

# Te Pūrongo ā-tau

*Annual Report 2022*

**MIL**

**MĀORI  
INVESTMENTS  
LIMITED**



# Te Rārangi Kōrero

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# Te Rāangi Take

## Agenda

### Annual General Meeting

Whakatane Baptist Church,  
67 Keepa Rd, Coastlands  
in Whakatane

Friday 18 November 2022,  
At 10 am

Registrations from 8.30am

- A. Chair's Address & Report**
- 
- B. Election of Directors: *Presentation of Nominees***  
Mr. John Wayne O'BRIEN is due to retire by rotation at the 2022 AGM. Being eligible, John has offered himself for re-election. Mr Tiaki HUNIA and Mr Anthony OLSEN have also offered themselves for election.
- 
- C. Chief Executive's Report**
- 
- D. Financial Statements & Reports**  
Presented by Alex Wilson
- 
- E. Resolution 1: *Receive the Audited Financial***  
Receive the Audited Financial Statements
- 
- F. Resolution 2: *Appointment of Auditor***  
To re-appoint William Buck Audit (NZ) Limited as the auditor of the Group for the current financial year ending 30 June 2023.
- 
- G. Resolution 3: *Special Resolution***
1. Approve the adoption of the Constitution for the Company in accordance with section 32(1) of the Act; and
  2. Authorise the Company or any of its authorised nominees or advisors (as appropriate) to take all steps, sign all documents and do all other things necessary, desirable, as a result of, in connection with, or to give effect to, the above resolution, including, but not limited to updating the NZ Companies Office in accordance with section 32(3) of the Act.

Kāore te au wai  
e hoki auo ki toua  
uaataapuu

The **current** of the **water** never returns to its **source**, **seize opportunities** when they arise.

#### SOURCE

The **source** represents the shareholder collective which is served by Māori Investments Limited.

#### WATER

The **water** represents the most powerful resource the shareholders have; their tangata and their whenua.

#### CURRENT

The **current** represents the movement of opportunities based on market trends.

#### SEIZE

To **seize** opportunities is to have a strategy in place to make decisions to action.

#### OPPORTUNITY

The **opportunity** is to maintain a profitable and sustainable portfolio which is in line with the values and kaupapa of the shareholders.

# Te Mana Pouārahi

## Board of Directors



**John O'Brien**  
CHAIR

John O'Brien was elected to the Board in 2013 and has held the position of Chairman since 2017, following the resignation of Tiaki Hunia.

He is a Chartered Accountant by qualification and brings a wealth of experience to the role and to the Investments Committee. John is also the General Manager of Putauaki Trust, and has held the position since being appointed in 2008.

John also holds a number of governance roles and is a member of the NZ Institute of Directors.



**Charles Elliott**  
DEPUTY CHAIR

Charlie Elliott is the Board's longest serving Director, elected in 1999. Charlie serves as the Deputy Chairman for MIL.

With substantial knowledge and history of MIL, Charlie sits on MIL's Succession Committee and also various Trusts and Boards together with Pūtauaki Trust, Tarawera Land Company, Ōmataroa 10a Incorporation, Ōmataroa Rangitaiki Trust Incorporation, and Ihukatia Trust.



**Graham Te Rire**  
DIRECTOR

Graham Te Rire, was elected to the Board of MIL in 2000.

Having been raised in Kawerau and the surrounding areas of the Tarawera Valley and Maunga Pūtauaki, Graham has a strong connection to the Whenua.

He is also an active member of Ngā Kaitiaki o Pokohu Hunting Club and also recognized in the community of Kawerau as the Kaumatua and Cultural Advisor of Ngāti Tūwharetoa.

His wealth of knowledge pertaining to tikanga Māori and the history of Kawerau has greatly enhanced MIL's operations. He is a valued and recognised leader of the Kawerau community.



**Rihi Vercoe**  
DIRECTOR

Rihi Vercoe was appointed to the Board of MIL in 2012 and has embraced her role with enthusiasm and determination.

She is never one to shy away from controversy and is an empowered wahine who stands strong for what she believes in.

Rihi has challenged the status quo and has been an advocate for many Maori claims.



**Les Stowell**  
DIRECTOR

Les Stowell is the former Director of Ngatiawa Farms and current Deputy Chairman of Onuku Māori Lands Trust.

A trust that is recognised as a leader in the Agribusiness sector throughout the country and a recent holder of the Ahuwhenua Trophy (Dairy). In addition to that, the trust is leading the way in the Dairy Sheep Milking industry following a substantial investment in that space with higher than expected returns and a bonus of huge reductions in the environmental footprint on our lands.

Les is also the General Manager of Onuku Ltd. The export arm of Manuka Honey and production of Manuka Oil which is also marketed under the Onuku Brand.

As the "new boy on the block" on the Board of MIL it's been a privilege to be part of a proactive and experienced team that is genuinely focused on long-term positive outcomes for its shareholders.



**Alex Wilson**  
ADVISOR

Alex Wilson was elected to the Board in 2018 and was previously one of MIL's inaugural Associate Directors.

He is the Chair of the Investments Committee.

Alex is a Chartered Accountant and a Partner for Deloitte, NZ.

In his role he works closely with Māori Trusts, Incorporations, and Iwi organisations in providing secretarial, accounting, and tax along with business advisory services. Alex also holds a number of governance roles.

# He kupu nā te Heamana

## Chair's Report



He Kororia ki te Atua, he maungarongo ki te whenua he whakaaro pai ki nga tangata katoa. Ka tika ka mihi ki o tatou mate moe mai koutou moe marie ki te waahi ngaro E moe e moe e moe mai ra.

E nga mana E nga reo E nga rau rangatira ma, nga whanaunga, nga mihi nui kia koutou katoa kua tatu mai ki tenei huihuinga a tau mo MIL. Ko tatou ra enei ko te hunga ora Tena tatou katoa.

Well, what a challenging couple of years it has been for Aotearoa and indeed the world with the ongoing impacts of COVID-19. However, it seems we are through the worst of the negative health impacts of COVID-19, and it is fantastic that we can hold an AGM for MIL kanohi ki kanohi with no COVID restrictions.

Despite the many challenges of COVID-19 the Board and Management of MIL have navigated through the pandemic successfully and fortunately for our staff and our shareholders MIL has not been adversely affected by the pandemic. As reported in the 2021 Annual Report while it was a challenge our number one priority was the safety and wellbeing of our staff and I am pleased to report that MIL staff have been kept safe and the majority still in employment.

### 2022 FINANCIAL PERFORMANCE, DIVIDEND

MIL as an organisation has again come through these challenging times extremely well. During the year ended 30 June 2022 MIL increased its Total Assets 17.93% to \$141.96 million resulting mainly from an increase in the Carbon Unit Price.

Our Net Profit After Tax is again above \$2 million despite rising costs, supply chain issues and labour shortages in the NZ economy. What is really pleasing to report is that the Group's Operating Cashflows which is a major metric to measure the financial performance of the Group has increased \$1.5 million or 64.3% to \$3.85 million. Last year the Board approved a change in the Group's dividend policy to declare a dividend based on the

Group's Net Profit calculated on a cash basis and because of this change in policy and the strong performance of the Group the Directors were delighted to be able to declare a dividend to shareholders of \$11.00 per share for the year ended 30 June 2022 a good increase on last year's dividend of \$9.50 per share. The ongoing payment of good dividends to shareholders does create a huge issue however with an ever-increasing liability for Unclaimed Dividends which following this year's dividend now stands at greater than \$9 million. It is an issue that the Board and management are seriously investigating, and we will come back to shareholders with suitable proposals should they be viable. Focusing on sustainable outcomes will enable us to think beyond short term gains and create long term value that benefits all our shareholders and descendants.

### KIWIFRUIT ORCHARDS

As previously reported our investment in the kiwifruit industry and our purchases of the Whiritoa and Te Rauotehuia orchards have been very timely. Kiwifruit as an industry has certainly been performing well however the industry has had its challenges this season with labour shortages, rising costs through the supply chain in particular freight and post-harvest costs as well as fruit quality issues. All these challenges have negatively impacted grower returns however Zespri is continuing to work on an industry wide response to address the immediate and longer-term issues to ensure there are improvements this year and in the years ahead. Despite these challenges our orchards continue to operate profitably as well as providing employment opportunities for our shareholders and descendants.

Continuing the korero around Kiwifruit our kaimahi on Whiritoa are to be congratulated on being awarded the Supreme Winner of the Bay of Plenty Ballance Farm Environment award in July 2022. This was a fantastic achievement, and they will represent the

Bay of Plenty at the national competition to be held in Christchurch on 24 November 2022. The Board and I'm sure our shareholders are incredibly proud of the work being undertaken by Helen Scott our Orchard Manager ably supported by our Property Manager Rex Anderson and Canopy Supervisor Ray Hiki and all the kaimahi at Whiritoa. **KA MAU TE WEHI.**

### FORESTRY AGREEMENTS

The Board is pleased to announce that following long negotiations with Kaingaroa Timberlands ("KT") we were able to confirm a healthy increase under our Forestry Right with KT in the annual rent payable per hectare of productive forestry land of almost 75%. The annual rent is now almost \$3 million plus GST. In addition, under the Forestry Right the general reviews of annual rent will be undertaken at 5 yearly intervals instead of 10. These are great outcomes for MIL and our shareholders going forward.

The Board is also now investigating the exciting opportunity to become active forest managers rather than passive forest landowners. Tarawera Land Company ("TLC") owns the land under the Tarawera Forest (22,000ha) and historically TLC has leased this land to forestry companies KT and Tiaki Plantations Limited. As Tiaki Plantations harvests their forest areas these areas are handed back to TLC and immediately leased to KT under the KT Forestry Agreement. There is an option for TLC that will become available soon which will enable TLC to retain 20% of any area handed back by Tiaki Plantations Limited. The opportunity of TLC becoming forestry managers sooner rather than later including cash flow implications and resources required are being fully investigated. We have therefore employed after balance date Les Russell a former employee of Hancock Forest Management with many years of forestry experience to manage this process for the Group. This will provide further employment opportunities for our shareholders and descendants in the future.

### WAIU LP, BLUEBERRY CORNER

Unfortunately, MIL's investments in Waiu Dairy Limited Partnership and Blueberry Corner once again continue to struggle. Both businesses are heading in the right direction despite the challenges. It is also positive to note that despite Waiu's troubled and challenging journey so far, the organisation since its inception has contributed more than \$40 million to the local community and Eastern BOP region through its business operations and employment of staff. The business now employs 58 full time staff many of whom are descendants of MIL and other local Maori organisations. In fact, over 70% of the work force comprise staff of Maori descent and underpins a founding kaupapa of Waiu, of creating employment opportunities for our own people. This is income directly into whanau homes and communities.

### WAI 411 AND NGA MAUNGA KAITIAKI TRUST

Due to the retirement of our two Associate Directors Joelene Ellliott and Huiarau Stewart who were members of the WAI 411 subcommittee along with Rihi Vercoe not a lot of progress has occurred. The Board has however resolved an approach in relation to ownership of our maunga which could have a positive

effect on the Wai 411 claim which our CEO will present to shareholders at the AGM.

During the year we received some negative publicity around access by the public of Putauaki maunga. Our maunga is sacred and still has the remains of our ancestors on its slopes. We have therefore declined requests for public access and also requests by the Kawerau District Council to hold events such as the King of the Mountain as it is an event that is culturally inappropriate and undermines the sacredness of the maunga. We would be interested in hearing feedback from shareholders on the Board's stance on this matter. The Board is committed to restoring the mauri of the maunga and we have in place an active Environmental Plan with the BOP Regional Council in trying to eradicate pest animals and pest plants on the maunga. The Trust's overall aim is to return the maunga back to 100% native flora and fauna and eradication of all pest animals.

### ACKNOWLEDGEMENTS

It has been a very busy and challenging year for MIL but despite the challenges and volatility the Group has had a strong performance. We have some exciting opportunities ahead particularly in Forestry. Once again, I would like to acknowledge our CEO Kiriwaitingi Rei for her great leadership throughout the year ably supported by our office staff and our Orchard kaimahi. On behalf of all shareholders, I'd like to thank our staff for their dedication to the mahi and their resilience during challenging times. I also acknowledge and thank my fellow directors for their support and efforts over the last two years and for their service to MIL for our shareholders.

Finally, I would like to acknowledge our shareholders and thank all those who have been involved in supporting us in our endeavours.

We wish you all the very best for the future and may you all stay safe and enjoy the upcoming Christmas and New Year.

**Nga mihi mahana ki a koutou katoa.  
Kia haumaru te noho**

**For and on Behalf of the Board  
JW O'Brien | Chairman**

# Te Whakatakotoranga a Māori Investments

Māori Investments Group Structure



# Ngā Tūranga Pouārahi

Directors Holding Office During the Year

<b>MAORI INVESTMENTS LIMITED</b>	
JOHN O'BRIEN CHARLES ELLIOTT GRAHAM TE RIRE RIHI VERCOE LES STOWELL	
<b>ADVISORY CONSULTANTS</b>	
ALEX WILSON TONY DE FARIAS	
<b>TARAWERA LAND COMPANY LIMITED</b>	<b>MIL AHU WHENUA LIMITED</b>
KIRIWAITINGI REI JOHN O'BRIEN	KIRIWAITINGI REI
<b>MIL HORT LIMITED</b>	<b>MIL BLUEBERRIES LTD PARTNERSHIP</b>
KIRIWAITINGI REI JOHN O'BRIEN	KIRIWAITINGI REI
<b>TAPATAHI GENERAL PARTNER LIMITED</b>	<b>SHAREHOLDER SUB-COMMITTEE</b>
KIRIWAITINGI REI	GRAHAM TE RIRE CHARLES ELLIOTT
<b>GRANTS SUB-COMMITTEE</b>	<b>AUDIT, RISK AND INVESTMENT SUB-COMMITTEE</b>
CHARLES ELLIOTT LES STOWELL	KIRIWAITINGI REI JOHN O'BRIEN ALEX WILSON TONY DE FARIAS

John Wayne O'BRIEN is due to retire by rotation at the 2022 AGM. Being eligible, John has offered himself for re-election. Mr. Tiaki HUNIA and Mr. Anthony OLSEN have also offered themselves for election.

# He Kōrero nā nga Pouārahi

## Director's Report

### DIRECTORS' INTERESTS

None of the Board of Directors issued a notice requesting to use information received in their capacity as a Director, which would not otherwise be available to them. Transactions in which the Directors have an interest are recorded in Note 28 of the Financial Statements, "Related Party Transactions".

### DIRECTORS' INDEMNITY AND INSURANCE

The companies Indemnity insurance covers all Directors and Officers of the company against all liabilities arising from their normal duties, except any conduct involving a lack of good faith.

### SHARES HELD AND PURCHASED

During the financial year period from 1 July 2021 to 30 June 2022, no further shares were purchased by Directors or staff. (2021: 17821 Kiriwaitangi purchased 50 shares from 17556 Petrina Ann Falaoa).

### DIVIDEND

During the year, the Company paid a dividend of \$1,137,781 (2021: \$240,388).

Based on the financial year ending 30 June 2022, the Board declared a Dividend of \$11.00 per share. The Board resolved that the dividend will be paid prior to the 2021 & 2022 Combined Annual General Meeting.

### DIRECTORS REMUNERATION

	GROUP	
	2022	2021
John O'Brien	45,250	45,000
Charles Elliott	30,167	30,000
Graham Te Rire	25,167	25,000
Rihi Vercoe	25,167	25,000
Leslie Stowell	25,167	10,417
Alex Wilson	-	25,000
Huiarau Stewart*	4,267	6,400
Joelene Elliott*	4,267	6,400
	159,450	173,216

\*During the year Joelene Elliott and Huiarau Stewart remained on the Board as Associate Directors. Their Associate Director Programme came to a conclusion in January 2022.

### ANALYSIS OF SHAREHOLDING IN MĀORI INVESTMENTS LIMITED

	NUMBER OF SHAREHOLDERS		NUMBER OF SHARES	
	2022	2021	2022	2021
1 to 10 shares	2,250	2,249	9,811	9,799
11 to 100 shares	2,288	2,284	63,589	63,601
101 to 1000 shares	191	191	40,451	40,451
Over 1000 shares	4	4	5,856	5,856
	4,733	4,728	119,707	119,707

### SHARES HELD BY DIRECTORS

	NUMBER OF SHARES		SHARES PURCHASED		PURCHASE AMOUNT	
	2022	2021	2022	2021	2022	2021
John O'Brien	10	10	-	-	-	-
Charles Elliott	150	150	-	-	-	-
Les Stowell	66	66	-	-	-	-
Alex Wilson	10	10	-	-	-	-
Huiarau Stewart	10	10	-	-	-	-
Joelene Elliott	10	10	-	-	-	-

# Ngā Miramiratanga

## Highlights



Total Revenue was

**\$9.7M** compared to \$3.4M in 2017



**38%** of the Group's Income is from our **Kiwifruit Orchards**



Net Profit of

**\$2.00M**



Asset base of

**\$142M** an increase of 17.9% on 2021. An increase of 100% over 5 years



Dividend to Shareholders of

**\$11.00**



Group Equity is

**\$110.3M**

# He Kōrero nā te Tumuaki

## Chief Executive's Report



Hutia te rito o te harakeke | Kei hea te kōmako e ko | Ki mai ki ahau  
He aha te mea nui o te ao | Māku e kī atu | He tangata, he tangata,  
he tangata

Kai ngā maunga whakahī | Kai ngā awa whakaterere taniwha  
Kai ngā mana, kai ngā reo, kai ngā ihi, kai ngā wehi, tēnā koutou katoa.  
Ka kī kōrengarenga ngā karu i te roimata, ka kotokoto anō hoki te  
ngākau ki ō tātau tini mate, e hingahinga mai nei, e hingahinga atu nā.  
E ngā mate, hoatu koutou | No reira, rātau ki a rātau, tātau ki a tātau  
Tēnā koutou katoa

E harikoa nei, e ngakau iti nei ki te tuku i tenei pūrongo ki mua ki tō aroaro i tenei wā.

I am incredibly proud to present my report on Management's activities for the year ended 30 June 2022, and also on the future direction of MIL for the next 5-10 years.

Looking forward to December 2022, this will mark my ten (10) year anniversary at MIL. As I look back on when I first started here we have gone through much change and transformation from a small and passive company to one that now employs up to 100 staff in the peak of summer. When I started, we employed 4.5 people and our asset base was \$47m. I am now pleased to report that the overall MIL Group has a strong balance sheet with an asset base of \$142m. Our assets are made up of physical/tangible items being our property, plant & equipment (\$18m) and non-physical/non-tangible which include our investments in JB Were portfolio (\$14m) and other entities (\$14m), Zespri licenses (\$6m) and NZ Carbon units (\$58m). Our total asset value has improved from last year with an increase of about \$20m, despite the decrease in our investment in Waiū Dairy LP of \$6m.

Despite the challenges to the kiwifruit industry and another harvest hampered by poor weather and labour issues arising from COVID-19, approximately 38% of the Group's income has come from our kiwifruit portfolio. This is in spite of a 20% drop in yield across our orchards, the industry continues to deliver strong returns to growers. The season has also recognised the achievements of Helen Scott and her capable team at Whiritoa, who were awarded the 2022 Regional Supreme winner in the Bay of Plenty Balance Farm Environmental Awards. Helen and our team will attend the National Competition in Christchurch in late November.

The past year has not been without its disappointments, with another poor season for Waiū Dairy LP and also Ruapehu Alpine Limited. Both investments have performed poorly, but we are incredibly fortunate to have a diversified portfolio that spreads the risk when an investment does not perform.

### NGĀ WHĀINGA RONGOMAIORO - ARA KI TE RUA RAU

#### Path to 200

This year, the Board reviewed its strategic plan and vision for the MIL Group. The previous strategy needed a refresh as it was set in 2018 with a goal of achieving \$100m by 2023, which was achieved much earlier than anticipated. With the strong growth and balance sheet that we currently have, the Board has set a new target of growing the Group's assets to \$200m by 2030. We will look to achieve this by improving the performance of our current assets, with a particular focus on our orchard operations.

We have also looked to the past to guide us forward, and revisited the aspirations of our shareholders and previous Directors to look to maximise the potential of the Tarawera forest lands for shareholders and future generations. MIL is committed to transitioning away from being a passive landowner (leasing our land to Tiaki Plantations and Kaingaroa Timberlands) to a forest owner, then eventually a forest manager. We understand that this transition will take some time and may occur over the life cycle of a single forest rotation (25 – 30 years), but given that we will never sell our whenua as it is a taonga tuku iho this time period is acceptable and consistent with our inter-generational outlook.

We will undertake the transition to tree ownership by exercising our right to take back 20% of the land handed back by Tiaki Plantations to plant our own trees, starting this process in 2023.

We will proceed slowly as we do not wish to affect our ability to pay a strong dividend to our shareholders, which we are pleased to announce is \$11.00 per share for the year ending 30 June 2022. We endeavour to distribute sustainable dividends year on year and therefore we wish to undertake the investment into forestry in a measured manner. We expect that by 2032 we will have around 2,000 hectares of planted trees in MIL ownership, and by 2042 approximately 4-5,000 hectares which will be an incredible asset for generations to come.

We will also focus on growing the capability and capacity of our shareholders, with a real focus on creating employment opportunities. This will be in our orchards and in forestry, but we will also look to invest in new areas such as biofuels and new technologies. This also includes supporting our people into higher education, with the aspiration that 100% of our kaimahi will also be shareholders or their descendants. A diagram of **Ara ki te Rua Rau** is set out on pages 18 - 20.

### HĀPAI I TE WHĀNAU

#### Supporting our Shareholders and Beneficiaries

Following on from the impact of COVID-19 on our communities, the Board introduced kaumatua grants in December 2021. Initially, this was only for shareholders, however the criteria has now been expanded to beneficiaries of whanau trusts. We have advertised the Kaumatua Grants for the past year. All kaumatua grants that are approved by the Grants Committee will be paid at the start of December 2022. We estimate that we are likely to receive 200 – 300 applications.

#### Kaumatua Grants

During the year MIL distributed 715 Kaumatua Grant payments to individual shareholders who hold shares within the Company. These payments were made only to those we held bank accounts for.

Each year Kaumatua Grants will be made available to our Shareholders, Trustees and Beneficiaries of a Whānau Trust established within MIL, for those who are 65 years and over. We encourage our Kaumatua to apply.

#### Non Compliant Trusts

In February 2022 an audit was undertaken to review all Whānau Trusts. This resulted in 241 Whānau Trusts who were non-compliant with AML legislation. (17) of those are now fully compliant leaving only (224) Whanau Trusts who are non-compliant.

If you are the administrator, trustee or associated with a Whānau Trust established with MIL please contact our team in the office to check the status of your trust. Applicants applying for grants where they whakapapa to a whanau trust may see a result in their applications being declined.

#### Tertiary Education Grants

Our first year of Tertiary Education Grants resulted in 18 applications from our student beneficiaries, and we look forward to supporting more students in the future. For more information on our Tertiary Education recipients please refer to page 22-23.

### TE PAE TAWHITI

#### Long Term Horizon

There are a number of interesting developments occurring which shareholders may be interested to know.

We are in the process of making an application to the Maori Land Court to confirm that our sacred maunga Pūtauaki has the status of Maori freehold land. The history of the maunga is that 40 blocks were amalgamated to form Tarawera No.1 block in 1967. At the time of the amalgamation, the Tarawera No.1 block was Maori freehold land which was subsequently vested to the Maori Trustee. The Maori Trustee then sold or transferred Tarawera No.1 to Tarawera Forests Limited by memorandum of transfer in 1968, and the land was then changed to European Land, and treated by LINZ as General land. Tarawera No.1 was subsequently subdivided into Pūtauaki and Tarawera Forest lands in 2004 when Maori Investments Limited purchased the land from Tarawera Forest Limited.

Pūtauaki was transferred to Ngā Maunga Kaitiaki Trust, and the Tarawera Forest to Tarawera Land Company, a wholly owned and controlled subsidiary of Maori Investments Limited. We will be arguing that the transfer of Pūtauaki by the Maori Trustee to Tarawera Forest Limited was a breach of its powers and therefore ultra vires. Over the last five years the case law has established that Maori freehold land will only be deemed to be General land if the transfer was made in accordance with the Maori Affairs Act 1953, which we believe it was not. The purpose behind this is to strengthen our goal to remove Kordia and its tower from Pūtauaki, and to set apart the maunga as a Maori reservation in perpetuity. This aligns with the Board's vision of restoring the mana and mauri of Pūtauaki. The Board, is also considering to seek legal personality for Pūtauaki, similar to Taranaki maunga, the Whanganui river and the Urewera forest. I envisage there will be four phases of work till we can achieve legal personality for the maunga.

Management will also look to develop more kiwifruit orchards. Earlier in the year, we secured a red licence through a tender process with Zespri, and we will look to establish a new red kiwifruit orchard on the Whitecross block. This will increase our portfolio to 25 canopy hectares in kiwifruit.

I am really excited to announce the appointment of Les Russell to our senior leadership team, who steps into the role of Tarawera Land Company Operations Manager. Les has over 50 years' experience in forestry, and 17 years specifically in the Tarawera forest. He has had a successful career, having first started with the NZ Forest Service before working for PF Olsen, Carter Holt Harvey Forestry and Hancock Forest Management (HFM). His last role was the Area Manager for HFM for the Eastern Bay of Plenty. (See page 17 - Diagram A for our new management structure).





**Maori Investments Limited Management Team - from left to right:** Kate Brown (Finance Officer), Venessa Smith (Payroll & Finance Officer, Les Russell (Tarawera Land Company Operations Manager), Kiriwaitangi Rei (CEO), Christine Powell (Office & Successions Manager), Lizzie Te Rire (Executive Assistant).

### TE HANGA O TE WHARE Structure of the Organisation

In 2020, we undertook a restructure of the roles at MIL House to: 1) cater for the growth of the company; and 2) to continue to support the growth with further investments across a range of sectors.

Some roles were disestablished, and tasks were consolidated within roles, and new roles were created with the intention to support the business growth over a five-year period (from 2020 – 2025). We also knew that we had to ensure we had the right people in existing roles and the new roles so that my team can meet current day to day and future requirements.

With forestry having been identified as a strategic priority by the Board (the intention of MIL being a forest owner), we have appointed Les Russell as our Tarawera Land Company Operations Manager who will oversee the forestry portfolio. His principal tasks will be to transition MIL to a forest manager and to build a competent forestry team over time. We are now at the point I had envisaged we would be at in 2025, some 2-3 years earlier than anticipated.

### KUPU WHAKAMIHI Acknowledgements

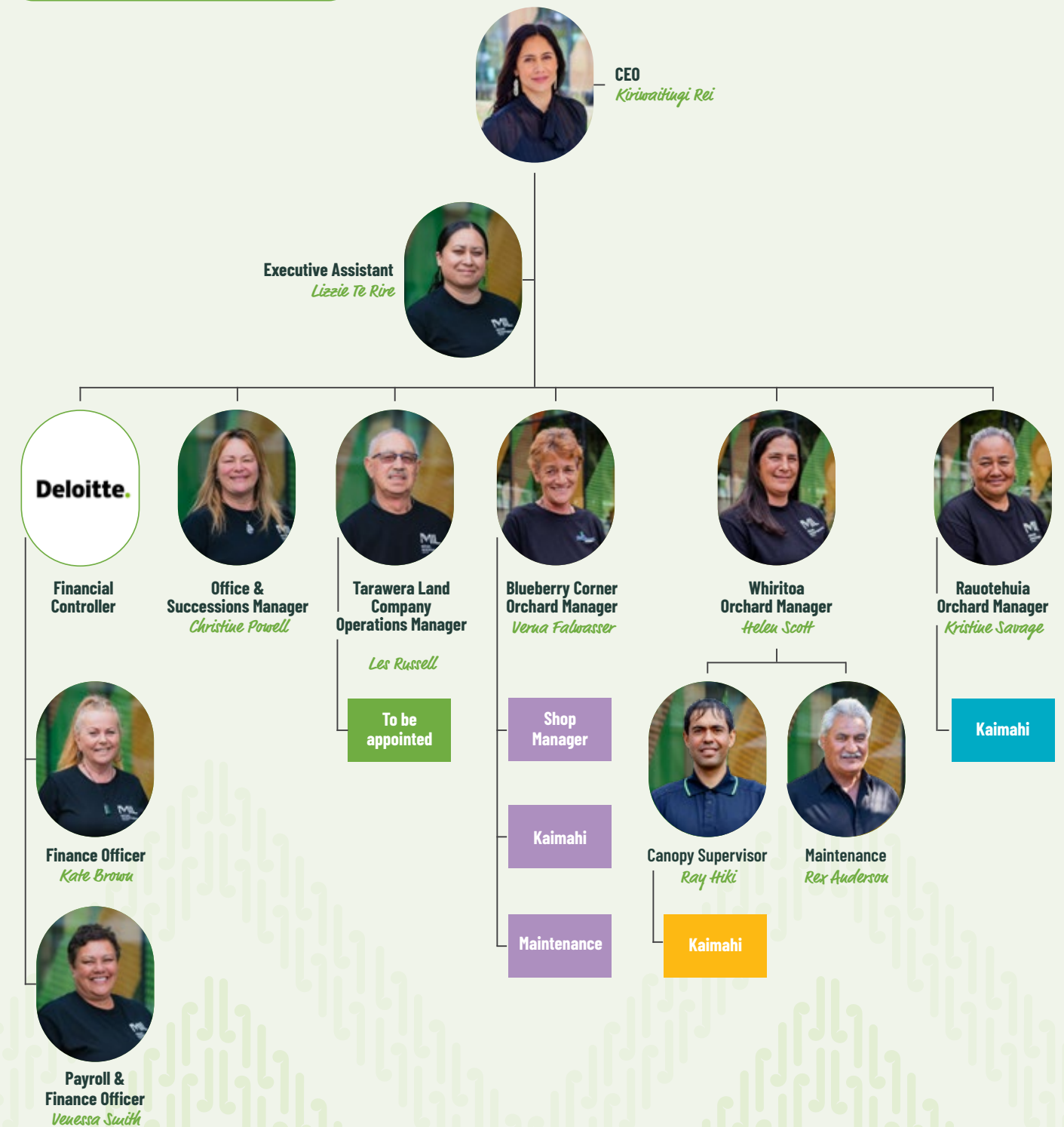
I would like to acknowledge our Chair, John O'Brien for his clear and direct leadership, and our Board for their unwavering support of my team and dedication to achieving sustainable outcomes for our shareholders. We are incredibly fortunate to have a united and forward-thinking Board who always act in the best interests of our shareholders. I would like to thank my orchard managers, Helen Scott, Verna Falwasser and Kristine Savage for their hard work in caring for our land, our people, and for building strong business units.

There have been many challenges this year, labour shortages, unseasonably bad or unpredictable weather, increased costs and unexpected events that have thrown huge curveballs at them. They have all acted with confidence, maturity, and grace in the face of many challenges. Our business units are in safe hands with our managers. I would like to also acknowledge and thank our kaimahi on our orchards for the work behind the scenes, and lastly to our office staff who support our operations and keep everything ticking over and running smoothly. They are a real strength to MIL and deserve to be recognised for their efforts and hard work.

**E pari ana ngā tai o mihi, e kawē nei i te aroha me ngā kupu whakamihi ki a koutou katoa. Noho haumarū mai koutou, tēnā koutou, tēnā koutou, tēnā tataū katoa.**

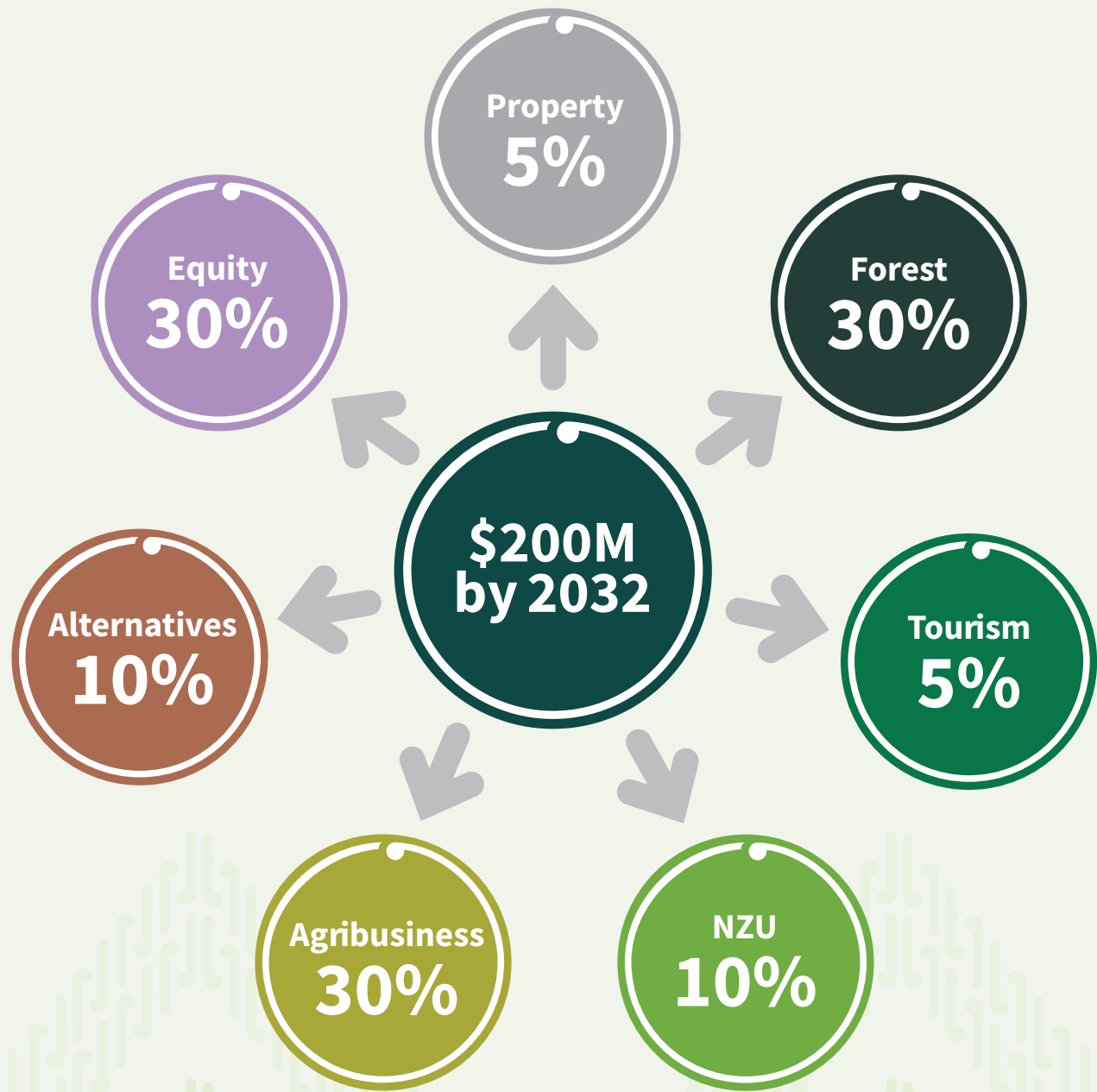
Kiriwaitangi Rei | CEO

## DIAGRAM A Management Structure



# Ngā Whāinga Rongomaioro - Ara ki te Rua Rau

## Path to 200



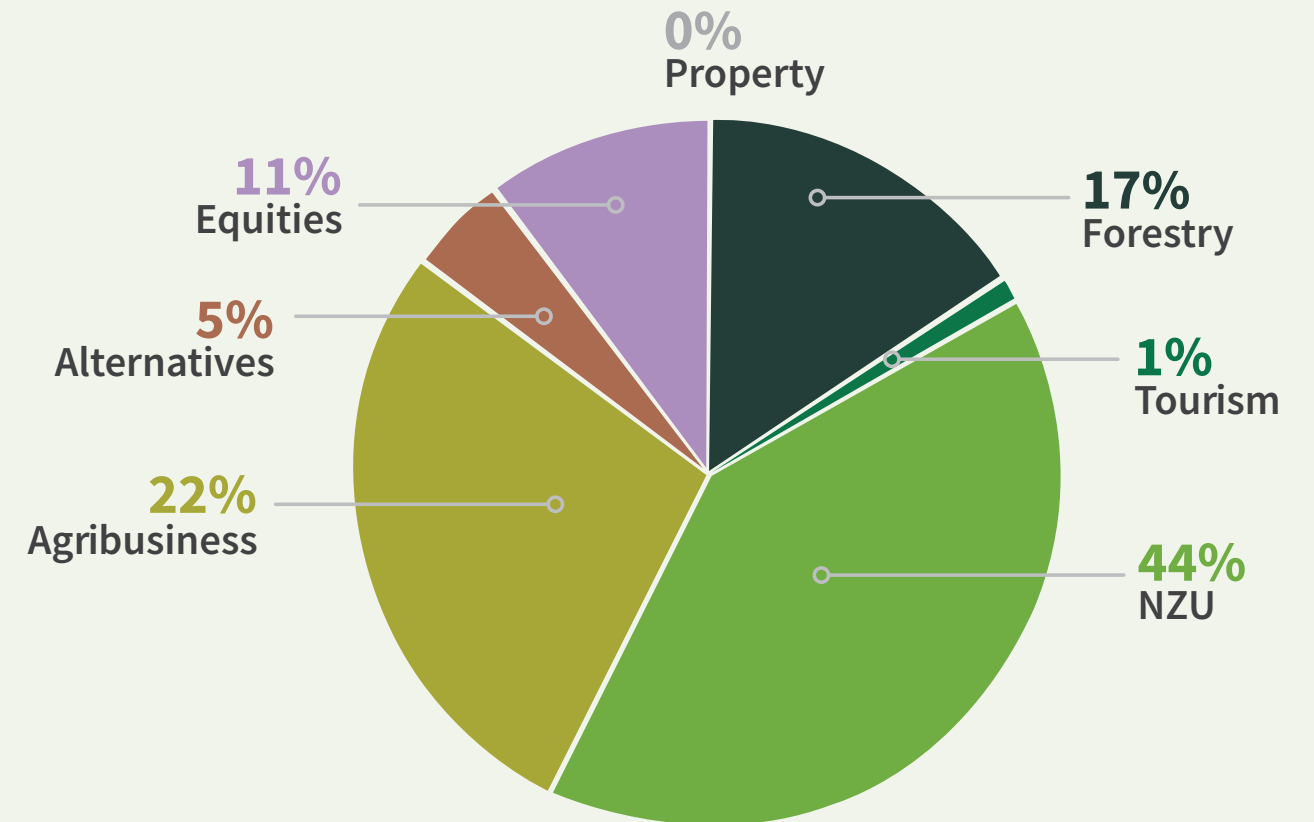
### DIAGRAM B

Illustrates the Boards audacious aspirations to grow MIL to \$200M by 2032 by setting out the Strategic asset allocations. This will also include diversifying the portfolio into property which is currently not part of the portfolio.

### DIAGRAM C

The pie graph shows the breakdown by sector. The table sets out the actuals as of 30 June 2022, and the aspirational allocations - what growth or reduction is required to obtain Ara ki te Rua Rau (please refer to Diagram C; I, II, III, IV, V).

### Current Strategic Asset Allocation



	I	II	III	IV	V
	Current Strategic Asset Allocation	Actuals (by quantum)	Path to 200 (by Strategic Asset Allocation)	Path to 200 (by quantum)	Path to 200 (by quantum)
Forestry	17%	\$23M	30%	\$60M	+37M
Tourism	1%	\$1.3M	5%	\$10M	+8.7M
NZU	44%	\$58M	10%	\$20M	-38M
Agribusiness	22%	\$29M	30%	\$60M	+31M
Alternative	5%	\$6.5M	10%	\$20M	+13.5M
Equities	11%	\$14.2M	10%	\$20M	+6.8M
Property	0%	\$0.5M	5%	\$10M	+9.5M

DIAGRAM D

<p><b>Te Whāinga Tāhuhu</b> <i>Vision</i></p>	<p>Kāore te au wai e hoki ki tōna mātāpuna</p>
<p><b>Te Ara Whakatutuki</b> <i>Approach</i></p>	<ul style="list-style-type: none"> <li>Investigate the possibility of diversifying land use</li> <li>Forest operations to commence Dec 2023 with exercising the right to take 20% of Tiaki Plantations handback.</li> <li>Strong Partnerships including investigating further investments into the Forestry sector.</li> <li>Strive for Excellence in our Orchard operations and all areas of our business</li> <li>Explore new opportunities for our shareholders in our business arms, operations, and partnerships.</li> <li>Seek opportunities to move away from solely orchard/ land operations to vertical integration through the supply chain</li> <li>Utilising carbon credits to invest into the property sector.</li> </ul>
<p><b>Ngā Whāinga Pou Tāhu</b> <i>Objectives</i></p>	<ul style="list-style-type: none"> <li>Sustainability/ Kaitiakitanga</li> <li>Profitable</li> <li>Tuku i nga rawa – sustainable dividends</li> <li>\$200M by 2032</li> </ul>
<p><b>Ngā Tūtohu</b> <i>Indicators</i></p>	<ul style="list-style-type: none"> <li>Increase balance &amp; profitability</li> <li>Debt reduction</li> <li>Increase communications</li> <li>Expansion of business operations &amp; growth</li> <li>Rebalancing of portfolio</li> </ul>

DIAGRAM E  
*Endowments*



# Ngā Maunga Kaitiaki Trust

*Māori Investments Group*



Pūtauaki tu mai ra  
Toku maunga tapu  
Toku poutokomanawa  
E koro Pūtauaki Karanga mai ra e

Ngā Maunga Kaitiaki Trust entered a five-year Environmental Programme (EP) with Bay of Plenty Regional Council – Toi Moana in July 2018, which will be reviewed in 2023. The aim of the EP is to enhance the mauri of Pūtauaki and reinstate his natural cloak through the protection and restoration of indigenous flora and fauna, while eliminating all pest species (refer to Diagram 1 below for location and project area). To achieve this outcome, the EP focuses on the management and control of specific pest plants and pest animals. The pest animal work is undertaken by Ōmataroa Rangitaiki Kaitiaki Ltd Manager, Ian Tarei, while the pest plants work is undertaken by BOPRC and Wildlands. With these joint partnerships we are pleased to see improvements take effect with a more visual sighting of natives.

We have tracks and bait stations on our maunga that enables targeted control of rats and possums. One area has 236 hectares that includes tawa and kamahi stands, both with scattered rewarewa and tōtara and other forest species with 535 bait stations connected by 41.5 km of tracks. A smaller area covering 19 hectares includes tall, mature pōhutukawa, rata, and a pōhutukawa-rata cross forest which has been severely affected by possums. This vegetation type is unique and relatively uncommon, particularly inland from the coast. This area has 72 bait stations over 5 kms of tracks.

MIL are very pleased to have these projects in place and thank all our contractors for their dedication and hard work. Although we have a long way to go, the Trust will continue to work towards the revitalisation of the maunga.

As a precautionary measure and due to an increase in health and safety concerns, the Board has resolved to close all public access to the maunga. This includes the Kawerau District Council initiative of the King of the Mountain Race.



Ōmataroa Kaitiaki Ltd - Manager Ian Tarei and kaimahi.



**Diagram 1:** Pūtauaki Environmental Programme project area (blue boundary) and bait station tracks (brown dash). The pink boundary is the 'main' area for pest animal control and the green boundary is the pōhutukawa, rata, and pōhutukawa x rata area.

# Tertiary Education Grants

*Māori Investments Limited*

This year MIL opened its first Tertiary Grants for shareholders and their descendants undertaking various subjects across Aotearoa at University level. In total, we receive (18) successful applications (5) of which are first-year students, who reside in the Halls of Residency. A total of \$39,500.00 was distributed among the 18 recipients through Ngā Maunga Kaitiaki Trust.

Each year, MIL will offer our shareholders and their descendants the opportunity to apply for Tertiary Grants so please keep a look for updates on our website. We encourage those students studying at University to apply in 2023.

We have now partnered with Māori Education Trust who will offer further financial support for those who apply for our Tertiary Grants. MIL is committed to investing in our future leaders and also connecting our students with one another. Our Board of Directors and staff had the pleasure of meeting our first cohort of Auckland University recipients.

Places of Study	Number of Students
University of Auckland	4
University of Waikato	2
University of Otago	3
Otago University	1
University of Canterbury	2
Massey University	2
Te Whare Wananga o Aotearoa	2
Te Wananga o Raukawa	1
Auckland – NZ School of Chiropractic	1

Students	Studies
Matiu Te Rei-Tuuta	Bachelor in Arts, Majoring in Computer Science and Economics
Jay Mitchell	Engineering
Haukapuanui Vercoe	Doctor of Philosophy specialising in Engineering
Sonny Vercoe	Civil Engineering - Doctor of Philosophy
Brynn Mitchell	NZ School of Chiropractic
Cullen Katu-Robinson	Management
Arielle McMillan	Bachelor of Law
Tamaarangi Te Rei-Tuuta	Human Science
Teah Hingatu Elliott	Bachelor of Medicine & Bachelor of Surgery
Jack Campbell	Bachelor of Medicine & Bachelor of Surgery
Finnian Campbell	Bachelor of Arts
Phoenix Henare	Bachelor of Physiotherapy with Honours
Jenna Keyte	Bachelor of Commerce
Kade Ngaheu	Bachelor of Engineering with Honours
Jacqueline Rolleston-Steed	Masters of Indigenous Studies Bachelor of Health Science
Carlene Bellas	Maori Nursing
Armanii Martelli-Ririnui	Bachelor of Business
Cheyenne Park	Poutuarongo Reo Yr2

The Board of Directors and staff had the pleasure of meeting (3) of our first cohort of recipients, located in Auckland.

*(Pictured below from left to right: Sonny Vercoe, Matiu Te Rei-Tuuta and Haukapuanui Vercoe)*



*Pictured above from left to right: CEO - Kiriwaitangi Rei, Chairman - John O'Brien, Deputy Chair - Charles Elloitt, Haukapuanui Vercoe, Matiu Te Rei-Tuuta (back), Sonny Vercoe, Director - Rihi Vercoe, Director - Graham Te Rire, Director - Les Stowell and Advisor - Alex Wilson.*

## Jacqueline Rolleston-Steed

who has now graduated with a degree and is in her first year of her Masters in Indigenous Studies was (1) of our first recipients to receive a Tertiary Grant from MIL.

*Here is a little background story of her journey.*

*I am so grateful to Te Whare Wānanga o Awanuiāraangi for the relationships I've developed with my kaiako and fellow taura.*

*My tohu is a reminder and a wero to use my learnings to give back to my hapori and my whānau and to develop and refine Te Ao Māori perspectives that are intergenerational and transformational.*

*What makes this tohu special to me, and different from any other I have received, is that I undertook my studies at a Māori university as opposed to a mainstream University. Besides the tohu itself, my majors in Business & Māori, I received the gift of a greater understanding of Mātauranga (Māori knowledge) than I ever expected. Not in the sense that I didn't have access to this before, from my whānau, tipuna and marae, but more that it has stimulated a desire to keep searching, to keep learning, and to keep striving for greater things for myself and whānau and in turn, give back. Māori knowledge is intergenerational*

***Ka mua, Ka muri - we have to look back to inform the future.***



*The beautiful taonga whatu kākahu worn by Jacqueline at her graduation was made by her daughter Maraea Budd.*



Jacqui gives thanks to her husband and whānau who continue to support her endeavors in higher learning. She will continue with her studies for the next 4-5 years.

Māori Investments Limited wish Jacqueline and all our applicants and future taura all the very best with their studies.

# Tarawera Land Company

Māori Investments Group

# Blueberry Corner

Māori Investments Group



*Les Russell*  
Tarawera Land Company  
Operations Manager



*Verna Falwasser*  
Blueberry Corner  
Orchard Manager

Tarawera Land Company had a strong financial performance, with income \$4.3m compared to \$2.9m last year. The significant increase was due to the renegotiation of the Forest Licence Fee with Kaingaroa Timberlands, which is approximately a 49% uplift on the previous licence fee. Management continues to keep operating expenses low, which covers activities like issuing permits to the Tarawera Falls (to locals and visitors), and ongoing health and safety monitoring.

The management and enhancement of our native reserves and biodiversity continues to be undertaken, by Kaingaroa Timberlands with the assistance of Wildlands Consultants.

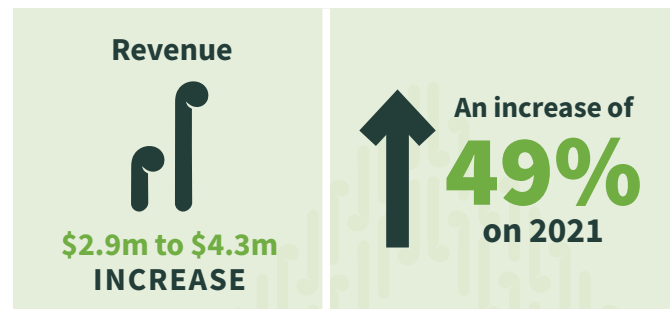
With the approval of Ngā Whāinga Rongomaioro – Ara ki te Rua Rau by the MIL Board, we have a new focus on growing our strategic investment into forestry. MIL will exercise our right to take 20% of the handbacks from Tiaki Plantations from December 2022, and from the modelling we have undertaken we estimate this will be approximately 1,500 - 2,000 hectares by 2032. Should MIL issue a termination notice to Kaingaroa Timberlands, the total amount of trees in our portfolio could be between 5,000 hectares by 2032. This will depend on the Board's appetite for risk and available capital.

With the assistance of Les Russell, we are working on our financial model for future forestry operations. We expect to be able to provide shareholders with the opportunity to plant our trees, and by Year 5 we expect to be building our forestry team and offering full-time employment.

We are fortunate that our carbon credits will provide us with a financial buffer to support our aspirations.

### History

The establishment of the Tarawera forest goes back to the late 1950's and the desire from the Fletcher family to have their own private forest estate.



In the 1960's our Maori shareholders were involved in a series of hui with Tasman Pulp and Paper Mill and several government agencies, which resulted in the amalgamation of 40 land blocks which was transferred by the Maori Trustee to Tarawera Forest Limited. In 2004, Maori Investments Limited purchased the forest lands, and Tarawera Land Company was formed to hold these endowment lands. We have two forestry rights over the land – 1) one with Tiaki Plantations; and 2) Kaingaroa Timberlands.

Tiaki Plantations has the first rotation, that commenced in 2004 with a maximum term to 2034 to harvest and carry away all the relevant trees on the land. At 30 June 2022, Tiaki Plantations had 9,344.05 hectares.

Kaingaroa Timberlands has the second rotation with a maximum term of 35 years, with their trees aged from 2004 onwards.

The financial performance of Blueberry Corner continues to be challenging, with a small decrease in revenue from last year. The on-going effect of Covid impacted this year's operations. Changes to the traffic light system and lockdowns slowed customers from coming to the retail shop which meant we had to close the shop earlier in the season than usual.

There are a number of areas that we are looking at to improve for the new season which may see some increases to our prices along with monitoring of product wastage to reduce costs.

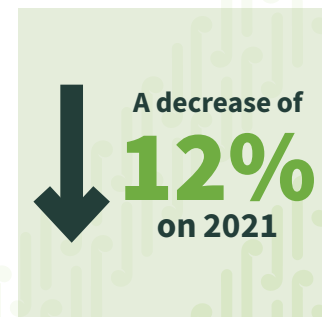
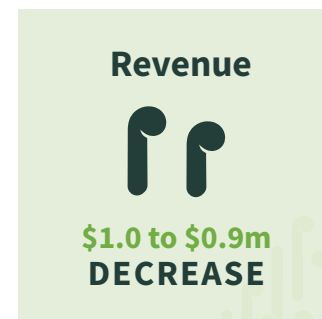
We are positive that Blueberry Corner will bounce back in the 2022/23 summer now that these restrictions have been lifted and there are more international tourists visiting the Bay of Plenty.

### Outlook for the New Season

Our Blueberry Corner Orchard Manager – Verna Falwasser has done a fantastic job in getting the shop ready for the new season. Our shop grounds are looking beautiful with an expanded flower garden and increased space for our customers and families to relax in and enjoy.

Despite the difficult growing season faced by the kiwifruit industry, Blueberry Corner is preparing for a bumper crop of blueberries and strawberries. We have also added another two strawberry tunnels to our orchard operations to cater for the huge demand leading up to Christmas.

Like our other orchards, an underlying kaupapa for Blueberry Corner is that we fully support and prefer employing people from our local communities whenever possible. We have five (5) full time employees and up to 70 – 80 seasonal kaimahi during the summer period.





*Helen Scott*  
Whiritoa Orchards Manager



## WHIRITOA ORCHARDS PERFORMANCE

For the 2021 harvest, our conventional orchard (Whiritoa Gold – 6.84 hectares) was harvested between April and May 2021 and produced a stellar crop of fruit in a year with low dry matter and low fruit pressure. The 2021 results averaged out at over 21,000 trays per hectare with high dry matter and fruit quality.

In 2022, the crop from Whiritoa Gold (113,725 trays) was split between MPac (65%), and Eastpack (35%). Mpac was Kiwistart while Eastpack was Main pack only.

Whiritoa Gold averaged 16,626 trays per hectare which was 21% above MPac, and 27% above Eastpack averages. The OGR achieved was \$190,085 per hectare which was also significantly better than entity averages. The OGR \$per hectare was influenced by the high percentage of Kiwistart achieved but the orchard also performed strongly in high taste. The average OGR per tray of \$11.43 was significantly higher than both Eastpack and MPac.

When compared to the same time last year (remains as is), production per hectare is 23% down on that achieved in 2021 which was consistent with district and industry outcomes in 2022. Total forecast 2022 OGR of \$1,300,181 (\$190,085 per ha) is \$376,528 less than F1 2021. Despite a significant reduction in average GA industry returns in 2022, Whiritoa Gold has maintained per tray OGR (\$11.43 v \$11.36 in 2021) due to a greater proportion of the crop in 2022 achieving Kiwistart.

A comparison of orchard performance between Whiritoa Gold and Rauotehuia demonstrates the higher value performance achieved at Whiritoa Gold with taste payments \$0.80 cents per tray and yields significantly above Rauotehuia. While they are different Orchards in different locations, this demonstrates the potential for improved returns from Rauotehuia into the future.

Another very strong performance for this orchard, in relative terms, in 2022.

Our newly converted Whiritoa Organic orchard did not produce a high yielding crop reaching 19,520 class 1 trays, averaging 3,683 trays per hectare with an average size of 33.85.

GA1 15,245 trays, average size 33.2  
GA2 4,275 trays, average size 34.5

We expect to achieve a higher yield next year with more area's producing fruit and have estimated 28,000 trays in total. We have two more years (2024) left before we will be achieve biogrow organic certification.

## Sustainability & Kaitiakitanga

In August 2022, our Whiritoa Orchard was awarded the 2022 Regional Supreme Winner in the Bay of Plenty Ballance Farm Environment Awards.

Our Manager, Helen Scott and her capable team including Rex Anderson (Maintenance & Kaitiaki) and Ray Hiki (Canopy Supervisor) have worked hard to incorporate Maori values and principles on our orchards, and we are proud to see that they have been recognised by industry for a holistic approach to sustainability. From the time we acquired the nashi orchard (converted to organic in 2021) and conventional kiwifruit orchards in 2016, we have strived to support our kaimahi and local community of Te Teko through meaningful employment and educational pathways into horticulture. While always aiming to be profitable, wherever possible we have looked to incorporate Maori principles of kaitiakitanga and matauranga Maori in our sustainability journey, including the para kore (zero waste) initiative.

At the August ceremony, Whiritoa Orchards was awarded the following:

- ▲ Bay of Plenty 2022 Bayleys People in Primary Sector Award
- ▲ Bay of Plenty 2022 Norwood Agri-Business Management Award
- ▲ Bay of Plenty 2022 Zespri Kiwifruit Orchard Award
- ▲ Bay of Plenty 2022 Regional Supreme Winner 2022

In November 2022, we will compete in the National Ballance Farm Environment Awards in Christchurch.

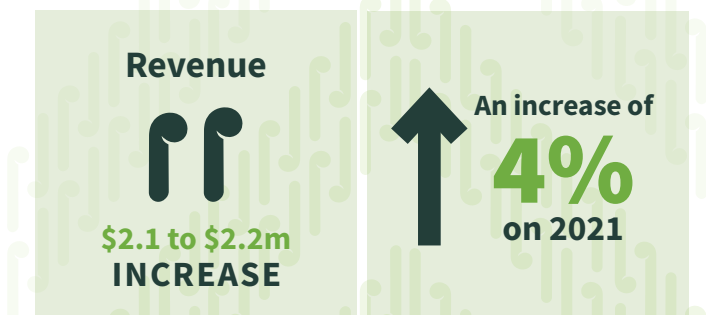
## Ahuwhenua Trophy Horticulture Competition 2023

Our Whiritoa Orchards will enter the Ahuwhenua Trophy Horticulture Competition in December 2022, which will take place over several months in 2023.

The competition acknowledges and celebrates Maori business excellence in Aotearoa in the pastoral and newly added horticulture sectors. The prestigious award was originally launched in 1933 by Sir Apirana Ngata and Lord Bledisloe and has enjoyed a revival in popularity. Since the re-launch of the competition in 2003, Maori agribusiness is now seen as an integral part of New Zealand's economy.

Shareholders will be advised of more details on the Ahuwhenua competition in 2023.

Our Whiritoa Orchards have seven (7) full-time employees including Helen, Rex and Ray.



# Rauotehuia Orchard

Māori Investments Group



*Kristine Savage*  
Rauotehuia Orchard Manager

With the appointment of Kristine Savage as the Rauotehuia Orchard Manager in August 2021, we have been transitioning away from the previous manager Bains Horticulture to her full-time management on the orchard. Her appointment is an integral component of MIL's aspiration to actively manage our own orchards and to support our shareholders and our communities by providing employment and building a pipeline of capable kiwifruit managers and kaimahi.

This season has been quite different from the past two seasons which has delivered high yields of quality fruit. On Rauotehuia we have been effected by a combination of poor weather and lower than forecasted yield. The issue of labour shortage due to the impact of COVID-19 did effect aspects of our operations, cost increases and significant pressure on post-harvest facilities to pick and pack our fruit resulted in Rauotehuia not hitting our budgeted targets.

Our trays per hectare results mimick what most growers have experienced for the 2022 season. When compared to the same time last year, production per hectare is down 21% on that achieved in 2021 which is consistent with district and industry outcomes in 2022.

In 2022, the Rauotehuia crop averaged 13,937 trays per hectare which was higher than the industry average. The OGR (orchard gate return) was \$149,101 per hectare, which is also better than industry average this season.

Rauotehuia contains GA areas that are still in development and have not yet reached full production. The average OGR per tray of \$10.70 achieved was higher than the Seeka and Eastpack average.

The total forecast 2022 OGR of \$1,918,929 equates to \$149,101 per hectare. This is \$573,874 less than 2021, however despite a significant reduction in average GA industry returns in 2022, Rauotehuia was able to almost maintain OGR per tray of \$10.70 compared to \$10.98 in 2021. This is due to a great proportion of the crop in 2022 achieving kiwistart. This has helped considerably to avoid an even greater decline in revenue that would otherwise have occurred.

Similarly, to what happens on Whiritoa Orchards, Kristine Savage is focused on building a small but competent team on the orchard to support her. She is also fortunate to be able to be mentored by Shayne Joyce who critiques her work and provides her with technical support, and she is also able to lean on Helen's team to support her to complete various tasks on the orchard. We have an expectation that Rauotehuia will adopt the same underlying Maori values and practices as on Whiritoa, and will be a top award-winning orchard in due course.

We look forward to sharing Kristine's journey with you all.

## Investments

### Māori Investments Limited Performance

#### JB WERE

Our JB Were portfolio has decreased by \$2.1m or -12.9% from \$16.3m in 2021 to \$14.2m in 2022. This is due to a number of factors being escalating inflation, challenging economic environments globally, the ongoing war in Ukraine and on-going impacts of Covid. These factors have impacted our equities investments both locally and overseas.

Our JB Were portfolio is a long-term investment with a risk profile of a balanced/growth investor. Typical allocations are approximately 75% growth / 25% income assets. As such we will see ups and downs over the years as the market changes. The key objective for the JB Were portfolio is to ensure the capital preservation and it will be continually monitored to ensure consistent returns are achieved over a long period of time.

#### ASSET ALLOCATION

Asset Class	2022 Value (NZD)	2022 Weighting	2021 Value (NZD)	2021 Weighting
Cash	\$266,795	1.89%	\$273,255	3.52%
New Zealand Equity	\$4,878,308	34.47%	\$5,253,443	32.28%
Australian Equity	\$2,665,236	18.83%	\$3,200,949	19.67%
Offshore Equity	\$4,619,176	32.64%	\$5,158,762	31.70%
New Zealand Bonds	\$1,192,081	8.42%	\$1,408,384	8.66%
Property	\$529,339	3.74%	\$677,309	4.16%
	<b>\$14,150,935</b>	<b>100.00%</b>	<b>\$16,272,102</b>	<b>100.00%</b>

#### COMVITA

Our Comvita investment has decreased in value by \$0.3m or -8.6% from \$3.5m in 2021 to \$3.2m in 2022. Our investment value is based on the market price of the shares the Group holds in Comvita of which the share price was \$3.17 per share at 30 June 2022 compared to \$3.45 per share in 2021. The movement in share price is reflective of the similar challenges we have seen with our JB Were portfolio, rather than the performance of the Company who has reported continuing net profit after tax of \$12.8m.

#### RUAPEHU ALPINE LIMITED (RAL)

Our bond investment held in Ruapehu Alpine Limited (RAL) has decreased in value by \$0.4m or -30.8% from \$1.3m in 2021 to \$0.9m in 2022. RAL has faced a number of challenges this year from poor weather conditions impacting snowfall and lack of international tourists which has led to the Company going into Voluntary Administration. As a bondholder we are working with RAL as they go through this process to understand the impact it will have on our bond and have recognised what we consider is fair value based on the information we have available.

#### WAIŪ DAIRY LIMITED PARTNERSHIP

Our investment in Waiū Limited Partnership has increased \$0.5m or +8.5% from \$5.9m in 2021 to \$6.4m in 2022. We made further equity contributions to the LP this year of \$0.5m.

Waiū continues to be impacted by the operational challenges it faced in previous years. We are still waiting to receive their audited financial accounts for 2021 and 2022 and therefore the Board did not have access to sufficient information available to make an assessment of the fair value or potential impairment on our investment this year. Due to the size of our investment, our auditors have included this in their report for 30 June 2022.

The business is working on securing agreements with customers to ensure continuing cash flow. We will support Waiū as best we can as it is an important asset in the community of Kawerau.

We continue to keep a close eye on this investment through a position on the Board.

# Group Portfolio & JB Were

## Māori Investments Limited Performance

The investment landscape this year has been “bumpy” to say the least, as the market has been distracted on what Jerome Powell, the Chair of the US Federal Reserve has delivered in terms of interest rate hikes in 2022.

The Federal Reserve has front loaded interest rate hikes, as it fights to combat “sticky” inflation. It is worth noting that twelve months ago, the same Federal Reserve had forecast of one or two rate hikes in all of 2022, yet to date we have had 300bps of rises, with the market pricing in a further 150bps before the year is out. This has led to some market commentators saying the Federal Reserve is out of touch and has lost all credibility. Whether the Federal Reserve has or hasn’t lost credibility can and will be debated for a long period of time. One thing history does tell us however is that Central Banks always win the inflation battle.

While the past year has been an outlier in recent years when thinking about market volatility, it is important to note that this is normal for markets to behave in such a manner and is part of the investment matrix. **The key to successful investing is owning quality companies** and across the Freemasons Charity portfolio there is quality in abundance. While at times it can be understandably unsettling, to see market moves, like we have this past year, we would stress the importance of staying in the market. This can be best illustrated in the chart below, which shows over the past ~ten years, the ebb and flow of market movements. Accounting for all the market pullbacks along the way, it has still delivered triple digit returns.

It is easy to get out of the market, yet we don’t know anyone who has successfully engineered a re-entry point at lower prices without an element of luck. **Luck is not an investment strategy and no bell is going to ring when the all clear is sounded.**

### GOALS AND OBJECTIVES

To provide growth of the capital base in order to maintain the purchasing power of investable assets over the medium to long term. In addition to provide an adequate income stream that (along with capital) may be distributed from the portfolio on an adhoc basis.

The risk profile of Māori Investments Limited is that of a Balanced/Growth investor with typical allocations to approx. 75% growth assets, and approx. 25% income assets.

At inception, one of the key objectives for the investment manager, in partnership with Māori Investments Limited, was to ensure the capital preservation of the Māori Investments Limited portfolio. Accordingly, while benchmarks are a good indication of performance, the investment manager maintains the consistent and solid total returns for the Māori Investments Limited portfolio, achieved over a long period of time.

### PERFORMANCE

Asset Class Return	1yr	Benchmark
NZ Equities	-4.73%	-14.11%
Australian Equities	-11.08%	-3.72%
Global Equities	-12.23%	-4.88%
New Zealand Bonds	-0.68%	-6.78%
New Zealand Property	-18.23%	-13.64%

Asset Class Return	3yr	Benchmark
NZ Equities	14.66%	3.50%
Australian Equities	24.29%	16.84%
Global Equities	30.33%	31.31%
New Zealand Bonds	7.24%	-2.54%
New Zealand Property	-5.94%	-4.69%

Asset Class Return	5yr	Benchmark
NZ Equities	54.95%	42.79%
Australian Equities	61.31%	46.90%
Global Equities	85.33%	69.41%
New Zealand Bonds	24.18%	8.76%
New Zealand Property	35.88%	36.05%

Asset Class Return	7yr	Benchmark
NZ Equities	114.57%	89.78%
Australian Equities	69.49%	55.28%
Global Equities	101.92%	81.24%
New Zealand Bonds	36.24%	18.95%
New Zealand Property	62.45%	60.68%

Tom Philips | Private Wealth Advisor  
JB Were



Ngā Pūrongo Kaute  
Audited Accounts



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## Approval of Financial Report

### Māori Investments Group For the year ended 30 June 2022

The Directors are pleased to present the financial statements of Māori Investments Group for the year ended 30 June 2022.

No disclosure has been made in respect of Section 211(1)(a) and (e) to (j) of the Companies Act 1993 following a unanimous decision by the shareholders in accordance with Section 211(3) of the Act.

The Directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of Māori Investments Group as at 30 June 2022 and the financial performance and cash flows for the year ended on that date.

The Directors consider that the financial statements of the Group have been prepared using appropriate accounting policies consistently applied and supported by reasonable judgements and estimates and that all the relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The Board of Directors of Māori Investments Group authorised the financial statements on 20 October 2022.

For and on behalf of the Directors

Director



Director



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

Māori Investments Group  
For the year ended 30 June 2022

	NOTES	2022	2021
<b>Trading Income</b>			
Revenue	1	4,540,416	5,398,504
<b>Cost of Sales</b>			
Cost of Sales	2	(3,577,537)	(3,035,078)
<b>Gross Profit</b>		<b>962,879</b>	<b>2,363,426</b>
<b>Other Income</b>			
Other Income	1	4,284,184	2,741,198
Finance Income	1	916,978	692,950
<b>Total Other Income</b>		<b>5,201,162</b>	<b>3,434,148</b>
<b>Other Expenses</b>			
Other Expenses	2	2,063,406	1,443,137
Depreciation	2	1,026,229	1,184,050
Amortisation	2	296,818	290,638
Loss on Disposal of Property, Plant & Equipment	2	-	236,387
Impairments	2	69,909	87,386
Finance Costs	2	707,454	602,797
<b>Total Other Expenses</b>		<b>4,163,815</b>	<b>3,844,395</b>
<b>Net Profit Before Tax</b>		<b>2,000,225</b>	<b>1,953,179</b>
<b>Tax Expense</b>			
Tax Expense	3	-	(303,523)
<b>Net Profit After Tax</b>		<b>2,000,225</b>	<b>2,256,702</b>
	NOTES	2022	2021
<b>Other Comprehensive Income</b>			
Gain / (Loss) on Revaluation Investments	17	(3,410,060)	2,225,076
Gain / (Loss) on Revaluation of NZ Carbon Credits	18	24,974,925	8,886,783
<b>Total Comprehensive Income</b>		<b>23,565,090</b>	<b>13,368,562</b>

These financial statements are to be read in conjunction with the accompanying Notes.



# Consolidated Statement of Changes in Equity

Māori Investments Group  
For the year ended 30 June 2022

	SHARE CAPITAL	INVESTMENT REVALUATION	NZ CARBON CREDITS REVALUATION	RETAINED EARNINGS	TOTAL EQUITY
<b>Statement of Changes in Equity</b>					
<b>2021</b>					
Equity at 1 July 2020	59,854	5,292,787	17,861,580	51,544,507	74,758,728
Total Comprehensive Income for the year	-	2,225,076	8,886,783	2,256,702	13,368,560
Transfer Realised Gains on Disposal	-	(414,551)	-	414,551	-
Shares Reinstated	-	-	-	-	-
Dividends Paid	-	-	-	(240,388)	(240,388)
<b>Equity at 30 June 2021</b>	<b>59,854</b>	<b>7,103,312</b>	<b>26,748,363</b>	<b>53,975,371</b>	<b>87,886,901</b>
<b>2022</b>					
Equity at 1 July 2021	59,854	7,103,312	26,748,363	53,975,371	87,886,901
Total Comprehensive Income for the year	-	(3,410,060)	24,974,926	2,000,225	23,565,090
Transfer Realised Gains on Disposal	-	(469,986)	-	469,986	-
Dividends Paid	-	-	-	(1,137,781)	(1,137,781)
<b>Equity at 30 June 2022</b>	<b>59,854</b>	<b>3,223,266</b>	<b>51,723,289</b>	<b>55,307,801</b>	<b>110,314,210</b>

These financial statements are to be read in conjunction with the accompanying Notes.



# Consolidated Statement of Financial Position

Māori Investments Group  
As at 30 June 2022

	NOTES	2022	2021
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	3,175,224	1,970,645
Term Deposits		535,550	531,467
Receivables	6	3,282,131	4,290,841
Inventory		24,692	4,408
GST Receivable		132,201	-
Prepayments		22,531	20,094
Tax Receivable		50,499	205,970
<b>Total Current Assets</b>		<b>7,222,828</b>	<b>7,023,425</b>
<b>Non-Current Assets</b>			
Investments	7	28,146,126	31,463,460
Investment Property		23,012,446	23,012,446
Property, Plant & Equipment	8	17,513,380	18,190,843
Tupuna Maunga		1,800,000	1,800,000
<b>Total Non-Current Assets</b>		<b>70,471,952</b>	<b>74,466,749</b>
<b>Intangible Assets</b>			
Intangible Assets	9	64,265,133	38,884,434
<b>Total Assets</b>		<b>141,959,914</b>	<b>120,374,608</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable & Accruals		1,064,783	332,257
Income in Advance		24,189	669,637
Bank Loans	14	17,196,577	12,566,977
GST		-	84,579
<b>Total Current Liabilities</b>		<b>18,285,549</b>	<b>13,653,450</b>
<b>Non Current Liabilities</b>			
Unclaimed Monies	13	9,060,155	8,634,257
Bank Loans	14	4,300,000	10,200,000
<b>Total Non Current Liabilities</b>		<b>13,360,155</b>	<b>18,834,257</b>
<b>Total Liabilities</b>		<b>31,645,704</b>	<b>32,487,707</b>
<b>Net Assets</b>		<b>110,314,210</b>	<b>87,886,901</b>
<b>Equity</b>			
Share Capital	15	59,854	59,854
Reserves	16	54,946,555	33,851,676
Retained Earnings	19	55,307,800	53,975,371
<b>Total Equity</b>		<b>110,314,210</b>	<b>87,886,901</b>

These financial statements are to be read in conjunction with the accompanying Notes.



# Consolidated Statement of Cash Flows

Māori Investments Group  
For the year ended 30 June 2022

	2022	2021
<b>Statement of Cash Flows</b>		
<b>Operating Activities</b>		
<b>Cash Receipts</b>		
Revenue	5,080,750	4,025,963
Other Revenue	4,108,237	2,644,600
Interest Received	111,940	138,901
Dividends Received	799,830	558,781
<b>Total Cash Receipts</b>	<b>10,100,757</b>	<b>7,368,245</b>
<b>Cash Payments</b>		
Payments to Suppliers and Employees	(5,693,959)	(4,405,352)
Net Taxation (Paid)/Refunded	155,471	(13,741)
Interest Paid	(707,454)	(602,797)
<b>Total Cash Payments</b>	<b>(6,245,942)</b>	<b>(5,021,890)</b>
<b>Net Cashflows from Operating Activities</b>	<b>3,854,815</b>	<b>2,346,355</b>
<b>Investing Activities</b>		
<b>Cash Receipts</b>		
Sales of Investments	1,183,977	2,273,597
Sale of Property, Plant & Equipment	-	298,154
Net Decrease in Term Deposits	-	83,095
<b>Total Cash Receipts</b>	<b>1,183,977</b>	<b>2,654,846</b>
<b>Cash Payments</b>		
Purchase of Investments	(1,310,038)	(4,771,890)
Purchase of Zespri Licences	(193,125)	-
Purchase of Property, Plant & Equipment	(348,766)	(205,503)
<b>Total Cash Payments</b>	<b>(1,851,929)</b>	<b>(4,977,393)</b>
<b>Total Cash Flows from Investing Activities</b>	<b>(667,952)</b>	<b>(2,322,547)</b>
<b>Financing Activities</b>		
<b>Cash Receipts</b>		
Draw-down of Bank Loans	-	1,785,000
<b>Total Cash Receipts</b>	<b>-</b>	<b>1,785,000</b>
<b>Cash Payments</b>		
Dividends Paid	(711,884)	(142,032)
Repayment of Bank Loans	(1,270,400)	-
<b>Total Cash Payments</b>	<b>(1,982,284)</b>	<b>(142,032)</b>
<b>Net Cashflows from Financing Activities</b>	<b>(1,982,284)</b>	<b>1,642,968</b>
<b>Net Cash Flows</b>	<b>1,204,579</b>	<b>1,666,776</b>

These financial statements are to be read in conjunction with the accompanying Notes.



	2022	2021
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	1,970,645	303,869
Cash and cash equivalents at end of period	3,175,224	1,970,645
Total Net Increase/ (Decrease) in Cash & Cash Equivalents	1,204,579	1,666,776

# Notes to the Consolidated Financial Statements

## Māori Investments Group

### For the year ended 30 June 2022

#### Statement of accounting policies

#### General Information, Statement of Compliance and Basis of Preparation

Māori Investments Limited (the "Company") was formed as provided by the Tarawera Forest Act 1967 to administer the interests of the Māori land owners whose holdings were amalgamated in the Tarawera Forest. The Company is a profit oriented entity incorporated and domiciled in New Zealand and registered under the Companies Act 1993.

The consolidated financial statements of the Company for the year ended 30 June 2022 comprise the Company and its subsidiaries (the "Group").

#### Basis of Preparation

The Group has adopted the New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ("NZ IFRS - RDR") as set out in the External Reporting Board's "Accounting Standards Framework".

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ("NZ IFRS RDR"). The Company has elected to report under NZ IFRS - Reduced Disclosure Regime as the Group is a for-profit Tier 2 entity for financial reporting purposes on the basis that it does not have public accountability and is not a large for-profit public sector entity. The financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 2013.

The consolidated financial statements for the year ended 30 June 2022 were approved and authorised for issue by the Board of Directors on 20 October 2022.

#### Overall Considerations

The Consolidated Financial Statements have been prepared using the significant Accounting Policies and measurement bases summarised below.

#### Basis of Consolidation

The Group financial statements consolidate those of the Company and all its subsidiaries as of 30 June 2022. The Company controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group entities are eliminated on consolidation, including unrealised gains and losses on transactions between Group entities. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of the subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

#### Functional and Presentation Currency

These financial statements are presented in New Zealand dollars, which is also the Group's functional currency. Numbers are rounded to the nearest dollar.

Transactions in foreign currencies are translated to the functional currency at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rate at that date.

## Revenue

Revenue arises mainly from the rental and access rights to the group's land, fruit proceeds for orcharding operations and investment returns.

To determine whether to recognise revenue, the group follows a five-step process:

- Identifying the contract with a customer;
- Identifying the performance obligations;
- Determining the transaction price;
- Allocating the transaction price to the performance obligations; and
- Recognising revenue when and as its performance obligation(s) are satisfied

Revenue is recognised either at a point in time or over time, when (or as) the group satisfies performance obligations by transferring the promised goods or services to its customers.

## Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost, including costs directly attributable to bringing the asset to its working condition. Thereafter, property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Any expenditure that increases the economic benefits derived from an asset is capitalised. Expenditure on repairs and maintenance that does not increase the economic benefits of an asset is expensed in the period it occurs.

When an item of property, plant and equipment is disposed of, the difference between net disposal proceeds and the carrying amount is recognised in Profit and Loss.

## Depreciation

Depreciation is provided for on a straight line or diminishing value basis on all property, plant and equipment items, except land, at depreciation rates calculated to allocate the cost value, over their estimated useful lives as follows:

- |                          |                 |
|--------------------------|-----------------|
| • Buildings              | 4% DV           |
| • Furniture and Fittings | 5.6 - 36.0% SL  |
| • Property Improvements  | 2.0 - 17.5% SL  |
| • Plant and Equipment    | 7.0 - 80.4% SL  |
| • Computer Software      | 30.0 - 48.0% SL |
| • Signage and Gates      | 8.5 - 18.0% SL  |
| • Orchard Development    | 10.0% SL        |

## Investment Property

Investment property relates to the land identified as the Tarawera Forest. Investment property is carried at cost less any impairment. Land is not depreciated.

Decreases in value of land are recognised upon appraisal or impairment testing, with the decrease being charged to Profit or Loss.

## Intangible Assets NZ Carbon Credits

NZU's are an intangible asset with an indefinite life and have been classified as Financial Assets at Fair Value through Other Comprehensive Income. The assets are recognised when they are received. Subsequent to initial recognition, NZU's are measured following the revaluation model, as fair value can be determined by reference to an active market. Any revaluation increase arising on the revaluation of NZU's accumulate in a revaluation reserve, except to the extent that it reverses a revaluation decrease previously recognised as an expense, in which case the increase is credited to the profit and loss to the extent of the decrease previously charged.



## Zespri Licences

The licences have been classified as an intangible asset with a finite life. The asset is recorded at cost less accumulated amortisation. Plant variety rights expire therefore the licences are being amortised over the remaining lives of those rights.

## Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

## Impairment Testing of Property, Plant and Equipment, Investment Property and Intangible Assets

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of the fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

## Financial Instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the financial instrument.

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires.

### Classification and Initial Measurement of Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with NZ IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVTOCI).

The classification is determined by both:

- The entity's business model for managing the financial asset; and



- The contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit and loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within impairment gains (losses) of financial assets.

#### *Subsequent Measurement of Financial Assets*

##### Financial Assets at Amortised Cost

Financial Assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principle and interest on the principle amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

##### Financial Assets at FVOCI

The group accounts for both equity and debt financial instruments at FVOCI if the assets meet the following conditions:

- They are held under a business model whose objective is to hold to collect the associated cash flows and sell; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on debt securities.

There is no subsequent reclassification of fair value gains and losses recognised in the FVOCI reserve to profit or loss following the de-recognition of the investment. Instead, any related balance in the FVOCI reserves are reclassified to retained earnings.

Interest income is included in financial income using the effective interest rate method and dividends from equity investments are recognised in profit or loss when the group's right to receive payment is established.

#### *Impairment of Financial Assets*

NZ IFRS's new impairment requirements use more forward-looking information to recognise expected credit losses, the ECL model. This replaces NZ IAS 39's "incurred loss model". Instruments within the scope of the new requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under NZ IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at FVTPL.

Recognition of credit losses is no longer dependent on the group first identifying a credit loss event. Instead the group considers a broader range of information when assessing credit risk and measuring expected credit losses, including part events, current conditions, reasonable and supportable forecasts that affect the expected collect-ability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (stage 1);
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (stage 2); and
- Financial instruments that have objective evidence of impairment at the reporting date.

None of the group's financial assets fall into stages 2 or 3.

"Twelve-month expected credit losses" are recognised for stage 1 financial assets, while "lifetime expected credit losses" are recognised for stage 2.



Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The group makes use of a simplified approach in accounting for trade receivables assets and records the loss allowance as lifetime expected credit losses.

#### *Classification and Measurement of Financial Liabilities*

The group's financial liabilities include borrowings, trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the group designated a financial liability at FVTPL. Subsequently, financial liabilities are measured at amortised cost using the effective interest methods except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost includes all directly attributable expenses plus a suitable portion of related production overheads based on normal operating capacity.

Costs of ordinarily interchangeable items are assigned using the first-in, first-out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

#### **Taxation**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, Inland Revenue relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit and loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

##### Maori Authority Status

Maori Investments Limited and its subsidiary Tarawera Land Company Limited are deemed to be Maori Authorities for income tax purposes by the Inland Revenue Department.

#### **Cash and Cash Equivalents**

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short term deposits that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

#### **Goods and Services Tax (GST)**

The Consolidated Statement of Profit and Loss and Other Comprehensive Income has been prepared so that all components are stated exclusive of GST. All items in the Consolidated Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

#### **Borrowing Costs**

Borrowing costs are expensed when incurred.



### Employee Benefits

Liabilities for wages and salaries including non monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

### Share Capital, Reserves and Dividend Payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from the share capital, net of any related income tax benefits.

Reserves include the following:

- Investment Revaluation - comprises the gains and losses from the revaluation of the Group's investment portfolio.
- NZ Carbon Credits Revaluation - comprises the gains and losses from the revaluation of the Group's holdings in NZ Emission Units.

Retained earnings include all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

### Significant Management Judgement in Applying Accounting Policies and Estimation Uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the group's future taxable income against which the deferred tax assets can be utilised.

#### Impairment of Non-Financial Assets and Goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### Useful Lives of Depreciable Assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

#### Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by market driven changes that may reduce future selling prices.

#### Crop Proceeds

Crop proceeds for fruit harvested during the financial year are accrued at balance date based on the latest market information provided by Zespri. Market driven changes may affect the final selling prices achieved by Zespri and will therefore affect the final orchard gate return achieved.

#### Fair Value Measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.



# Notes to the Consolidated Financial Statements

## Māori Investments Group

### For the year ended 30 June 2022

	NOTES	2022	2021
<b>1. Revenue and Other Income</b>			
<b>Revenue</b>			
Kiwifruit Revenue		3,684,852	4,441,663
Blueberry Corner Revenue		855,564	956,840
<b>Total Revenue</b>		<b>4,540,416</b>	<b>5,398,504</b>
<b>Finance Income</b>			
Interest		117,148	134,170
Dividends		799,830	558,780
<b>Total Finance Income</b>		<b>916,978</b>	<b>692,950</b>
<b>Other Income</b>			
Rent, Royalties & Fees		4,081,350	2,668,133
Sundry Income / Koha		202,834	73,065
<b>Total Other Income</b>		<b>4,284,184</b>	<b>2,741,198</b>
Total Revenue and Other Income		9,741,578	8,832,652
	NOTES	2022	2021

### 2. Costs of Sales and Operating Expenses

<b>Cost of Sales</b>			
Kiwifruit Operations		2,561,831	1,960,504
Blueberry Operations		1,015,707	1,074,574
<b>Total Cost of Sales</b>		<b>3,577,537</b>	<b>3,035,078</b>
<b>Other Expenses</b>			
Administration Wages and Salaries		882,636	359,381
Advisory and Consultants Fees		349,389	563,475
AGM		44,217	40,753
Audit Fees		27,110	24,090
Directors' Fees and Expenses		201,316	215,937
General Expenses		558,737	239,501
<b>Total Other Expenses</b>		<b>2,063,406</b>	<b>1,443,137</b>
Depreciation		1,026,229	1,184,050
Amortisation		296,818	290,638
Loss on Disposal of Property, Plant & Equipment		-	236,387
Impairments		69,909	87,386
Finance Costs		707,454	602,797
Total Other Expenses		4,163,816	3,844,395



	NOTES	2022	2021
<b>3. Taxation</b>			
<b>Net Profit Before Tax</b>			
Net Profit Before Tax		2,000,225	1,953,179
<b>Total Net Profit Before Tax</b>		<b>2,000,225</b>	<b>1,953,179</b>
<b>Non Deductible Activities</b>			
Expenses not Deductible for Tax Purposes		72,158	95,009
FIF Income		-	235,269
Imputation Credits		207,906	153,817
Accounting Depreciation not Claimable		754,768	794,859
Accrued Kiwifruit Income - Last Year		3,739,423	2,366,885
Timing Differences: Movement in Holiday Pay Accrued		8,186	(1,058)
<b>Total Non Deductible Activities</b>		<b>4,782,441</b>	<b>3,644,781</b>
<b>Deductible Activities</b>			
Non Assessable Surplus/(Deficit) in NMKT		(229,031)	(83,695)
Tax Losses allocated from Miro Limited Partnership		14,063	16,025
Rockit Limited Partnership		(113,784)	(82,312)
Waiū Dairy Limited Partnership		1,967,679	2,893,570
FIF Dividends Received		60,750	41,334
Accrued Kiwifruit Income		3,199,091	3,739,423
<b>Total Deductible Activities</b>		<b>4,898,768</b>	<b>6,524,345</b>
Taxable Income		1,883,898	(926,385)
Tax Losses Utilised		(1,883,898)	-
Tax Expense		-	(303,523)
<b>Reconciliation of Tax Losses</b>			
Tax Losses Brought Forward		6,335,240	4,529,902
Prior Period Adjustment		(23,735)	-
Tax Losses Utilised		(1,883,898)	-
Excess Imputation Credits Converted		1,188,034	878,952
Net Losses For Year		-	926,385
<b>Total Reconciliation of Tax Losses</b>		<b>5,615,641</b>	<b>6,335,239</b>

**4. Dividends Paid**

Dividends are recognised in the period that they are authorised and declared.

During the year the Company paid a dividend of \$1,137,216 (2021: \$179,561).

	NOTES	2022	2021
<b>5. Cash and Cash Equivalents</b>			
Cash on hand		1,800	1,800
ANZ		20,414	23,988
ASB		2,365,428	1,545,323
BNZ		1,550	1,589
Westpac		786,032	397,945
<b>Total Cash and Cash Equivalents</b>		<b>3,175,224</b>	<b>1,970,645</b>

	NOTES	2022	2021
<b>6. Receivables</b>			
Accounts Receivable		3,280,241	4,290,075
Interest Receivable		1,890	766
<b>Total Receivables</b>		<b>3,282,131</b>	<b>4,290,841</b>

	NOTES	2022	2021
<b>7. Investments</b>			
JBWere Portfolio		14,150,935	16,272,103
Waiu Dairy Limited Partnership		6,359,406	5,859,406
Kaikoura Gold Kiwifruit Development Limited Partnership		526,665	1,200,714
Miro Limited Partnership		210,000	210,000
Rockit Orchard No.2 Limited Partnership		660,000	660,000
Ruapehu Alpine Lifts Limited - Bond		923,023	1,249,378
Comvita Limited		3,170,000	3,450,000
Zespri Limited		2,045,098	2,460,859
Farmlands		1,000	1,000
Eastpack		100,000	100,000
<b>Total Investments</b>		<b>28,146,127</b>	<b>31,463,460</b>

The Group has been unable to obtain sufficient financial information from Waiu Dairy Limited Partnership in order to assess the fair value of its investment as at 30 June 2022. Therefore, the investment is held at carrying value of \$6,359,406.



## 8. Property, Plant and Equipment

### 2021 Group

	Depreciation Rate %	Cost	Current Depreciation	Disposals	Accumulated Depreciation	Book Value
Buildings	4.0 D.V	2,002,697	36,741	96,667	210,444	1,692,253
Property Improvements	2.0 to 21.0 S.L	210,465	15,943	-	79,720	130,745
Furniture & Fittings	5.6 to 36.0 S.L	270,800	21,410	-	169,375	101,426
Plant & Equipment	7.0 to 80.4 S.L	1,550,982	105,471	87,875	307,846	1,094,148
Computer Software	30.0 to 48.0 S.L	95,932	7,798	-	91,346	4,586
Orchard Development	10.0 S.L	14,157,588	970,597	50,000	2,268,284	11,839,292
Standing Stock	-	9,598	-	-	-	9,598
Land	0.0 to 3.0 SL	3,522,100	2,400	300,000	6,400	3,215,700
Motor Vehicles	7.0 to 2.5 S.L	153,230	23,689	-	50,135	103,095
		<b>21,973,391</b>	<b>1,184,050</b>	<b>534,542</b>	<b>3,183,548</b>	<b>18,190,843</b>

### 2022 Group

	Depreciation Rate %	Cost	Current Depreciation	Additions	Accumulated Depreciation	Book Value
Buildings	2.0 D.V	1,908,067	14,023	5,370	224,467	1,683,600
Property Improvements	2.0 to 21.0 S.L	235,097	18,457	24,632	98,177	136,920
Furniture & Fittings	5.6 to 36.0 S.L	293,378	16,569	22,578	185,482	107,896
Plant Equipment	7.0 to 80.4 S.L	1,537,605	31,460	135,623	339,306	1,198,299
Computer Software	30.0 to 48.0 S.L	95,932	1,971	-	93,317	2,615
Orchard Development	10.0 S.L	14,162,812	914,119	55,224	3,182,403	10,980,408
Standing Stock	-	9,598	-	-	-	9,598
Land	0.0 to 3.0 SL	3,222,100	200	-	6,600	3,215,500



Motor Vehicles	7.0 to 2.5 S.L	258,569	29,889	105,339	80,024	178,545
		<b>21,723,157</b>	<b>1,026,688</b>	<b>348,766</b>	<b>4,209,775</b>	<b>17,513,382</b>

NOTES 2022 2021

### 9. Intangibles

Zespri Licences	10	5,761,747	5,286,064
Goodwill	11	279,634	349,543
NZ Carbon Credits	12	58,223,752	33,248,827
<b>Total Intangibles</b>		<b>64,265,133</b>	<b>38,884,434</b>

NOTES 2022 2021

### 10. Zespri Licences

Opening Carrying Value	5,286,065	5,576,702
Addition in Year	772,500	-
Amortisation in Year	(296,818)	(290,637)
Closing Carrying Value	5,761,747	5,286,065

NOTES 2022 2021

### 11. Goodwill

Opening Balance	349,543	436,929
Impairment	(69,909)	(87,386)
Closing Balance	279,634	349,543

The goodwill relates to the acquisition of Blueberry Corner.

### 12. NZ Carbon Credits

At balance date Tarawera Land Company Limited held an entitlement to 751,438 NZU's.

At balance date Nga Maunga Kaitiaki Trust Board held an entitlement to 14,664 NZU's.

The value of the total allocation at 30 June 2022 indicative carbon spot rate of \$76.00 per unit is \$58,223,752 (2021: \$43.40, \$33,248,827).

### 13. Unclaimed Monies

The balance of \$9,060,155 (2021: \$8,634,257) represents the accumulated total of dividends declared and payable to shareholders of Maori Investments Limited whom the Company is currently unable to trace or make contact with.



	NOTES	2022	2021
<b>14. Bank Loans</b>			
<b>Current Liabilities</b>			
ASB Bank		6,800,000	8,300,000
ANZ Bank		4,096,577	4,266,977
Westpac Bank		6,300,000	-
<b>Non Current Liabilities</b>			
ASB Bank		4,300,000	3,400,000
Westpac Bank		-	6,800,000
Total Bank Loans		21,496,577	22,766,977

All bank loans are secured over all assets and property owned by the Group. Current interest rates average 4.13% (2021: 2.73%).

#### 15. Share Capital

	2022 Number	2022 \$	2021 Number	2021 \$
Opening Share Balance at 1 July	119,708	59,854	119,708	59,854
Plus Share Re-Issue	-	-	-	-
Closing Balance at 30 June	119,708	59,854	119,708	59,854

The Company has 119,708 (50 cent) ordinary shares issued and fully paid. All shares rank equally as to entitlement to dividends, voting rights and distributions on winding up.

	NOTES	2022	2021
<b>16. Reserves</b>			
Investment Reserve	17	3,223,266	7,103,312
NZ Carbon Revaluation Reserve	18	51,723,289	26,748,363
<b>Total Reserves</b>		<b>54,946,555</b>	<b>33,851,676</b>

#### 17. Investment Revaluation Reserve

The investment revaluation reserve recognises the unrealised gains and losses from the changes in fair value of investments classified as Fair Value through Other Comprehensive Income.

	NOTES	2022	2021
<b>Investment Revaluation Reserve</b>			
Opening Balance		7,103,312	5,292,787
Other Comprehensive Income for the Year		(3,410,060)	2,225,076
Transfer Realised Gains on Disposal to Retained Earnings		(469,986)	(414,551)
Closing Balance		3,223,266	7,103,312



#### 18. NZ Carbon Credits Revaluation Reserve

The NZ carbon credits revaluation reserve recognises the unrealised gains and losses from the changes in fair value of NZ carbon credits classified as Fair Value through Other Comprehensive Income.

	NOTES	2022	2021
<b>NZ Carbon Credits Revaluation Reserve</b>			
Opening Balance		26,748,363	17,861,580
Other Comprehensive Income for the Year		24,974,925	8,886,783
Closing Balance		51,723,288	26,748,363

#### 19. Retained Earnings

	NOTES	2022	2021
Opening Balance		53,975,371	51,544,507
Net Profit After Tax		2,000,225	2,256,700
Transfer from Investment Revaluation Reserve		469,986	414,551
Dividend Paid		(1,137,216)	(179,561)
Prior Year Dividends Paid		(565)	(60,826)
Closing Balance		55,307,801	53,975,371

#### 20. Group Entities

Maori Investments is the ultimate parent company of the Group. The consolidated financial statements incorporate the assets, liabilities and results of the wholly owned subsidiaries, Tarawera Land Company Limited, MIL Ahu Whenua Limited, MIL Hort Limited, Tapatahi General Partner Limited and Nga Maunga Kaitiaki Trust Board.

Tarawera Land Company Limited is incorporated in New Zealand, has a share capital of 1 issued ordinary share that is uncalled and unpaid as at the balance date 30 June 2022.

MIL Ahu Whenua Limited is incorporated in New Zealand, has a share capital of 100 issued ordinary shares that are uncalled and unpaid as at the balance date 30 June 2022.

MIL Hort Limited is incorporated in New Zealand, has a share capital of 100 issued shares that are uncalled and unpaid as at balance date 30 June 2022.

Nga Maunga Kaitiaki Trust Board is a trust over which the Directors of Maori Investments Limited have the power to govern.

Tapatahi General Partner Limited is incorporated in New Zealand, has a share capital of 100,000 issued shares that are uncalled and unpaid as at balance date 30 June 2022.

Maori Investments Limited is the limited partner of MIL Agribusiness Limited Partnership and MIL Ahu Whenua Limited is the general partner of MIL Agribusiness Limited Partnership.

MIL Agribusiness Limited Partnership was registered pursuant to the Limited Partnerships Act 2008.

Maori Investments Limited is the limited partner of MIL Blueberries Limited Partnership and MIL Hort Limited is the general partner of MIL Blueberries Limited Partnership.

MIL Blueberries Limited Partnership was registered pursuant to the Limited Partnerships Act 2008.

Maori Investments Limited is the limited partner of Tapatahi Limited Partnership and Tapatahi General Partner Limited is the general partner of Tapatahi Limited Partnership.

Tapatahi Limited Partnership was registered pursuant to the Limited Partnerships Act 2008.

The results of all controlled entities have been consolidated in accordance with the accounting policy.



## 21. Maori Authority Credit Account

The balance of the Maori authority credit account represents the tax credits available to be attached to future dividends paid by Maori Investments Limited and Tarawera Land Company Limited.

	NOTES	2022	2021
<b>Maori Authority Credit Account</b>			
<b>Opening Balance</b>			
Opening Balance		4,558,711	4,481,141
Prior Period Adjustment		121,121	(48,551)
<b>Total Opening Balance</b>		<b>4,679,832</b>	<b>4,432,590</b>
<b>Add Credits</b>			
Imputation Credits		207,906	153,817
RWT		28,391	19,656
<b>Less Debits</b>			
Dividend Paid		-	35,542
Income Tax Refunds		203,759	11,810
Closing Balance		4,712,370	4,558,711

### Undistributed Revenue Reserves

Maori Investments Limited and Tarawera Land Company Limited are Maori authorities for income tax purposes.

Income earned by the Companies prior to becoming registered as Maori authorities can be distributed to shareholders tax free.

At balance date, the following retained earnings are available for tax free distribution.

	NOTES	2022	2021
<b>Retained Earnings Available for Tax Free Distribution</b>			
Maori Investments Limited		2,118,649	3,255,865
Tarawera Land Company Limited		4,221,735	4,221,735
Closing Balance		6,340,384	7,477,600



## 22. Fair Value Measurement

The following table analyses assets carried at fair value.

The different levels are defined as:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly.
- Level 3: Unobservable inputs for the asset that have to be developed to reflect the assumptions that a market participant would use when determining an appropriate price.

### 2022

	Level 1	Level 2	Level 3	Total
JBWere Portfolio	14,150,935	-	-	14,150,935
Listed Securities	5,215,098	-	-	5,215,098
NZ Carbon Credits	58,223,752	-	-	58,223,752
Unlisted Securities	-	-	8,780,094	8,780,094
	<b>77,589,785</b>	-	<b>8,780,094</b>	<b>86,369,879</b>

### 2021

	Level 1	Level 2	Level 3	Total
JBWere Portfolio	16,272,102	-	-	16,272,102
Listed Securities	5,910,859	-	-	5,910,859
NZ Carbon Credits	33,248,827	-	-	33,248,827
Unlisted Securities	-	-	10,608,499	10,608,499
	<b>55,431,788</b>	-	<b>10,608,499</b>	<b>66,040,287</b>

### Unlisted Securities (Level 3)

Unlisted securities have been valued by a number of valuation techniques including the use of discounted cashflows using the latest information available.

## 23. Treaty of Waitangi Claim

Previous Directors on behalf of the Company lodged a claim with the Waitangi Tribunal highlighting injustices suffered as a result of the Crown's actions. It is not practical to quantify the financial effect of this claim or the timing of any benefit.

## 24. Contingencies

The Group had no contingent liabilities or assets at the balance date (2021: nil).



## 25. Operating Commitments

Nga Maunga Kaitiaki Trust Board has signed a Memorandum of Understanding with BOP Regional Council for a Five Year Environmental Programme to enhance Putauaki maunga at a cost of \$60,000 per year ending 30 June 2023.

## 26. Capital Commitments

There are no known capital commitments at balance date (2021: \$Nil).

## 27. Events Subsequent to Balance Date

On 11 October 2022, Ruapehu Alpine Limited (RAL) announced they have appointed Voluntary Administrators due to the impact of Covid-19 and poor weather affecting cash flow. The Voluntary Administrators will continue to trade the business while they determine the most appropriate way forward. The Group has a bond with RAL included in investments (note 7). The Group has reflected the challenging environment RAL is facing in its valuation of the bond as at 30 June 2022 to report a value of \$923,023. Further information was not available at the time of signing these financial statements to estimate the impact of the Voluntary Administration event on the valuation of the bond.

There have been no other material events subsequent to balance date that would affect the fair presentation of these financial statements.

## 28. Related Party Transactions

The Groups related parties include its subsidiaries, key management personnel and others described below.

Outstanding balances are usually settled in cash.

### Transactions with Key Management Personnel

Key management personnel are defined as all Directors and the Chief Executive Officer that set the strategic direction and manage the Group. Key management personnel compensation is set out below:

	NOTES	2022	2021
<b>Key Management Personnel Compensation</b>			
Salary and Director's Fees		381,950	374,786

### Other Related Parties

The Directors have disclosed the following interests in related parties.

Officer	Related Party
John O'Brien	Maori Investments Limited - Shareholder - Director Tarawera Land Company Limited - Director Nga Maunga Kaitiaki Trust Board - Trustee Putauaki Trust - General Manager MIL Hort Limited - Director Ngati Hangarau Holdings Limited - Director Putauaki Dairy Limited - Shareholder - Director
Charles Elliott	Maori Investments Limited - Shareholder - Director Nga Maunga Kaitiaki Trust Board - Trustee Putauaki Trust - General Manager Manu Hou GP Limited - Director Waiu Dairy General Partner Limited - Shareholder ROP2 General Partner Limited - Shareholder OMR2 Whanau Limited - Shareholder - Director



Graham Te Rire	Maori Investments Limited - Director Nga Maunga Kaitiaki Trust Board - Trustee Ngati Tuwharetoa Holdings Limited - Shareholder Ngati Tuwharetoa Custodian Trustee Company Limited - Shareholder - Director Ngati Tuwharetoa Geothermal Assets Limited - Director
Rihi Vercoe	Maori Investments Limited - Shareholder - Director Nga Maunga Kaitiaki Trust Board - Trustee Mana Niao Limited - Shareholder - Director
Lesley Stowell	Maori Investments Limited - Director Nga Maunga Kaitiaki Trust Board - Trustee LD & HI Stowell Limited - Shareholder - Director Onuku Maori Lands Trust - Trustee Onuku Limited - General Manager
Huiarau Stewart	Mokopuna Consultancy Limited - Shareholder - Associate Director
Joelene Elliott	Elliott & Simes Limited - Shareholder - Associate Director
Alex Wilson (Director to 1 July 2021)	Audit Risk and Investments Committee - Chair Deloitte Limited - Partner
Kiriwaitangi Rei	Maori Investments Limited - CEO Tarawera Land Company Limited - Director Nga Maunga Kaitiaki Trust Board - General Manager Putauaki Trust - Chair MIL Ahu Whenua Limited - Director Kawerau Dairy General Partner Limited - Shareholder - Director MIL Hort Limited - Director Tapatahi General Partner Limited - Director Waiu Dairy General Partner Limited - Shareholder - Director Blueberry Corner Limited - Director Raukokore Gold Kiwifruit Development GP Limited - Director Hautupua GP Limited - Shareholder Ngati Awa Group Holdings Limited - Director Ngati Awa Asset Holdings Limited - Director ROP2 General Partner Limited - Shareholder Seeka Growers Limited - Director

The following transactions occurred between related parties during the year:

During the year, Deloitte Limited was engaged to provide CFO Services to Maori Investments Limited to the value of \$89,567 (2021: \$183,784). At balance date \$Nil (2021: \$18,550) was owed to Deloitte Limited.

Putauaki Trust leased office space from Tarawera Land Company Limited for \$7,993 (2021: \$7,993). At balance date \$Nil (2021: \$Nil) was owed to Tarawera Land Company Limited.

Waiu Dairy Limited Partnership leased office space from Tarawera Land Company Limited. During the year, \$4,000 has been paid (2021: \$11,450). At balance date \$Nil (2021: \$Nil) was owed to Tarawera Land Company Limited.

During the year Tarawera Land Company Limited on charged various expenses of \$Nil (2021: \$1,853) to Waiu Dairy Limited Partnership. At balance date \$Nil (2021: \$958) was owed to Tarawera Land Company Limited.



## Māori Investments Limited

Independent Auditor's Report to the Shareholders

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the financial statements of Māori Investments Limited (the company) and its subsidiaries and controlled entities (together "the group"), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the group as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

#### Basis for Qualified Opinion

As reported in note 7 of the financial statements, the group is reporting an investment in Waiū Dairy Limited Partnership of \$6,359,406. The group has been unable to obtain sufficient financial information from the limited partnership in order to assess the fair value of the investment at 30 June 2022. As a result, we have also been unable to obtain sufficient appropriate audit evidence about the carrying amount of the investment in Waiū Dairy Limited Partnership as at 30 June 2022. Consequently, we were unable to determine whether any adjustments to the carrying value and other comprehensive income were necessary.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company and group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other than in our capacity as auditor we have no relationship with, or interests in, the company or any of its subsidiaries or controlled entities.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the chair's report, the directors' report, the chief executive's report and any other supplementary information provided in the annual report but does not include the consolidated financial statements and our auditor's report thereon. None of the other information has been obtained prior to the date of this auditor's report. We expect all other information to be made available to us prior to the publication of the annual report.

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

#### Directors' Responsibilities

The directors are responsible on behalf of the group for the preparation of financial statements that give a true and fair view in accordance with New Zealand equivalents to International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:  
<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-7/>

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

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

### Restriction on Distribution and Use

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



**William Buck Audit (NZ) Limited**

Tauranga  
20 October 2022

## Māori Investments Group *Directory*

### AUDITOR

William Buck Audit (NZ) Ltd  
The Collective  
145 Seventeenth Avenue  
Tauranga

### BANKERS

ASB  
202 The Strand,  
Whakatane

BNZ  
181 The Strand,  
Whakatane

Westpac  
167 The Strand,  
Whakatane

### SOLICITORS

Mark Copeland Lawyers  
Level 1,  
GJ Gardiner Building  
284 Te Ngae Rd,  
Rotorua

Kahui Legal  
Level 11,  
Intilecta Centre Building  
15 Murphy St,  
Wellington

Sharp Tudhope  
152 Devonport Rd,  
Tauranga

Simpson Grierson  
Level 27,  
88 Shortland Street,  
Private Bag 92518,  
Auckland



**MĀORI  
INVESTMENTS**  
LIMITED

Māori Investments House, Waterhouse Street Extension  
PO Box 229, Kawerau 3169 | P: 0800 645 123 | 07 323 8146  
E: [info@maoriinvestments.co.nz](mailto:info@maoriinvestments.co.nz) | [www.maoriinvestments.co.nz](http://www.maoriinvestments.co.nz)