liabilities. No other recognition and measurement adjustments have been required as a result of adopting the new standard.

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, loans and receivables, equities and other financial assets.
- Financial liabilities – creditors and other payables and revenue in advance.

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:

		GROUP		PARENT	
	NOTE	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Financial assets not measured at fair value					
Financial assets held at amortised cost					
Cash and cash equivalents	8	7,422	4,434	6,969	3,702
Debtors and other receivables	9	4,966	4,946	4,808	4,942
Term deposits		10	10	-	-
Loans and receivables	12	944	4,079	944	4,079
		13,342	13,469	12,721	12,723
Financial assets measured at fair value					
'FVOCRE' equity instruments					
Equities	17	115,009	119,781	115,009	119,781
'FVOCRE' other investments					
Other financial assets	15	2,820	4,965	2,820	4,965
Investments	11	644	548	-	-
		118,473	125,294	117,829	124,746
Total financial assets		131,815	138,763	130,550	137,469
Financial liabilities not measured at fair value					
Other financial liabilities					
Payables	21	1,583	1,649	1,305	1,352
Total financial liabilities		1,583	1,649	1,305	1,352

## Impairment - financial assets

The Māori Trustee acts as trustee or agent for the majority of its customers. In this role, the Māori Trustee controls the bank accounts, and has processes in place to identify an expected credit loss immediately. There is no exposure to significant credit risk, and loans and receivables are impairment tested for all individual customer segments. This process is deemed to be predictive of the expected credit loss. Accordingly, there is no further expected credit loss provided for. The gross carrying amount of a financial asset is written off when the Māori Trustee has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

## 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.

		LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
GROUP 2023					
	NOTES	\$000	\$000	\$000	\$000
Equities	17	115,009	-	-	115,009
Other financial assets	15	2,127	-	693	2,820
Investments	11	582	62	-	644
		<b>117,718</b>	<b>62</b>	<b>693</b>	<b>118,473</b>
GROUP 2022					
	NOTES	\$000	\$000	\$000	\$000
Equities	17	119,781	-	-	119,781
Other financial assets	15	3,584	-	1,381	4,965
Investments	11	486	62	-	548
		<b>123,851</b>	<b>62</b>	<b>1,381</b>	<b>125,294</b>
PARENT 2023					
	NOTES	\$000	\$000	\$000	\$000
Equities	17	115,009	-	-	115,009
Other financial assets	15	2,127	-	693	2,820
		<b>117,136</b>	<b>-</b>	<b>693</b>	<b>117,829</b>
PARENT 2022					
	NOTES	\$000	\$000	\$000	\$000
Equities	175	119,781	-	-	119,781
Other financial assets	15	3,584	-	1,381	4,965
		<b>123,365</b>	<b>-</b>	<b>1,381</b>	<b>124,746</b>

## 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.

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

Other financial assets are measured at fair value using valuation techniques with significant non-observable inputs (level 3) 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 units in managed funds that are listed investments and are publicly traded.

## SENSITIVITY ANALYSIS

If the price at 31 March 2023 had fluctuated by plus or minus 0.5%, the effect would have been to increase/ decrease other comprehensive revenue and expense by:

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
0.5% increase/(decrease) in price would increase/(decrease) the other comprehensive revenue and expense	578	602	575	599

## 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 2023 year TTPDLP supplied Fonterra with 235,415kg of milk with an average price of \$7.51. A 0.5% increase/ (decrease) in the price of milk would increase/ (decrease) the other comprehensive revenue and expense by \$8,835.

Omaio 39 Limited Partnership is exposed to commodity price risk as a result of its agreement with Seeka Growers Limited to supply kiwifruit. In the 2023 year Omaio 39 Limited Partnership supplied Seeka Growers Limited with 30,546 trays of Gold3 with an average price of \$10. A 0.5% increase/ (decrease) in the price of Gold3 would increase/ (decrease) the other comprehensive revenue and expense by \$1,527. Omaio 39 Limited Partnership also supplied Seeka Growers Limited with 12,784 trays of Hayward with an average price of \$5.65. A 0.5% increase/ (decrease) in the price of Hayward would increase/ (decrease) the other comprehensive revenue and expense by \$361.

Matakana 9 Limited Partnership is exposed to commodity price risk as a result of its agreement with Seeka Growers Limited to supply kiwifruit. In the 2023 year Matakana 9 Limited Partnership supplied Seeka Growers Limited with 33,951 trays of Gold3 with an average price of \$9.08. A 0.5% increase/ (decrease) in the price of Gold3 would increase/ (decrease) the other comprehensive revenue and expense by \$1,541. Matakana 9 Limited Partnership also supplied Seeka Growers Limited with 20,613 trays of Hayward with an average price of \$5.65. A 0.5% increase/ (decrease) in the price of Hayward would increase/ (decrease) the other comprehensive revenue and expense by \$582.

## 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	
		2023 \$000	2022 \$000	2023 \$000	2022 \$000
Cash and cash equivalents sensitivity analysis					
Weighted average effective interest rate	%	4.99	1.06	5.29	1.20
1% increase/(decrease) in interest rates would increase/ (decrease) interest revenue and equity	\$000	74	44	70	37

## 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, and loans and receivables.

## Cash, cash equivalents and term deposits

Cash, cash equivalents and term deposits are invested with registered banks, and are therefore considered to have low credit risk.

## Debtors and other receivables

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

## 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.

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Cash and cash equivalents and term deposits</b>				
A-1+	1,806	1,298	1,769	1,102
A-1	5,626	3,146	5,200	2,600
<b>Total cash and cash equivalents and term deposits</b>	<b>7,432</b>	<b>4,444</b>	<b>6,969</b>	<b>3,702</b>

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	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Less than 6 months	1,583	1,649	1,305	1,352
<b>Total financial liabilities</b>	<b>1,583</b>	<b>1,649</b>	<b>1,305</b>	<b>1,352</b>

## Currency Risk

The group is exposed to currency risk to the extent that there is a mismatch between the currencies in which the valuation of investments are denominated and the respective functional currencies of the Group entities. The functional currencies of the Group entities are in NZ dollars. The currencies in which these transactions are primarily denominated are Canadian dollar, US dollar, European euro, UK pound sterling and Japanese yen.

The Group's risk management policy is to hedge 70%-77% of its estimated foreign currency exposure. The Group uses forward exchange contracts to hedge its currency risk.

As at 31 March 2023, \$34,000,000 of the Group's managed funds held in international equities was exposed to movements in the exchange rate (2022: \$35,000,000).

## Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
10% movement in the NZ\$ against a range of foreign denominations would increase/decrease the other comprehensive revenue and expense	3,405	3,481	3,405	3,481
<b>Total currency risk</b>	<b>3,405</b>	<b>3,481</b>	<b>3,405</b>	<b>3,481</b>

## 27. 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.

## 28. Related parties

### Transactions involving related entities

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 entities, the nature of the relationship and the types of transactions which the Group entered into with the Māori Trustee are detailed below:

RELATED ENTITY	NATURE OF RELATIONSHIP
MTD 1 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
RDF1 Limited	Investment in joint venture
Rangihamama Dairy Limited Partnership	Investment in joint venture
Huakiwi Services Limited	Investment in joint venture
Huakiwi Developments Limited Partnership	Investment in joint venture
Seeka Limited	Non-current other investment
Farm Data Accreditation Limited*	Investment in associate
Crown	Appropriation funding
Ranginui Station Limited Partnership	Non-current other investment
TRG Natural Pharmaceuticals Limited	Non-current other investment

\* In the current year, the investment in the non-trading associate, Farm Data Accreditation Limited, was disposed of.

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, Ouruwhero has been reclassified from investment property to property, plant and equipment. The Māori Trustee maintains a lease with its wholly owned subsidiary which occupies this property and charged rent of \$371,000 (2022: \$371,000) which is eliminated in the Group accounts. No additional capital contribution was made (2022: \$Nil). \$200,000 cash contributions were paid to the Māori Trustee during the year (2022: \$400,000). The Māori Trustee received \$Nil in directors' fees (2022: \$Nil).

During the year, the Māori Trustee made no reimbursements to the partnership for development expenditure incurred on the farms (2022: \$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 (2022: Nil) during the year, and received a distribution of \$100,000 (2022: \$100,000) and received no directors fees (2022: \$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 a capital contribution of \$100,000 during the year (2022: \$Nil), received no distribution (2022: \$70,000) and received no directors fees (2022: \$Nil).

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 (2022: \$Nil) and received a distribution of \$75,000 (2022: \$160,000).

### **Huakiwi Developments Limited Partnership**

The Māori Trustee holds a 50% interest in the partnership. The Māori Trustee made a capital contribution of \$Nil (2022: \$2,500,000) during the year and received directors' fees of \$60,000 (2022: \$40,000).

### **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 (2022: \$Nil) and received a distribution of \$51,316 (2022: \$26,359).

### **TRG Natural Pharmaceuticals Limited**

The Māori Trustee has a 2.06% interest in the company. The Māori Trustee made no capital contribution during the year (2022: \$Nil) and received no distribution (2022: \$Nil).

### **Crown**

The Crown is the major source of revenue for the Māori Trustee.

Appropriation revenue from the Crown of \$16,686,000 (2022: \$16,686,000) is provided pursuant to a funding agreement signed in March 2020 and the variation to the funding agreement signed in July 2021 by the Māori Trustee and the Minister for Māori Development for a five-year term until 31 March 2025.

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 \$41.6 million (2022: \$43.8 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 a certain trusts created by statute. Examples include determination as statutory trustee under the Māori Reserved Land Act 1955 and under the Māori Soldiers Trust Act 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 2023, the Māori Trustee earned \$3,934,590 in fees and commissions (2022: \$3,956,000).

Two 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 and Omaio 39 Trust. The assets that the subsidiaries own under these leases will be transferred to the landlord at the end of the lease (Note 13).

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 12).

## Key Leadership Personnel Compensation

	GROUP		PARENT	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Senior Leadership Team</b>				
Remuneration	1,441	1,169	1,441	1,169
Full-time equivalent members	5	4	5	4
<b>Total key leadership personnel remuneration</b>	<b>1,441</b>	<b>1,169</b>	<b>1,441</b>	<b>1,169</b>
<b>Total full time equivalent members</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>4</b>

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

## 29. Subsequent events

On 14 February 2023, a national state of emergency was declared following the impact of Cyclone Gabrielle. This cyclone had significant impact on some land blocks that are managed by the Māori Trustee but did not directly impact the Māori Trustee's own investments. Subsequent to balance date, the Māori Trustee received a variation to the Crown Funding Agreement to allow the Māori Trustee to use up to \$200,000 in grants to support whenua Māori administered by the Māori Trustee which have been impacted by Cyclone Gabrielle. The Māori Trustee also accepted a limited agency appointment from the Māori Land Court to inspect over 600 unadministered land blocks for cyclone damage.

There have been no other events subsequent to balance date that would materially affect the financial statements (2022: Nil).

## 30. Explanation of significant variances against budget

### Statement of comprehensive revenue and expense

#### REVENUE

Fees and Commissions were lower than budgeted and prior year due to reduced billing caused by the exit of trusts off boarded in the year, as well as a continued high rate of forgiveness of the base trustee fees.

#### EXPENDITURE

Employee benefits were lower than budget as there continued to be unfilled roles throughout the year due to a tight labour market. Year-on-year employee benefits increased due to a 5.37% adjustment to salaries after consultation with external advisors on the comparable market midpoints.

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

Decrease in Financial Assets at fair value includes a revaluation of Seeka shares to reflect their fair value at quotable market prices.

Gain/(loss) on Asset revaluation includes the revaluation loss of New Zealand Carbon Units, which reduced by \$21 per unit from the prior year. In group the loss also includes the decrease in the market valuation of the Ouruwhero and Te Kawa farms.

## Statement of financial position

### ASSETS

Term deposits and bonds that matured were placed into managed funds (disclosed as equities) as part of the Group's change of investment strategy.

Equities were lower than budget due to the reduction in the quotable market prices of managed funds with ANZ, Nikko and Mint.

Intangible assets include software assets and carbon credits under the Emissions Trading Scheme (ETS). The decrease in the market value of ETS was higher than budgeted.

Loans and receivables was lower than budgeted due to a \$3.2 million repayment by Auckland and Onehunga Hostels Endowment Trust against a \$3.5 million loan facility, as well as Top-Up loan repayments made during the year.

### LIABILITIES

Payables were lower than budgeted but at similar levels as prior year.

### STATEMENT OF CASH FLOWS

Operating cashflows were higher than budget due largely to payments for employee benefits being lower due to unfilled roles across the organisation. Additionally, GST paid was lower than budgeted, due to a lower level of GST activity during the year than planned.

Net cashflows from investing activities were higher than budget due to the repayment of \$3.2 million on loans and receivables from Auckland and Onehunga Hostels Endowment Trust during the year. This increase was slightly offset by investment in equity accounted investments being lower than budgeted, due to reduced distributions from subsidiaries.





**Te Tumu Paeroa**  
**Level 3, Seabridge House**  
**110 Featherston Street**  
**PO Box 5038**  
**Wellington 6140**  
**Aotearoa New Zealand**

**0800 WHENUA (0800 943 682)**  
**[tetumupaeroa.co.nz](http://tetumupaeroa.co.nz)**  
**[facebook.com/TeTumuPaeroa](https://facebook.com/TeTumuPaeroa)**