

ANNUAL REPORT
2021 - 2022



Ngāti Whakaue
Tribal Lands



Contents

2022 Annual General Meeting Agenda	4
2021 Annual General Meeting Minutes	5
Chairman's Report	8
Whakaue Farming Report	10
General Manager's Report	14
Grants Report	16
Financial Report	17
Consolidated Financial Statements	19
Committee of Management	39

1st Floor, Pukeroa Oruawhata House,
1/1176 Amohau Street, Rotorua
PO Box 12015, Rotorua 3045

p: +64 7 348 8887
e: exec@ngatiwhakaue.iwi.nz

www.ngatiwhakaue.iwi.nz

2022 AGM Agenda

Te Papaïouru Marae, Ohinemutu, Rotorua
Saturday, 12 November 2022 at 10.00 am

1. Apologies
2. Call for General Business
3. Elections (Presentations and Voting)
4. Minutes of the Annual General Meeting of 12th December 2021
- Matters arising
5. Receive NWTL Annual Reports and presentations
by respective Chairs and GM
6. Financial Report – Glenn Hawkins
7. Appointment of Auditor
8. Approve Annual Distributions
9. General Business

2021 AGM Minutes

Minutes of the Annual General Meeting at
Te Papaïouru Marae, Ohinemutu, Rotorua
on Sunday 12 December 2021 at 10:00am.

The meeting was opened with mihi and karakia by Mihaere Kirby at 10:03am.
David Thomas welcomed all in attendance and chaired the meeting of Shareholders.

Apologies

Apologies were recorded on registers prior to the meeting.

RESOLUTION: That the apologies be received.
Carried

Election of Members:

Brad Tater and Matthew Heke retired by rotation. Matthew Heke is standing again for election and Brad has decided to retire. There are (5) candidates standing for election, the order of presentations is Matthew Heke, David Tapsell, Merehira Savage, Douglas Macredie, Lani Kereopa. As Doug and Lani are unable to attend the hui today, their presentations will be made by video presentation.

RESOLUTION: That the 2021 election be carried out by Poll Vote with Josie Scott and Eileen Jones appointed as scrutineers for the vote tallying process.
(Matthew Morrison, Matthew Heke, Anaru Te Amoamo, Mihaere Kirby, Darryl Rogers) Carried

Minutes:

The Chairman summarised each section of the minutes of the previous meeting.
The minutes were taken as read.

RESOLUTION: That the minutes of the meeting held on Sunday, 12 December 2021 are confirmed as being a true and correct record.
(David Thomas / Rawiri Bhana) Carried

Chairman's Report

David Thomas presented his report which was taken as read.

- The Wharenui Rise Development has progressed far better than envisaged, so much so that we were able to execute stage 1 of the development without any assistance from Kāinga Ora. Whilst we're happy with many aspects of the project we are especially pleased that it has afforded (8) of our whānau the exclusive right to purchase their first home.
- As we have progressed the Wharenui Rise project the potential to extend it beyond addressing housing requirements has become even more pronounced, particularly in the areas of employment, capability building, and broader social cohesion. We recognise that there are several Ngāti Whakaue entities operating across the spectrum and see collaboration with those organisations as pivotal to optimising the outcomes for us all.

- We are pleased, as part of our capability development plans, to initiate the recruitment of two Associate Directors and in July welcomed Mereana Corbett and Moerangi Vercoe to join us on the Committee of Management.
- Acknowledgements were made to staff, key service providers (Glenn Hawkins & Associates, Perrin Ag, Prime Forestry Consultants, Morrison Kent, Rabobank and Westpac) as well as Committee members for their contribution throughout the year. David thanked shareholders for their ongoing support.

RESOLUTION: That the Chairman's report be accepted.
(David Thomas / Iris Thomas) Carried

Whakaue Farming Limited Report

Tanira Kingi (WFL Chairman) presented the farming report:

- Truffles is a good news story. This year we managed to pull 100kgs of Truffles. The quality is still not quite there yet, so it was decided not to sell them to our local restaurant market but instead to replant them to promote growth for the next season.
- Environment Compliance. 2021 has seen several legislation and regulation frameworks introduced that will impact on the agricultural sector. In September 2020, the National Policy Statement (NPS) from Freshwater Management was introduced. A central component of this is Te Mana o te Wai. WFL is a key entity in the Te Arawa Arataua (Te Arawa Primary Sector) who is working with the Bay of Plenty Regional Council to develop a programme of work with other Te Arawa land blocks on freshwater management.
- The other proposed legislation has been developed by the Primary Industry Climate Change Partnership (He Waka Eke Noa) that started in February 2021.
- The change in management structure of the farms implemented at the end of 2020 that moved Tihi-o-tonga and Ngongotahā under single management and a return to favourable weather patterns saw a lift in the overall performance of the farms for 2021 and had resulted in increased efficiencies between the two farms.
- New appointments include Wade Rika, employed as a Shepherd with one more Shepherd position to be filled soon by Whakaue whānui.

Maru Tapsell asked about riparian planting and diversification, as he thinks RMA will change. Two questions: 1) Could breeding sheep be developed into finer wool? (2) Is there economic capital on riparian such as hydroponics – towards social, environmental economic capital. Tanira expressed that in terms of riparian plants, it would depend on what species is planted and discussed the strictly economic benefits via He Waka Eke Noa. The price we're getting for our wool, doesn't cover the cost/expenses of shearing our sheep, therefore we have been exploring the self-shedding sheep breeds.

Merehira Savage – 1. Will there be other opportunities to look at stock other than beef and sheep; 2. Is pleased to hear about an Audit and Risk Committee for NWTL. 3. Will there be an opportunity to develop a Taiao Committee within NWTL? Tanira thought a taiao committee was worth considering and that – we have looked at other animals.

RESOLUTION: That the Whakaue Farming Limited report be accepted.
(Tanira Kingi / Miriama Searancke) Carried

Wharenui Rise

General Manager's Report

Ray Morrison (GM) acknowledged the great support provided from his team, Kayla Christiansen and Audrey Herewini, for all their hard work over this last year. ay presented key highlights from his report on the slideshow.

- Succession Planning: saw Wade Rika employed as the new Shepherd on Wharenui as part of the Farming Internship programme 2022.
- Congratulations extended to our new Associate Directors, Mereana Corbett and Moerangi Vercoe. Mereana provided a short introduction at the hui. Ray read out Moerangi's introduction, as she was at Rukuwai watching the livestream.
- Covid-19 Response; Huge thanks extended to our team, Kayla and Audrey who had to mobilise quickly along with our essential workers who, with the support of the other Whakaue entities became an important and successful Kaupapa.
- Covid-19 has provided enablers for roading and stormwater infrastructure, with government funding earmarked for major projects These future proof the Incorporation's consenting requirements for the Wharenui development, as well as reducing development risk exposure.
- Housing – General Land – Wharenui Rise (Stages 1-3). Stage One has (52) lots completed. Stage Two has (84) lots; with Earthworks and Civil works in progress with an estimated completion date of October 2022. Stage Three (76) lots; with Earthworks in progress with an estimated completion date of June 2023.
- Housing – General Land – Wharenui Rise First Home Buyers Ballot Process is now completed. The incorporation is proud knowing that it has helped (8) whanau to become homeowners.
- Housing – Corpus Land; the GM outlined a project currently known as Wharenui Gardens (Stages 1-3). There are (3) seamless and independent stages; 250 dwellings of mixed typology (Kaumatua, Young whanau and public long-term rentals). Kaumatua Housing is a key attribute of the model. There is a mixed Housing design from 1-bed Kaumatua units to 1,2,3 & 4 bed dwellings, single and two storey options to help foster inter-generational living.

Maru Tapsell noted that we may be able to reduce the cost of housing by supplying timber from our own forests. Tanira noted that this possibility went beyond Ngati Whakaue and would most likely require government investment.

Bom Gillies asked whether these houses are on the open market? He wants to see our people, Ngāti Whakaue housed and that these are not sold to pākeha. Ray confirmed that these houses would target our people.

Vickymae Bhana noted, that the land is corpus land and would not be sold. Ray confirmed this was the case. He also noted in response to her question about working with Kainga Ora and that CoM was aware of the options and preferences of that organisation.

Rangimahuta Easthope mentioned that their whanau block is Owhatiara South Z No2 and is located on the flat of Morey St and their concerns with the storm water plans as mentioned. How far along is that plan? Ray commented that the Stormwater plans presented are to safeguard and protect the land, so that in a 1/200-year rain/storm event, the valves will release water appropriately to protect whenua. Ray confirmed that the 11 hectares on the left going up Wharenui Road, before the Truffle farm, otherwise known as the old Orchard land was the intended site for the Wharenui Gardens development.

Rawiri Bhana passed on Amaru Bhana's thanks and acknowledgement to NWTL for providing the opportunity of becoming a homeowner. The first home ownership process was seamless and Rawiri thanked Ray and his front-line staff.

Mary Kusabs asked how the ballot for the First Home Owners was conducted and whether Kainga Ora was involved. It was confirmed that names were put into a barrel and the names were drawn by koeke.

Merehira Savage thought that perhaps instead of looking at other agencies could we look in our own backyard and approach other Whakaue entities that have putea and skills to make this a tuturu Whakaue housing collective?

Vickimae Bhana asked how the names for the streets in the Wharenui Rise sub-division were named? It was confirmed that management worked with mana whenua, guided by Brownie Pirika who suggested looking at some of the native flora and fauna that was found in the area.

Mihaere Kirby – There have been lots of tupuna names used in the past, however there are many tipuna names not used. There is a koroua who is alive and still with us, why not name a street after him (Koro Bom) in honour of his legacy. Commended Whakaue Tribal Lands on the covid 19 response; for your leadership in getting this Kaupapa moving to assist over 300 koeke with the guidance and help of our kuia, Aunty Eileen, Aunty Tua, Aunty Vickymae, Aunty Norma, Aunty Ngahuaia, Aunty Misa, Pauline Poihipi and Adele. They have the relationships with our pakeke, Mai Maketu ki Tongariro.

RESOLUTION: That the General Manager's report be accepted.
(Tony Wihapi / David Tapsell) Carried

Grants Report

Matthew Heke presented the Grants Report. It was noted that due to Covid, there was less uptake of particularly the Discretionary Grants.

For the 2021/22 Financial year, we had the following amounts:

- Health = \$24,614.00
- Marae = \$15,000.00
- Tangihanga = \$5,000.00
- Discretionary = \$23,682.00

It was noted that St Faiths and the Mokoia Island Trust is also included for funding along with the marae. Regarding Whanau Trusts, the Grants committee increased the number of applications per whanau trust from (1) to (2) and we're pleased to advise that this is now increased to (3) applications per whanau trust in a financial year. The annual grants budget is also looking to be increased, from the current \$120K to \$130K.

Merehira Savage posed two questions. 1. Resolution for 130k – what percentage is that of total profit? 2. Is there a process that allocates a percentage to distributions? Commended NWTL on providing distribution efforts for Covid-19.

Mary Kusabs – Why have NWTL never paid a kaumatua grant? In response NWTL have tried to look at providing coverage. We don't have a Kaumatua grant, neither do we have any Education grants. The Grants committee considered what other entities distribute and with majority offering kaumatua and education grants, the committee took the approach of maintaining the areas we have in health, tangihanga and discretionary, but certainly happy to re-visit this with the Grants committee in the future.

Mihaere Kirby confirmed for Mary Kusabs that the funding for the Covid response was a one-off grant to assist with Kai and household sanitising packs for kaumatua or 65+ which included 300+ kaumatua.

Rawiri Bhana – on behalf of the Mokoia Island Trust, thanked NWTL for their support. 100% of the Mokoia Island Trust's income was derived from Tourism, however with the current Covid situation, the Mokoia Island Trustees were extremely grateful for the support. It was also noted regarding a Whakaue database, there is no one data base and for whanau to be mindful of the privacy Act surrounding the sharing of personal details, so hopefully this can be looked at during the Whakaue Collab project.

Josie Scott – thanked the incorporation on behalf of St Faiths. With the Church having to be closed during lockdowns, there have been no offerings to contribute, so very appreciative of the support that is graciously accepted.

Vickimae Bhana – Please re-look at the distribution of grants again. Would like to see that an increase is looked at for the marae. There are still insurances, rates and building WOF that still need to be paid. With the Covid closures, there is minimal to no income being derived from koha etc.

Kahira McRae – As one of the recipients of our koeke packs expressed sincere thanks and gratitude.

RESOLUTION: That the Grants Report be received and that the Committee of Management be approved to spend up to \$130K be allocated to Grants for the 2021/22 Financial year.
(Merehira Savage / Mihaere Kirby) Carried

Financial Report

Glenn Hawkins presented the financial statements for the year ended 30 June 2021:

Group financial statements include: Ngāti Whakaue Tribal Lands Incorporation, Whakaue Holdings Ltd, Whakaue Farming Ltd and Whakaue Property Trust, and then we have the Consolidated accounts for the Incorporation.

- **Audit:** BDO auditors have assessed the Incorporations risk, systems, controls, and reporting and are happy on all accounts therefore sign off with a clear audit opinion was achieved on 8 November 2021.
- **Summary of Financial Performance:** Found on pg17 & 18 of the booklet. Despite the challenges that Covid-19, the Incorporation achieved an operating profit of \$977,371 this year with operating revenue down 15% on last year to \$4,680,110 and our operating expenses down 24% (\$3,702,739), primarily due to the reduction of expenses in Farming. A breakdown of expenses is included on Page 22 of report. A revaluation of corpus land was also undertaken, and this increase has been included in the financial accounts (\$2,317,507).
- **Income:** Most of the income has come from Farming livestock trading (\$3m), also receiving the balance from the BOPRC for the nitrate scheme with other lease income and other farming income included in these figures.
- **Expenses:** With most of the income coming from Farming, most of the expenses are attributed to farm trading, forestry and administration, the cost of running the business.
- **Financial Position:** As at 30 June 2021, the Incorporation had total assets of \$67,873,979 which is up 13% on last year; and total liabilities of \$10,416,634 resulting in overall increase of equity of 7% to \$57,457,341. Full detail is available on Page 23.
- **Breakdown of Assets:** Land, Buildings & Plant - \$50.58m, Trees - \$4.25m, Livestock - \$3.93m, Property Development - \$8.06m, Cash - \$0.32m and Other assets - \$0.73m. We are slowly diversifying away from being reliant on beef and sheep farming.

In terms of the Dividend, this is a decision that sits with CoM who decide, considering the information from the overall business. We currently do not have a set policy on the divided rate. In terms of the Grants allocation, it was a flat amount of \$60k for a number of years and was lifted two years ago.

Mihaere Kirby – Could the Grants committee relook at an education grant?

Merehira Savage asked whether there is a process for appointing an auditor?

Glenn noted the long-standing relationships had with Mereana Corbett and BDO over the past 20 years and that the Audit & Risk committee could review.

RESOLUTION: That the annual accounts for the year ended 30th June 2020 be accepted.

(Rawiri Bhana / Mihaere Kirby) Carried

Appointment of Auditor & Share Valuer

RESOLUTION: That BDO Rotorua be appointed auditors for the ensuing year.
(Miriam Searancke / Maxine / Rennie) Carried

Approve Annual Distributions

The Committee of Management recommended that a dividend of 13 cents per share, being \$198,028 for the 2021 year be declared from capital reserves.

RESOLUTION: That a dividend of 13 cents per share, being \$198,028 for the 2021 year be declared from capital reserves be accepted.
(David Thomas / Mary Kusabs) Carried

General Business

1. Special resolution to Modernise Meetings.

This resolution is more about being able to hold meetings online, livestream and AGM's if we needed to, particularly in this current climate; noting that the preference is for a kanohi ki te kanohi hui.

RESOLUTION: That a special resolution to modernise meetings is accepted.
(David Thomas / Tamarapa Lloyd) Carried

Merehira Savage commended the CoM for the bold decision to go ahead with holding the AGM today, as well as including the livestream for whanau who are unable to attend.

2. Kauae Urupa

Mihaere Kirby commented that there are some whanau that don't have any plots or berms nor the opportunity to acquire any. He asked whether this could be addressed.

David Thomas confirmed that approximately 10 years ago, the CoM agreed to making land available, and while we haven't done it yet, that intention has not changed.

Tanira Kingi confirmed that the paddock next door has been set aside for Kauae, but we haven't put a process in place for this to happen. There are a few things that need to be decided, in terms of land titles and designation changes.

Vickymae Bhana asked whether the Kauae trustees could re-visit the original intentions of the original trustees, where that land was given to Whakaue o Ohinemutu in the first instance and Rawiri Bhana asked that consideration also be given to whanau in Owhata.

Miriama Searancke would like to see the council (RLC) and our Whakaue representatives on the Kauae Trust come back to korero with us.

David thanked the shareholders for their contribution and attendance.

Closed by Mihaere Kirby with a mihi and karakia at 1:00pm.

Chairman's Report



E ngā karangamaha o Ngāti Whakaue, tēnā tātau katoa, a very warm welcome to the 61st AGM of Ngāti Whakaue Tribal Lands Incorporation.

I am pleased to say that the 2022 year saw us further progress the Incorporation's drive to make a positive and long lasting contribution to the well-being of its owners and Ngāti Whakaue at large.

Whakaue Farming Ltd had a number of challenges in the past season, including increasing input costs and supply chain shortages, that resulted in its financial performance falling below last year's. Climate change impacts affected all farms in the region with record rainfall levels in Rotorua during June and July 2022. This high rainfall coincided with a forecasted higher yielding truffle harvest; the full season's result will be reported later in the year. While the harvest result was disappointing it is a promising sign that the Truffiere is producing truffles.

With no new plantings this year our silviculture activities were directed towards managing the existing forestry estate.

As mentioned in 2021 we were optimistic about our plans for Wharenui Rise and with Stage 1 now completed and sold we have begun the earthworks/civils for stages 2 and 3. Our intention with Brent's Block was always to enable the development of Whenua Maori. We are in the initial stages of assessing the construction of a papakainga with 240 homes, over a 6 year period, on that land to provide rental accommodation for a cross section of, in the first instance, our owners and their whanau. We expect to be able to share more of those plans with you at the AGM. Mindful of the need for transistional housing in Rotorua our development team is also evaluating options for such accommodation within our land holdings.

Our achievements this year were possible because of the commitment and efforts of our farm managers and their teams and the excellent administrative endeavours of Kayla Chistiansen and Audrey Herewini as they continued to provide a warm and welcoming interface with our owners. On that note I must say that we did farewell Kayla as she left us to gain wider experience and at the same time wish a warm welcome to Sharon Porter who has ably stepped into the gap. Ray Morrison continues to perform outstandingly well in our existing operations, particularly residential development, and in his search for new sources of value.

We continue with a strong team of advisers including Perrin Ag in the farming sector, GHA in financial services, Prime Forestry, Morrison Kent in legal, Westpac in funding, and David Halsey and H&G in the residential development area. Our warmest thanks goes to them all.

To our Committee of Management, and also to Mereana Corbett and Moerangi Vercoe my deepest thanks for their positive participation in determining how we move forward. Terry Tapsell and I both retire by rotation and offer ourselves for re-election. We will be joined by Hariata Ngatai and our best wishes go to all candidates.

In terms of what lies ahead we are excited about the potential housing models available to us and the employment opportunities they bring, keen to better understand the implications of climate change on our land usage and look to resuscitate our aspirations in the tourism sector. Some of these have implications for other Whakaue entities and we will be working with them, where appropriate, to deliver better outcomes for us all.

In closing allow me to express our thanks to you our owners for your continued support as we look to protect and utilise our tāonga tuku iho to create a better future for us all.

Kia ora mai anō

David Thomas | Chairman

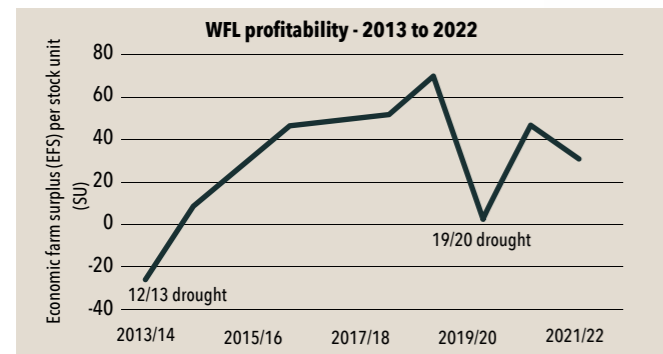
Wharenui Rise

Whakaue Farming Report



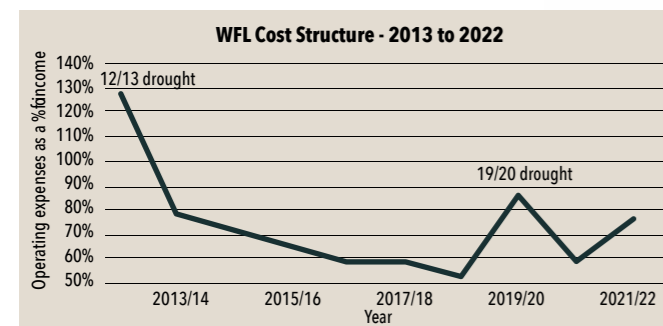
Kia ora tātou Ngāti Whakaue,
On behalf of the Whakaue Farming Ltd
directors it is my privilege to present the
2022 report.

The plan for the 2021/2022 year was to return to the same performance pre-2020. However, there were a number of restrictions that constrained us from reaching that objective. Our year-end result was operating profit was \$279,954 before rental to NWTL.



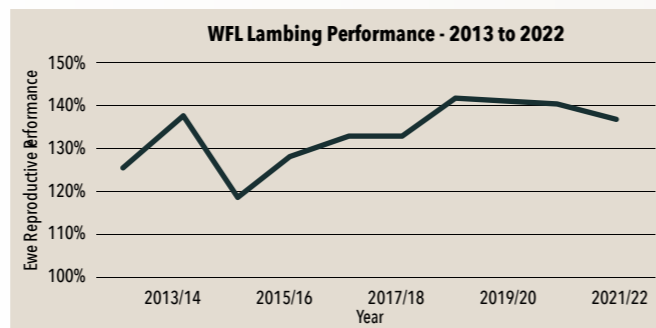
This result is less than expected for the following reasons:

1. The 2012/22 period was the second year of operating with a reduced farming platform after the significant land use change of the previous years. The adjustments to lower stock numbers and smaller pasture footprint does take time for the management systems to increase productivity levels to compensate for the smaller platform.
2. Significant input inflation and the impacts of supply chain shortages also resulted in increases in the costs of key inputs such as fuel and fertiliser. In response, the management team has developed plans to reduce our reliance on synthetic fertiliser and to increase the farms' fuel efficiency use in the coming years.



3. Physical operating performance was broadly in line with expectations, although slower growth rates in the Wagyu cattle required us to sell a reasonable number of store lambs late in the year to provide the additional feed for the cattle. Our PC10 NMP (Plan Change 10 nutrient management plan) also places additional restrictions on feed and stock number levels and so the board is assessing changes to the Wagyu programme that we will report on next year.

4. The late sale of the store lambs resulted in a 0.6 kg drop in average lamb carcass weight to 16.1kg CWT e although this drop was compensated with higher than budgeted store price levels. Market pricing for beef also remained high, while wool prices hit close to historic lows.



5. Overall lambing percentage for the farms was 136% (lambs docked/ewes mated), a slight (3%) decline on the prior year. Despite this, revenue was slightly above budget and underlying operating costs only slight above budget.

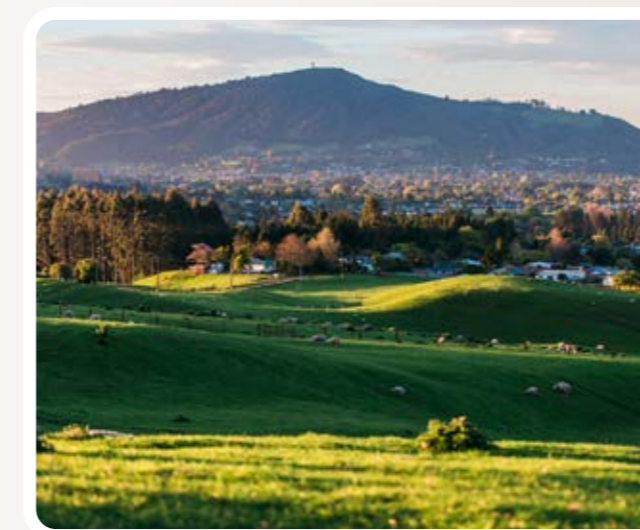
Wharenu Station

The bull beef policy at Wharenu again performed well, with our service and beef bulls achieving an average sale price of \$1,727/head. The lambing percentage of 134% was lower than the previous year's result of 143% but lamb sale weights were up 0.4 kg CWT e/head on the previous year at 17.1 kg. Prime steer weight averaged 293 kg CWT. Overall, the business unit performed extremely well, resulting in a core operating profit (after rental but before group costs) of \$347,223 or \$456/ha. EBITR (profit before rental) was \$639/ha.

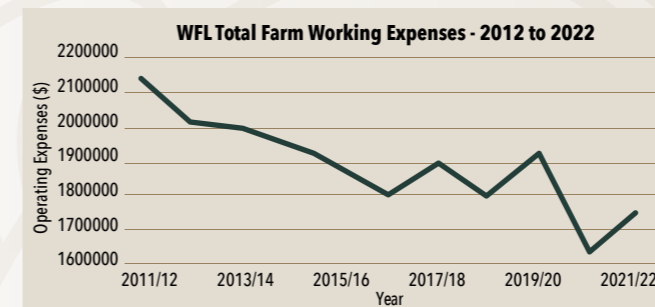
Tihi-o-Tonga/Ngongotaha Unit

The performance of the Tihi-o-tonga/ Ngongotaha unit produced mixed results in 2021-22 Lambing percentage at Tihi-o-tonga was a respectable 143%, but average lamb weight (expressed as CWT e) fell to 14.8 kg compared to the 16.4 kg achieved in 2020/21. This was the result of the early store sale of 48% of the 3,682 lambs to accommodate the slower growing cattle. The majority of these lambs still exceeded budgeted values, which offset an unplanned reduction in heifer calves grazing on contract in the second half of the year.

The sheep performance at Ngongotaha was similarly mixed. Lambing percentage in the main flock of dairy ewes, which had been transferred from Wharenu, was disappointing at 121%. However, lamb sale weights were the heaviest of all farms at 18.1 kg, an increase of 0.4 kg CWT from the previous year. This increase reflected the lower lamb numbers.



Cattle performance was also mixed. While the Wagyu heifers sold in the early spring exceeded budgeted weights and returns, the weights of the steers were almost 30 kg behind those achieved last season at an average of only 270.5 kg CWT. A change in cattle policy introduced towards the end of the season also deferred the timing of cattle purchases into the new financial year. While reducing purchases this also reduced the amount of value uplift that would have been achieved.



In 2018 WFL made the decision to establish a dairy sheep flock using Maui Milk genetics. This was part of a strategy to diversify into a higher value product system with a lower environmental footprint. This flock development involved leasing East Friesian

dairy sheep rams with the aim of establishing an initial milking flock that could be deployed if the economic viability of building a dairy sheep milking platform was confirmed. In early 2022 the WFL board decided to exit the arrangement with Maui Milk and in doing that the value of the dairy sheep flock was revalued at standard lamb and ewe prices resulting in a valuation write-down of \$144,000. As the dairy sheep flock was transferred to the Tihi-o-Tonga/Ngongotaha unit this non-cash reduction impacted on the overall the Tihi-o-tonga/ Ngongotaha business unit's core operating profit (after rental but before group costs) with a loss of (\$100,283) or (\$120)/ha.

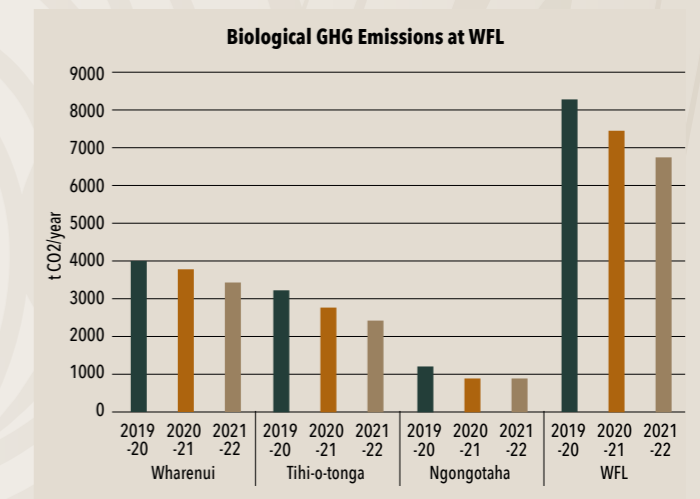
WFL Environmental Policy Impacts

In early November 2022 the Ministry for the Environment (MfE) and Ministry for Primary Industries (MPI) released the Pricing Agricultural Emissions (Te Tātai utu o ngā tukunga ahuhenua) public discussion document

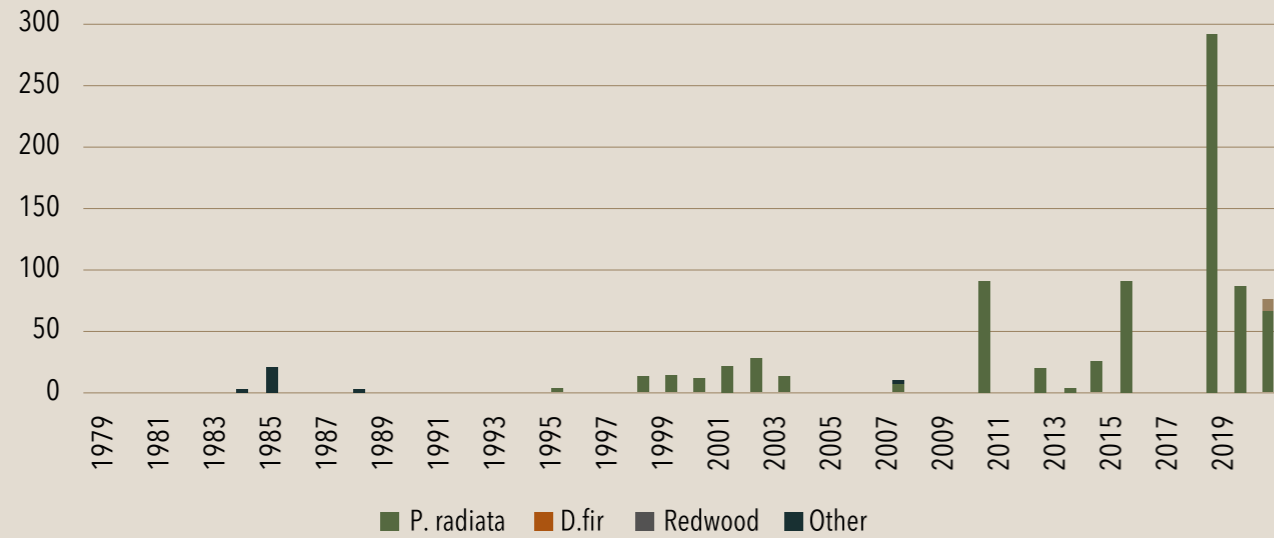


This document outlines the government's proposal to introduce an on-farm carbon levy for the agricultural greenhouse gas emissions that are produced from farming dairy and livestock animals. This proposal is in response to the Primary Industry Climate Change Partnership (He Waka Eke Noa). Māori farmers were represented in this partnership by the Federation of Māori Authorities. As I have reported in previous years, WFL has had its GHG profile for several years and is able to adjust its PC10 NPM (nutrient management plan) to include plans for methane and nitrous oxide reductions.

WFL has been very proactive in monitoring its emissions levels and continues to reduce its agricultural emissions, with biological greenhouse gases losses (from methane and nitrous oxide, expressed in t CO2e). In the 2021-22 year WFL reduced its emissions by a further 10% compared to the previous year. Benchmarking has shown that WFL continues to operate in the top quartile of farms for biological greenhouse gas emissions reductions.



NWTL Forest Estate
(Hectares by Year)



Modelling carried out by PerrinAg on the proposed emissions levy is expected to produce an increase in operating expenses (or reduction in EBITDAR) of around \$28,000 in 2025. However, this is the levy on the gross figure and does not take into account the ETS sequestration that will reduce this levy based on WFL's established forestry and NZ ETS forestry units (NZUs).

The following table summarises Ngāti Whakaue Tribal Lands' Emissions Trading Scheme balance:

Forest Status	Pre 1990 and Post 1989
NZUR Account	NZ- 4468
Pre 1990 Credits	Nil
Post 1989 Credits	20,619
Total Credits	20,619
Trading Status	No trading has taken place during the period
Market Value	As at 30/6/2021 the spot market value for NZUs was \$76.50 or an account balance of \$1,577,354

Note: The 5-year tranche re-measurement through to the end of 2022 is currently being processed.

In closing I would like to thank the WFL farm management team – Ben Parsons, Steve Hewson and John Vercoe along with all of our farm staff. I'd also like to thank Lee Matheson and his team from PerrinAg Ltd for their supervision of the farms, Shane Perret our forestry advisor, and Glenn Hawkins and his team at GHA for their accountancy services.

I would also like to acknowledge the WFL management team led by GM Ray Morrison along with Kayla Christiansen, who resigned during the year. We also welcomed Sharon Porter into the team who is working alongside Audrey Herewini to provide crucial support to our GM and the WFL board. Finally, many thanks to the WFL board of directors for their commitment and dedication to WFL over the past year.

Heoi ano, nāku noa, nā

Tanira Kingi | Chair, WFL



General Manager's Report



E Ngā karangamaha o Ngāti Whakaue. Tēnā tātou katoa.

It is with pleasure that I provide a report on the operations of Ngāti Whakaue Tribal Lands for 2021-22.

Group Performance

- Following a very challenging 2021, our focus on land development and lift in our asset values resulted in an overall profitability for the year of \$2.6m, up on a profit of \$1.3m last year.
- Across our total asset base this land value growth is reflected in an increase in overall equity from \$57.4m (2021) to \$59.9m (2022).

Forestry Update

- We are now focusing on final crop management (i.e. pruning, pest control etc.) for the majority of our 900ha which has a current tree crop value of \$4.3m and carbon value (\$1.6m NZU).

Partnership Development

- We have completed our onsite development at Ngongotaha which has seen the installation of a new effluent and wastewater system and full renovation of a residential care facility which will allow our partners Manaaki Ora Trust, to expand their residential care programme.
- Rotorua Lakes Council continued to support our land development aspirations through the Te Ngae Road Upgrade works and Eastside Stormwater Catchment plans which will significantly enhance housing development at Wharenuui, well into the future.
- We also continue to investigate tourism opportunities with our other Ngāti Whakaue entities.

Wharenuui Rise Housing Development

- Having successfully completed Stage 1 (52-lots) in 2021, we completed Earthworks and are near completion of Civil works for Stage 2 (84-lots), where we expect titles in February 2023.
- We are well advanced in the first tranche of Stage 2 lot pre-sales and will continue to work with our group builder partners to realise the remainder of lots sales over the next 12-months.
- A key part of our housing strategy is the ability to provide a mix of housing including homes for eligible first home buyers and I am pleased that we were able to assist 8 Ngāti Whakaue whānau in the purchase of their first homes, which takes them from renting to home ownership.
- An often understated consequence of land development is the training and employment workstreams which are created for example, Stage 1 required approximately 165 full time tradespeople of which 66% were from Rotorua, 29% Māori and at least 8% Ngāti Whakaue.
- The wider economic impacts (often unseen), can directly translate to local businesses being engaged by this workforce who will regularly consume goods and services from coffee, sandwiches and drinks to extensive building supplies and services, which all has a cumulative social and economic benefit to local families and the wellbeing of our communities.



One of eight new home owners Stephanie George

Whakaue Housing Strategy

- As previously presented, the Ngāti Whakaue Housing Strategy is simply a platform aimed at helping whānau into homes across the full housing spectrum (i.e. from rental accommodation to home ownership and Kaumātua housing), which also has wider applications in providing training and employment, opportunities and ultimately enhancing shareholder returns.
- Critical to this strategy is the role in which central government may play and we look forward to finalising our new partnership arrangements with the Ministry of Housing and Urban Development (MHUD) which will see the commencement of a 240-lot Affordable Rental Housing Development at Wharenuui Road – as presented at last year's AGM.
- Manawa Gardens will be built in 3 stages over the next 6-years (80-lots per stage) and will provide quality rental accommodation for Ngāti Whakaue members as a priority.
- Featuring a Manager Residence, Kaumātua Precinct, Hauora Facility and 1/2/3/4 Bedroom Houses (both 1 and 2 storey designs), this development will offer intergenerational living options in an open and green space community environment which effectively achieves a key outcome in our housing strategy – i.e. activating housing on whenua Māori.

Future Focus & Key Challenges

- Rotorua's well known housing issues will continue to be an area of focus for local and central government as it impacts so many of our whānau, communities and workplaces and therefore, we see our role as providing housing solutions where appropriate and which will have an effect in the medium and long term through those projects as previously mentioned.
- There is however, another area (Transitional Housing) which we are currently exploring in order to provide alternative options to motel accommodation and therefore rebalancing the housing equation by utilising our wider whenua and so we hope to complete the appropriate due diligence so that we may be able to affect positive change for Rotorua.

Acknowledgements

- The nature of our farming business is changing and will continue to present challenges from natural (disease, weather etc.) to regulatory (carbon tax, nitrogen management etc.), so it is incumbent on our entire team to maintain a disciplined approach to the management of our farming, forestry and land-based operations – so I look forward to their continued support.
- Specifically, I would like to thank Ben and Steve and their teams' efforts in what has been a tough year and I would also like to welcome Wade Rika who has grown into his role

to become a key part of the farming team. Equally, Shane Perrett (Forestry), Lee Matheson (Perrin-Ag) and Dave Whalley (Truffles) continue to provide expertise in their respective areas.

- In terms housing, I would really like to acknowledge the mentoring and support provided by our advisor David Halsey who continues to support me in driving our housing projects and we are also blessed to have an effective team of contractors and engineers in Moons Civil (Rob, Shane & Cody), McPherson's (Steve & Doug) and Harrison Grierson (Lee) respectively.
- The Committee of Management continue to provide guidance and support that is needed to effectively perform my role and the new dynamic that our Associate Directors (Mereana Corbett and Moerangi Vercoe) have brought to this group, has in my opinion created a formidable and well balanced unit.
- I would also like to acknowledge the mentoring and leadership of our Chair, David Thomas and I was particularly sad to see Kayla move on to a new challenge in her career however, she left with all of our blessings and appreciation for the legacy she has created for Audrey, myself and the wider organisation and its shareholders.
- The impact of Kayla's departure has been offset by the way Audrey has stepped up and blossomed in her new role and it has been equally pleasing to see Sharon Porter fit so seamlessly into the 'engine room' so I thank them both for their excellent and continued support.

In closing, I want to thank our owners, beneficiaries and whānau who continue to support our team and share in our success and I wish the best of luck to all candidates in the election.

May we all have a safe holiday and I look forward to what 2023 may bring.

Ngā mihi

Ray Morrison | General Manager

Grants Report



Tēnā tātou katoa. On behalf of the Grants Committee, it is my pleasure to provide you with this report for the 2021-2022 Financial Year. Our Grants Committee includes: Josie Scott (Iwi Representative), Matthew Heke (Chair), Terry Tapsell and Geoffrey Rolleston.

This year we made the following grants available to shareholders:



Hauora/Health Grants

\$300 for any personal health related costs.



Marae Grants

We increased the marae grants from \$2,000 to \$3,000 per annum for Te Papaiouru, Hurungaterangi, Owata, Paratehoata/Te Kohea, (Tunohopu) & Whakaue ki Maketū marae.



Discretionary Grants

These grants were made available to support kaupapa that provide a direct benefit to NWTL shareholders and the wider Ngāti Whakaue Iwi. As part of this, we have agreed to pay an annual grant of \$3,000 to Mokoia Island Trust and St. Faiths Church in recognition of their significance to Ngāti Whakaue.



Tangihanga Grants

There is \$400 available on application within the first 6 months of a shareholder tangihanga occurring. We saw a slight increase in tangihanga grants paid this year and encourage whānau to apply.

Ngā mihi
Matthew Heke



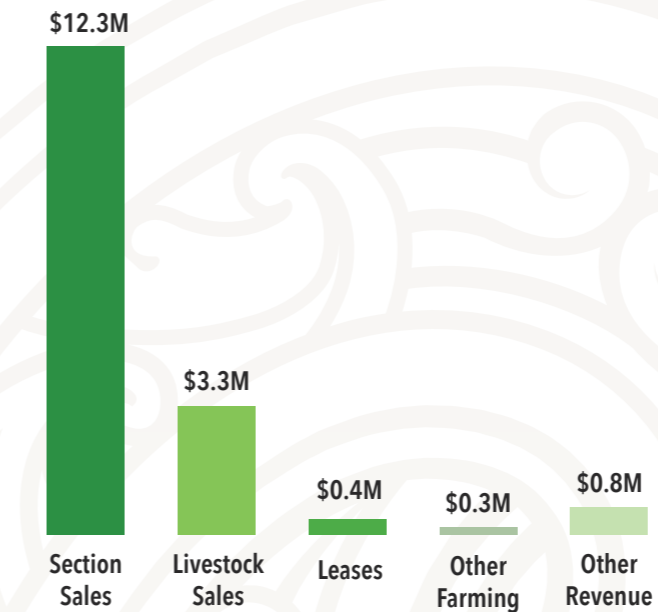
Financial Report

Statement Of Financial Performance

	This Year	Last Year	Change
Revenue	\$17,171,726	\$4,680,110	+267%
Cost of Sales/Livestock revaluation	(\$10,502,807)	(\$499,205)	+2003%
Expenses	(\$3,761,110)	(\$3,203,534)	+17%
Operating profit / (loss)	\$2,907,809	\$977,371	+198%
Other gains/(losses)	(\$6,035)	\$339,438	(102%)
Tax	(\$268,738)	-	+100%
Net profit	\$2,633,036	\$1,316,809	+91%
Other comprehensive Income	-	\$2,317,507	(100%)
Total Comprehensive Income for the year	\$2,633,036	\$3,634,316	(28%)

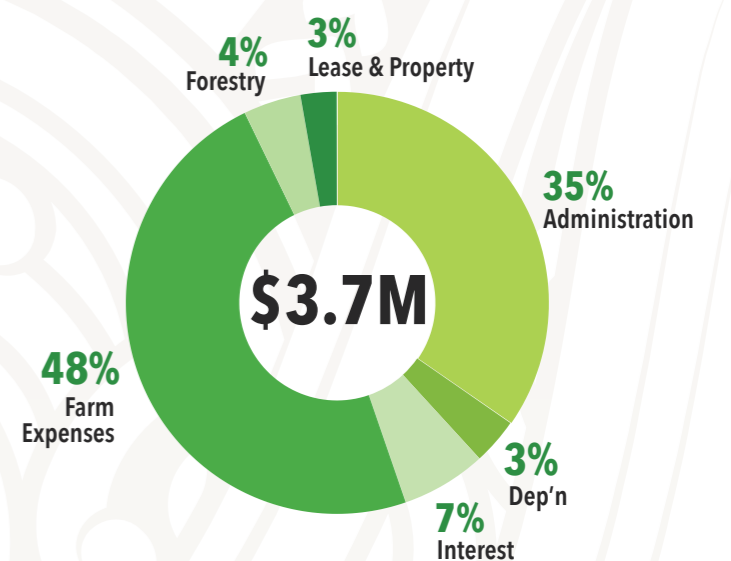
Revenue was up in the 2021/22 year, predominantly due to the sale of stage one of the Wharenui rise property development. Expenditure was up by 17% and this along with property development costs, and revaluation of forestry & livestock saw the Incorporation return an overall net profit of \$2.6 million vs \$1.3 million last year.

REVENUE BREAK DOWN



Section sales were the major income source this year though farming revenue was also up against the 2021 year.

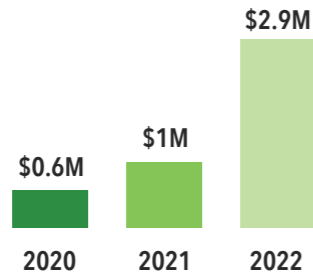
EXPENSES BREAK DOWN



Farming expenses were up 11% compared to last year, due mainly to higher fertiliser and wage costs. Administration expenses increased by 35% which included consultancy costs that were partly Government funded. Interest costs increased 7% due to higher rates.

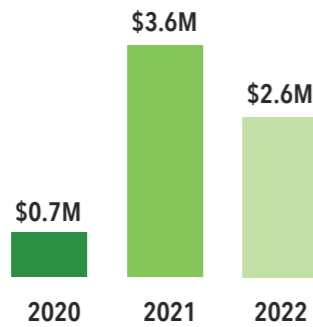
OPERATING PROFIT

The operating profit increased 198% from \$977k last year to \$2.9M this year due to the sale of sections at Wharenui Rise.

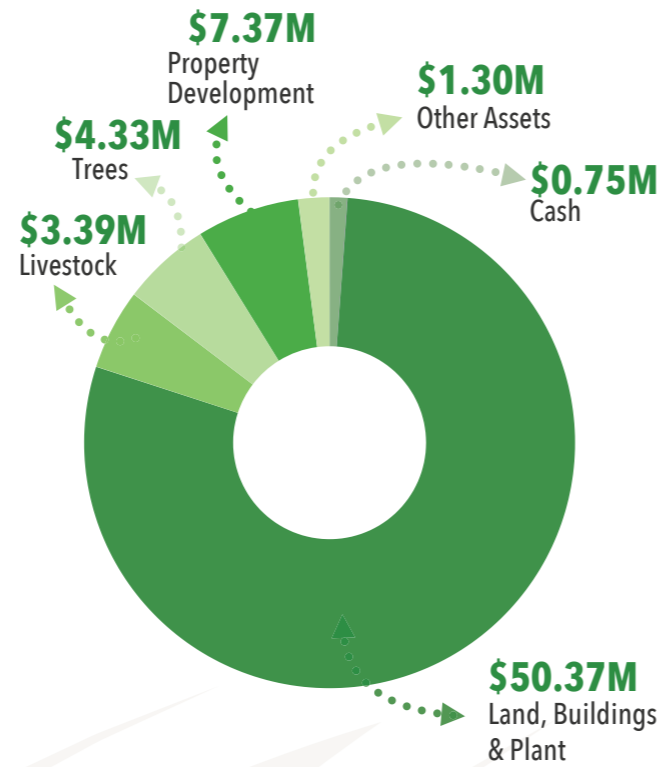


TOTAL COMPREHENSIVE INCOME

Total comprehensive income decreased by 28% this year, due to land not being revalued.



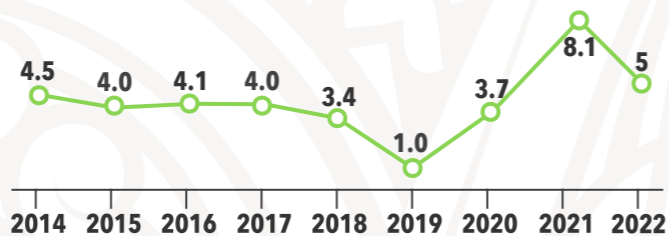
ASSETS BREAKDOWN



CASH AND DEBT MANAGEMENT

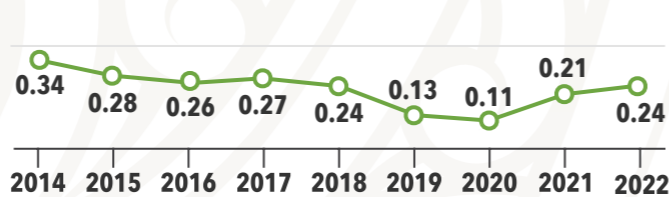
This year has seen the loan facility decrease from \$8.1m a year ago, to a total borrowing of \$5m. This funding enabled the completion of stage one of the Wharenui Rise subdivision and was subsequently paid down by the proceeds of the section sales.

LOAN FACILITY (\$millions)



\$3.1M DECREASE

INTEREST PAID (\$millions)



15% INCREASE

Statement Of Financial Position

At the end of each year, the financial statements also show the current financial position of the Incorporation. This reflects the overall value of the Incorporation and its subsidiaries.

	2022	2021	% change
Total assets	\$67,519,751	\$67,873,979	(1%)
Total liabilities	\$7,627,400	\$10,416,634	(27%)
Equity	\$59,892,349	\$57,457,341	+ 4%

As at 30 June 2022, total assets were \$67.5m. Of this, land, buildings and plant accounted for \$50.4m. Total liabilities at 30 June 2022 were \$7.6m including the bank loan balance of \$5.0m. Other liabilities include money owed to suppliers, accrued leave entitlements, GST and PAYE, as well as unclaimed dividends. The difference between total assets and total liabilities means that owners' equity in the Incorporation is just under \$60m. This reflects a 4% increase compared to last year.

TOTAL ASSETS		\$67,519,751
TOTAL LIABILITIES		\$7,627,400
EQUITY		\$59,892,349

Consolidated Financial Statements

Contents

Independent Auditor's Report	20
Consolidated Statement of Profit or Loss and Other Comprehensive Income	22
Consolidated Statement of Financial Position	23
Consolidated Statement of Changes in Equity	24
Consolidated Statement of Cash Flows	25
Notes to the Consolidated Financial Statements	26



Independent Auditor's Report

To the Shareholders of Ngāti Whakaue Tribal Lands Incorporation

Opinion

We have audited the financial statements of Ngāti Whakaue Tribal Lands Incorporated ("the Incorporation"), and its subsidiaries (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, the accompanying consolidated financial statements of the Group for the year ended 30 June 2022 are prepared, in all material respects, in accordance with the accounting policies specified in Note 4 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Incorporation 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared solely for the Incorporation's shareholders, as a body. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Incorporation and the Incorporation's shareholders, as a body, and should not be distributed to or used by parties other than the Incorporation or the Incorporation's shareholders. Our opinion is not modified in respect of this matter.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the accounting policies specified in Note 2 to the financial statements 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 Incorporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Incorporation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Incorporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Incorporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Incorporation to cease to continue as a going concern.

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

Who we Report to

This report is made solely to the Incorporation's shareholders, as a body. Our audit work has been undertaken so that we might state 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 Incorporation and the Incorporation's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Rotorua Limited

BDO Rotorua Limited
Rotorua
New Zealand
2 November 2022



Consolidated Statement of Profit or Loss and Other Comprehensive Income

NGĀTI WHAKAUE TRIBAL LANDS INCORPORATION AND SUBSIDIARIES
For the year ended 30 June 2022

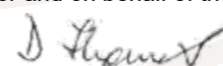
	Notes	2022 \$	2021 \$
Revenue			
Section Sales		12,340,000	-
Livestock sales	6	3,255,171	2,991,792
Other farm income	7	323,812	312,782
Forestry income		263,205	10,232
Lease income	8	447,464	518,966
Investment income	9	14,224	118
Other revenue	10	527,850	171,820
Rotorua Lakes Incentive Scheme	30	-	674,400
Total Revenue		17,171,726	4,680,110
Cost of sales - livestock	6	(695,289)	(926,080)
Cost of sales - property		(9,271,200)	-
Movements in fair value of livestock	6	(536,318)	426,875
Gross profit		6,668,919	4,180,905
Expenses			
Administration expenses	13	1,303,094	914,743
Depreciation of property, plant and equipment	17	134,315	120,891
Farm expenses	11	1,808,572	1,626,817
Forestry expenses	12	166,134	247,475
Interest paid		244,694	212,788
Lease expenses	25	55,500	55,500
Property expenses		48,801	25,319
Total Expenses		3,761,110	3,203,534
Operating profit/(loss)		2,907,809	977,371
Other items			
Movement in fair value of investment properties	18	-	-
Movement in fair value of trees	6	79,641	393,279
Gain on sale of intangible assets	21	-	-
Grants paid		(85,676)	(53,841)
		(6,035)	339,438
Profit before tax		2,901,774	1,316,809
Income tax expense	14	268,738	-
Profit for the year		2,633,036	1,316,809
Other comprehensive income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Gain on revaluation of Corpus Land	17	-	2,317,507
Total Other comprehensive income, net of income tax		-	2,317,507
Total Comprehensive income for the year		2,633,036	3,634,316


Consolidated Statement of Financial Position

NGĀTI WHAKAUE TRIBAL LANDS INCORPORATION AND SUBSIDIARIES
As at 30 June 2022

	Notes	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	15	745,992	322,385
Trade and other receivables	16	1,153,029	250,052
Goods and services tax		214,167	279,986
Income tax refund due		(267,600)	4,609
Total Current assets		1,845,588	857,032
Non-current assets			
Property, plant and equipment	17	28,550,911	28,516,553
Intangible Assets		2,573	-
Investment property	18	21,820,074	22,063,052
Investments	19	195,508	188,859
Property Development WIP	20	7,371,903	8,058,782
Biological assets	6	7,726,354	8,183,031
Other assets		6,840	6,670
Total Non-current assets		65,674,163	67,016,947
Total Assets		67,519,751	67,873,979
Liabilities			
Current liabilities			
Trade and other payables	22	1,051,860	823,933
Deferred revenue from leases		117,558	109,376
Employee entitlements		96,888	83,726
Finance Leases	24	22,552	22,128
Total Current liabilities		1,288,858	1,039,163
Non-current liabilities			
Borrowings	23	5,000,000	8,100,624
Finance Leases	24	11,599	34,256
Unclaimed dividends		1,236,310	1,151,958
Other liabilities	28	90,633	90,633
Total Non-current liabilities		6,338,542	9,377,471
Total Liabilities		7,627,400	10,416,634
Net assets		59,892,349	57,457,341
Equity			
Capital	26	1,523,391	1,523,391
Reserves	27	33,914,238	33,914,238
Retained earnings		24,454,720	22,019,712
Total Equity		59,892,349	57,457,341

For and on behalf of the Committee of Management


Chairman


CoM member

Date: 31 October 2022 This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report

This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report

Consolidated Statement of Changes in Equity

NGĀTI WHAKAUE TRIBAL LANDS INCORPORATION AND SUBSIDIARIES
For the year ended 30 June 2022

Notes	Contributed Share Capital	Reserves	Retained Earnings: Taxable	Retained Earnings: Non Taxable	Total equity
	\$	\$	\$	\$	\$
Opening balance 1 July 2021	1,523,391	33,914,238	15,554,548	6,465,164	57,457,341
Profit for the year	-	-	2,633,036	-	2,633,036
Dividends declared	-	-	-	(198,028)	(198,028)
Closing balance 30 June 2022	1,523,391	33,914,238	18,187,584	6,267,136	59,892,349
Opening balance 1 July 2020	1,523,391	31,596,731	14,237,739	6,465,164	53,823,025
Profit for the year	-	-	1,316,809	-	1,316,809
Other Comprehensive Income	-	2,317,507	-	-	2,317,507
Closing balance 30 June 2021	1,523,391	33,914,238	15,554,548	6,465,164	57,457,341

This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report

Consolidated Statement of Cash Flows

NGĀTI WHAKAUE TRIBAL LANDS INCORPORATION AND SUBSIDIARIES
For the year ended 30 June 2022

Notes	2022	2021
	\$	\$
Cash flows from operating activities		
Receipts from customers	16,462,762	4,671,179
Payments to suppliers and employees	(3,972,628)	(3,931,556)
Investment income received	14,224	118
Interest paid	(244,694)	(212,788)
Income taxes	3,470	(36)
Grants paid	(85,676)	(53,841)
Net GST	(8,667)	(165,113)
Total Cash flows from operating activities	12,168,790	307,962
Cash flows from investing activities		
Payments to acquire property, plant and equipment	(202,986)	(212,439)
Payment to acquire investment property	(8,347,992)	(4,327,644)
Total Cash flows from investing activities	(8,550,978)	(4,540,083)
Cash flows from financing activities		
Amounts advanced by/(to) related parties	8,182	(71,762)
Repayment/Drawdown of borrowings	(3,088,706)	4,373,974
Dividends paid	(113,679)	-
Total Cash flows from financing activities	(3,194,203)	4,302,212
Net Increase/ (Decrease) in Cash and Cash Equivalents	423,607	70,092
Cash balances		
Cash and cash equivalents at beginning of the year	322,385	252,295
Cash and cash equivalents at end of the year	15 745,992	322,385
Net change in cash for the year	423,607	70,092

This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report

Notes to the Consolidated Financial Statements

NGĀTI WHAKAUE TRIBAL LANDS INCORPORATION AND SUBSIDIARIES

For the year ended 30 June 2022

1. General information

The financial report includes the financial statements and notes of Ngāti Whakaue Tribal Lands Incorporated and its subsidiaries. Ngāti Whakaue Tribal Lands Incorporated (the Parent) is a profit-orientated entity established under Part 5 of the Maori Affairs Amendment Act and now operates under Section 248 of Te Ture Whenua Maori Act 1993.

The consolidated financial statements comprise Ngāti Whakaue Tribal Lands Incorporated and its wholly owned subsidiaries Whakaue Holdings Ltd, Whakaue Farming Ltd, and Whakaue Property Trust.

The primary operations of the Group are sheep and beef farming, forestry, land leases, commercial and residential property rental and development.

These financial statements were approved and authorised for issue by the Committee of Management on 31 October 2022. These financial statements have been prepared for the Incorporation's shareholders.

2. Statement of compliance and reporting framework

These financial statements are special purpose financial statements that have been prepared in accordance with the policies detailed on pages 9 to 14.

3. Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

4. Summary of accounting policies

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Incorporation and entities controlled by the Incorporation.

Control is achieved when the Incorporation:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Incorporation obtains control over the subsidiary and ceases when the Incorporation loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Incorporation gains control until the date when the Incorporation ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Incorporation and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Incorporation.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4.2 Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$). All numbers presented have been rounded to the nearest dollar.

4.3 Revenue

Revenue is measured by reference to the fair value of consideration received or receivable. The Group recognises revenue when it can be reliably measured, it is probable that future economic benefits will flow to the Group.

4.3.1 Sale of livestock, wool and beef

Revenue from the sale of livestock, wool and beef is recognised when the goods are delivered and titles have passed, at which time all of the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

4.3.2 Interest and dividend income

Interest income is recognised when it is received, with an adjustment at year end to recognise interest due but not received (accrual basis) using the effective interest method. Dividend income is recognised at the time the right to receive payment is established.

4.3.3 Rental income

Rental income from residential rents is reported at the time the payment is received. The Group's policy for recognition of revenue from operating leases is described in note 4.9 below.

4.3.4 Government grants

Government grants are not recognised until there is reasonable assurance that the Incorporation will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Incorporation recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Incorporation with no future related costs are recognised in profit or loss in the period in which they become receivable.

4.3.5 Carbon Credits

Revenue from carbon is recognised at the point carbon credits are sold and cash is received.

4.4 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

4.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.6 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

4.7 Taxation

The Parent and its subsidiary Companies, Whakaue Holdings Limited and Whakaue Farming Limited have all been approved as a 'Consolidated Group' for taxation purposes from 1 July 2005. All companies within the 'Group' have been accepted as Maori Authorities from that date.

The group taxation rate is 17.5% (2020: 17.5%). Whakaue Property Trust tax rate is 33%, unless the income is otherwise distributed.

4.7.1 Current income tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, Inland Revenue and 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 or loss in the financial statements because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. 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.

Provision is made for taxation on a group basis (where applicable) after taking account of all available deductions and after deducting losses available to be carried forward from prior years.

Tax expense (if any) recognised in profit or loss comprises current tax not recognised in other comprehensive income or directly in equity.

4.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

4.8.1 Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

4.8.2 Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

4.9 Financial instruments

4.9.1 Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

4.9.2 Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Loans and receivables
- Available-for-Sale ("AFS") financial assets

All financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for credit losses. Discounting is omitted where the effect of discounting is immaterial. The Group's receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

AFS financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's AFS financial assets include investment in Ballance Agri Nutrients, Farmlands, Alliance and Firstlight Wagyu (NZ) Limited.

All AFS financial assets are measured at fair value or cost depending on the availability of reliable fair values. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest is calculated using the effective interest method and dividends are recognised in profit or loss within investment income.

Financial liabilities

The Group's financial liabilities include trade and other payables.

4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term deposits (under 90 days), together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

4.11 Goods and services tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

4.12 Property, plant and equipment

Land and improvements held for use are valued at the ratings valuations prepared by Lakes District Council. The ratings valuations are issued every three years. This valuation method is in compliance with section 276A(4) of Te Ture Whenua Maori Act 1993.

Any revaluation surplus arising upon appraisal of land and buildings is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Buildings, building fit out, furniture and fittings, office equipment and plant and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Committee of Management. These assets are subsequently measured using the cost model (cost less subsequent depreciation and impairment losses).

Depreciation is recognised on a diminishing value basis to write down the cost of the assets over their estimated useful lives. The following rates are applied:

- Buildings: 3% - 7.5%
- Building fit out: 0% - 48%
- Corpus land improvements: 2% - 10%
- Office equipment: 20% - 50%
- Plant and equipment: 3% - 26.4%
- Motor vehicles: 13 - 36%

Land is not depreciated.

Material residual value estimates and estimates of useful lives are updated as required, or at least annually.

Gains or losses arising on the disposal of building fit out, office equipment and plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

4.13 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are revalued to market value every three years.

Gains and losses arising from changes in the valuation of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

4.14 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised. The Group's provisions are its unclaimed dividends.

4.15 Accounting for biological assets

Biological assets, comprise livestock which is valued at fair value, and forestry blocks which are valued with reference to three year average sales prices less cost to sell, as described in Note 6.

Changes in fair value of biological assets are recognised in the statement of profit or loss. Farming costs such as feeding, labour costs, pasture maintenance, veterinary services and shearing are expensed as incurred. Silviculture and other forestry associated costs are expensed as incurred.

5. Critical judgements in applying accounting policies

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

5.1 Estimation uncertainty

Useful lives of depreciable assets

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

6 Biological assets

Livestock

Livestock comprises sheep and beef cattle (livestock). The Group farms livestock for the sale of sheep, lambs and cattle. As at 30 June 2022 the Group had 1,445 beef cattle and 7,795 sheep (2021 1,863 beef cattle and 8,345 sheep).

	2022			2021		
	Beef	Sheep	Total	Beef	Sheep	Total
	\$	\$	\$	\$	\$	\$
Opening balance	1,957,755	1,976,179	3,933,934	1,943,880	1,563,179	3,507,059
Net movement in fair value	(170,757)	(365,561)	(536,318)	13,875	413,000	426,875
Closing balance	1,786,998	1,610,619	3,397,617	1,957,755	1,976,179	3,933,934
Changes in fair value represented by:						
Sales	(1,842,221)	(1,412,950)	(3,255,171)	(1,642,667)	(1,349,125)	(2,991,792)
Purchases	584,714	110,575	695,289	728,755	197,325	926,080
Price & other changes	1,086,750	936,814	2,023,564	927,787	1,564,800	2,492,587
	(170,757)	(365,561)	(536,318)	13,875	413,000	426,875

The fair value of livestock is determined by independent valuations as at 30 June 2022. The independent livestock valuations were performed by NZ Livestock Ltd, independent livestock agents. The independent valuation uses the quoted price in an active market as the appropriate basis for determining fair value. Where there is more than one active market that the company has access to, the most relevant market has been used.

Trees

The Group grows pinus radiata for harvest and sale. The Group holds approximately 794 plantable hectares of pinus radiata as at 30 June 2022 (2021: 855 ha).

	2022	2021
	\$	\$
Carrying amount at beginning of the year	4,249,095	3,855,816
Increase in fair value due to planting, growth and price	79,641	393,279
Carrying amount at end of the year	4,328,736	4,249,095
Net movement in fair value of trees	79,641	393,279

The value of the trees excludes the value of land and land improvements thereon.

The valuation is based on a valuation report prepared by Prime Forest Management Ltd as at 30 June 2022. Movement in the value is recognised in the profit or loss for the year. The forest valuation used methodology approved by the New Zealand Institute of Forestry, involving liquidation values for the mature stands to determine what the value of the forest would be if it were to be fully harvested in one day and compounded costs for the recently replanted stands. The valuation is based on the costs and revenues associated with the current crop. Prime Forest Management performs the contract work for forestry for the Group.

	2022	2021
	\$	\$
Total biological assets	7,726,354	8,183,031

	Notes	2022	2021
		\$	\$
7 Other farm income			
Dairy grazers		190,484	217,470
Wool sales		64,921	70,810
Other farm income		68,407	24,502
Total Other farm income		323,812	312,782
8 Lease income			
Land leases	25	97,324	99,699
Broadcasting leases		180,000	180,724
Other commercial leases		120,440	205,743
Residential rent		49,700	32,800
Total Lease income		447,464	518,966
9 Investment income			
Interest received		730	118
Dividends received		13,494	-
Total Investment income		14,224	118
10 Other revenue			
Ministry of Housing & Urban Development		148,000	-
MMC Funding		19,739	-
Lessee Contributions		299,155	154,522
Other revenue		60,956	17,298
Total Other revenue		527,850	171,820

	Notes	2022	2021
		\$	\$
11 Farm expenses			
Animal health		116,229	112,463
Feed purchases		157,141	153,324
Fertiliser & lime		224,622	186,315
Rates		107,940	114,838
Repairs & maintenance		132,007	119,499
Salaries and wages paid to employees		514,289	418,513
Vehicle expenses		84,234	67,648
Wool expenses		138,608	151,764
Other expenses		333,502	302,453
Total Farm expenses		1,808,572	1,626,817
12 Forestry expenses			
Management fees		45,378	48,982
Silviculture and establishment - new forest		4,115	133,196
Other expenses		116,641	65,297
Total Forestry expenses		166,134	247,475
13 Administration expenses			
Accountancy fees		132,400	132,400
AGM and SGM expenses		14,002	26,121
Audit fees		21,250	17,780
Committee fees	28	124,250	110,750
Consultancy		154,816	40,780
Insurance		32,952	27,329
Legal expenses		18,010	-
Loan Fees		-	40,500
Salaries and wages paid to employees		324,815	233,153
Other administration expenses		480,599	285,930
Total Administration expenses		1,303,094	914,743
14 Income tax expense			
Profit before income tax		2,901,774	1,316,810
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:			
Difference between accounting and tax value of livestock		371,018	(471,491)
Difference between accounting and tax depreciation		16,450	16,497
Change in fair value of trees		(79,641)	(393,279)
Other adjustments		79,823	53,204
Imputation tax credits		(5,172)	-
Loss brought forward		(1,748,604)	(2,241,360)
		(1,366,126)	(3,036,429)
Assessable /(loss)		1,535,648	(1,719,620)
Taxation calculated at 17.5%		268,738	-
Less			
RWT credits		(1,139)	-
Total tax to be paid/(refunded)		267,600	-

	Notes	2022	2021
		\$	\$
The taxation benefit of the losses will be available provided:			
- The entities comply with conditions for offset imposed by the Income Tax Act 2007, and the amendments thereto;			
- No change in taxation legislation adversely affects the entities in realising the taxation benefits of those losses; and			
- The entities generate assessable income in the future, against which the losses can be offset.			
Losses are subject to Inland Revenue Department Confirmation.			
15 Cash and cash equivalents			
Cash at bank - NZD		745,992	322,385

	Notes	2022	2021
		\$	\$
16 Trade and other receivables			
Trade receivables		995,605	196,654
Bond - RLC Engineering Bond		99,538	-
Prepayments		57,886	53,398
Total Trade and other receivables		1,153,029	250,052

Trade and other receivables more than 90 days overdue were \$39,415.88 (2021: \$4,412). There is no doubtful debt provision (2021: none) and the Group is not exposed to any other significant credit risk (2021: none).

	Notes	2022	2021				
		\$	\$				
17 Property, plant and equipment							
		Corpus land & improvements	Buildings & building fit-out	Motor vehicles	Plant & equipment	Office equipment	Total
		\$	\$	\$	\$	\$	\$
Cost or valuation							
Balance at 30 Jun 2020		25,509,208	1,318,012	746,847	682,001	53,367	28,309,435
Additions		160,680	1,722	161,336	14,926	6,587	345,251
Disposals		-	-	(75,397)	(1,188)	-	(76,585)
Revaluation		2,317,507	-	-	-	-	2,317,507
Balance at 30 Jun 2021		27,987,395	1,319,734	832,786	695,739	59,954	30,895,608
Additions		-	3,955	177,705	10,070	10,428	202,158
Disposals		-	-	(33,485)	-	-	(33,485)
Revaluation		-	-	-	-	-	-
Balance at 30 Jun 2022		27,987,395	1,323,689	977,006	705,809	70,382	31,064,281
		Corpus land & improvements	Buildings & building fit-out	Motor vehicles	Plant & equipment	Office equipment	Total
		\$	\$	\$	\$	\$	\$
Accumulated depreciation							
Balance at 1 Jul 2020		343,380	932,815	427,672	508,423	45,874	2,258,164
Depreciation expense		14,948	24,870	57,078	21,706	2,289	120,891
Eliminated on disposal		-	-	-	-	-	-
Balance at 30 Jun 2021		358,328	957,685	484,750	530,129	48,163	2,379,055
Depreciation expense		8,253	30,491	66,771	26,415	2,386	134,315
Eliminated on disposal		-	-	-	-	-	-
Balance at 30 Jun 2022		366,581	988,176	551,521	556,544	50,549	2,513,370
Net book value at 30 Jun 2021		27,629,067	362,049	348,036	165,610	11,791	28,516,553
Net book value at 30 Jun 2022		27,620,814	335,513	425,485	149,265	19,833	28,550,911

Land and improvements held for use in the production of supply of goods or services are considered Corpus land and Improvements, and have been revalued to the latest Lakes District Council Rating Valuations dated 1 July 2020.

The corpus land is classified as Maori freehold land as per Te Ture Whenua Maori Act 1993 and as such there is a restriction on the sale or disposal of this corpus land.

	2022	2021
	\$	\$
18 Investment property		
Fair value		
Land - Brents Farm and Gee Road blocks, Rotorua	11,554,566	11,554,566
Commercial building - Henderson Road, Rotorua	1,771,669	1,462,406
Land - Ngongotaha, Rotorua	5,046,080	5,046,080
Land - Porikapa Road, Rotorua	3,447,759	4,000,000
	21,820,074	22,063,052
Balance at beginning of the year	22,063,052	21,833,211
Additions (disposals)	(242,978)	229,841
Balance at end of the year	21,820,074	22,063,052

Land

Land is revalued on a three yearly cycle using an independent valuer. The current fair value has been determined by Telfer Young Limited, who are independent registered valuers, using current market values and is dated 30 June 2019. Given the significant amount of activity spanning balance date, it was considered reasonable to not revalue the land until June 2023. Subsequent to balance date, a valuation was requested by Westpac Bank and Telfer Young provided a valuation of the Wharenui Rise land development incorporating 26.5727 hectares. The market valuation determined by Telfer Young on 15 August 2022 was \$32,000,000.

Commercial building

The commercial building has been recorded at valuation plus capital expenditure incurred during the year. Valuation has been determined by Telfer Young Limited, independent registered valuers, using current market values and is dated 30 June 2019.

The most recent sales in the area and sales of comparable properties are used to assist in analysing the current market values.

19 Investments

Investments at Valuation

Ballance Agri Nutrients	170,100	170,100
Farmlands	1,663	1,663
Total Investments at Valuation	171,763	171,763

Investments at Valuation

Alliance Shares	13,745	7,096
Firstlight Wagyu (NZ) Limited shares	10,000	10,000
Total Investments at Valuation	23,745	17,096
Total Investments	195,508	188,859

Investments at Valuation

These investments are recorded at their valuation which is provided annually by the investee.

Investments at Cost

These investments are recorded for at cost and assessed annually for impairment. The Committee of Management do not consider any impairment exists at 30 June 2022.

	Notes	2022	2021
		\$	\$
20 Property Development WIP			

Property Development		7,340,349	8,058,782
----------------------	--	-----------	-----------

The Group are currently undertaking stages 2 & 3 of the property development called Wharenui Rise on the investment land commonly referred to as the Brents Block. The costs represent the property development costs incurred to 30 June 2022, including earth works, civil works and consultancy.

21 New Zealand Units

Post-1989 units

20,619 (2021: 20,619) New Zealand units at fair value	29	1,567,044	896,308
---	-----------	-----------	---------

NZUs are not recognised in the Group's financial statements as they were received for nominal consideration.

The Group receives an annual independent valuation of its NZUs for disclosure purposes and is based on the NZU spot market rate. The current fair value is based on a valuation report prepared by Prime Forest Management Ltd dated 30 June 2022.

22 Trade and other payables

Trade payables		920,702	707,210
Other payables		31,158	16,723
Provision for lease surrender		100,000	100,000
Total Trade and other payables		1,051,860	823,933

Trade payables are unsecured and are usually paid within 30 days of recognition.

23 Borrowings

Secured - at amortised cost

Bank loan		5,000,000	8,100,624
Total Secured - at amortised cost		5,000,000	8,100,624

Summary of borrowing arrangements

Whakaue Farming Limited

At balance date, the Company had a \$850,000 debt facility with Westpac (2021: Rabobank \$850,000). Debt facility is interest only and is repayable at maturity. The facility wasn't being used at balance date (2021: \$Nil).

Whakaue Holdings Limited

At balance date, the Company had a \$5,000,000 debt facility with Westpac New Zealand (2021: Westpac \$9,000,000). Debt facility is interest only for the first 12 months and is repayable at maturity.

Assets pledged as security

The loan is secured by a Registered First Security Agreement from the Company over all present and after-acquired property, plus a Registered First Mortgage for the amount of \$3,500,000 from Ngati Whakaue Tribal Lands Inc over Gee Road and Fairbank Road properties, a Registered First Mortgage from Ngati Whakaue Tribal Lands Inc over Morey Street and Wharenui Road properties, a Registered First Mortgage from Whakaue Nominees Limited over 1 Porikapa Road property, and Registered First Security Agreements from Ngati Whakaue Tribal Lands Inc, Whakaue Farming Limited, Whakaue Nominees Limited over all present and after-acquired property, plus Guarantees from the Company, Ngati Whakaue Tribal Lands Inc, Whakaue Farming Limited and Whakaue Nominees Limited.

	2022	2021
	\$	\$
24 Finance Leases		
Whakaue Farming Limited has entered into a finance lease agreement for a Claas Arion 620c Tractor. The minimum lease payments payable are:		
Not later than 1 year	22,552	22,128
Later than 1 year and not later than 5 years	11,599	34,256
	<u>34,151</u>	<u>56,384</u>

The applicable interest rate is 1.9%.

25 Operating lease arrangements

The Group as a lessee

Leasing arrangements

Operating leases relate to:

- Office lease for a period of five years commencing 1 September 2015. The annual lease payable is \$19,000 (2021: \$19,000).
- Land lease for a period of 25 years commencing 1 August 2002. The annual lease payable is \$36,500 (2021: \$36,500).

Payments recognised as an expense

Total lease expense	55,500	55,500
---------------------	--------	--------

Non-cancellable operating lease commitments

Not later than 1 year	41,250	41,250
Later than 1 year and not later than 5 years	182,500	182,500
Later than 5 years	-	36,500
	<u>223,750</u>	<u>260,250</u>

The Group as a lessor

Leasing arrangements

Operating leases relate to:

- Land sub-lease for a period of 25 years commencing 1 August 2002. The annual sub-lease payable is \$36,500 (2021: \$36,500).
- Other operating leases with terms between 1 and 5 years.

Lease income earned by the Group is set out in Note 8.

Non-cancellable operating lease commitments

	2022	2021
	\$	\$
Not later than 1 year	36,500	36,500
Later than 1 year and not later than 5 years	182,500	182,500
Later than 5 years	-	36,500
	<u>219,000</u>	<u>255,500</u>

26 Capital

Number of shares on amalgamation of titles per Court Order	1,565,994	1,565,994
Shares purchased by the Incorporation to 30 June 1978 at par	(42,703)	(42,703)
Total Capital	1,523,291	1,523,291

27 Reserves

	2022	2021
	\$	\$
Land & buildings revaluation reserve	27,651,045	27,651,045
Available-for-sale revaluation reserve	185,400	185,400
Other reserves	6,077,793	6,077,793
	<u>33,914,238</u>	<u>33,914,238</u>

Land & buildings revaluation reserve

Balance at beginning of the year	27,651,045	25,333,538
----------------------------------	------------	------------

Increase from revaluation	-	2,317,507
---------------------------	---	-----------

Balance at end of the year	27,651,045	27,651,045
-----------------------------------	-------------------	-------------------

Available-for-sale revaluation reserve

Balance at beginning of the year	185,400	185,400
----------------------------------	---------	---------

Balance at end of the year	185,400	185,400
-----------------------------------	----------------	----------------

Capital gains reserve

Balance at beginning of the year	6,077,793	6,077,793
----------------------------------	-----------	-----------

Balance at end of the year	6,077,793	6,077,793
-----------------------------------	------------------	------------------

28 Related parties

Transactions with related parties:

	2022		2021	
	Revenue/ (Expense)	Receivables/ (Payables)	Revenue/ (Expense)	Receivables/ (Payables)
	\$	\$	\$	\$
<i>(a) Group entities</i>				
Ngati Whakaue Tribal Lands Educational Trust				
Related party advance	-	(90,633)	-	(90,633)
Whakaue Nominees Limited				
Related party advance	-	(487)	-	(317)

The amounts outstanding are unsecured and interest free. The directors have reviewed the balances owed at year end. No related party transactions have been forgiven or written off during the year (2021: \$Nil).

	2022		2021	
	Revenue/ (Expense)	Receivables/ (Payables)	Revenue/ (Expense)	Receivables/ (Payables)
	\$	\$	\$	\$
<i>(b) Governance</i>				
Director and Committee of Management fees	(131,375)	-	(109,500)	-
Grants committee fees	(1,000)	-	(1,250)	-

28 Related parties - continued

	2022 Attendance	2022 \$	2021 Attendance	2021 \$
T Kingi	21	15,000	20	15,000
T Lloyd	23	15,000	24	15,000
G Rolleston	21	15,000	20	15,000
B Tatere	9	6,250	18	15,000
D Thomas	23	15,000	26	15,000
T Tapsell	15	15,000	15	15,000
M Heke	19	14,375	13	7,500
D Tapsell	13	8,750	-	-
M Corbett	23	3,438	-	-
M Vercoe	23	3,437	-	-
J Scott - grants committee	4	1,000	5	1,250
D Thomas - honorarium	-	6,000	-	6,000
T Kingi - honorarium	-	6,000	-	6,000
		124,250		110,750

T Lloyd is a partner at Deloitte Rotorua. During the year Deloitte Rotorua provided consultancy services to the Whakaue Property Trust for the total value of \$73,000 (2021: Parent \$41,122).

29 Contingent liabilities

New Zealand Units

The Group has a future obligation to return the NZUs (refer to Note 21) if there is a change in land use and/or if the area is not replanted within four years of harvest. The financial effect of this obligation is not able to be quantified.

The Incorporation intends to replant any harvested areas and has no plans for a land change in regards to planted areas.

30 Rotorua Lakes Incentive Scheme

In 2018, the Group entered into an agreement with Bay of Plenty Regional Council (BOPRC) in respect of conversion of the land and consequent reduction in discharge of nitrogen resulting in the permanent reduction in the value of the land.

A total compensation of \$3,372,000 was payable by BOPRC to the Incorporation. 80% or \$2,697,600 was received during the 2018 year. The remaining 20% (\$674,400) was paid during the 2021 year.

The agreement sets out the maximum Nitrogen Discharge Allocation (NDA) permitted to leach from the land. If the maximum NDA levels are exceeded, the Incorporation may be liable to pay a financial penalty to BOPRC.

31 Commitments for expenditure

At the balance date there were no capital commitments (2021: \$Nil).

Committee of Management



David Thomas
NWTL Chairman



Tanira Kingi
WFL Chairman



Terry Tapsell



Tamarapa Lloyd



Matthew Heke



David Tapsell



Geoffrey Rolleston



Mereana Corbett
Associate Director



Moerangi Vercoe
Associate Director



Ray Morrison
General Manager

Corporate Office:

Ray Morrison
General Manager

Audrey Herewini
Group Services Coordinator

Sharon Porter
Admin & Engagement
Coordinator

Accountant:
GHA

Auditor:
BDO Rotorua Limited

Bank:
Westpac, Rotorua
Rabobank, Rotorua

Farm Consultants:
Perrin Ag

Forestry Manager:
Prime Forestry
Management

OUR WHAKATAUKI

Mana Whenua, Mana Tāngata.

We are **committed** to **upholding the honour** of both **the land** and **the people**.

OUR VALUES

- ▲ Kaitiaki
- ▲ Whakapono
- ▲ Aroha
- ▲ Kotahitanga

