



CONTENTS

	Page
Directory	2
Notice of Meeting	3
Minutes of 2007 AGM	4
Chairman's Report	7
Financial Report	10

Annual Report and Financial Statements

For the year ended 30 June 2008

Board:	Hari Benevides (Ms) - Chairman Jimmy Edmonds Ann Waitai William (Bill) Konui Tema Butler Turama Hawira Robert (Bobby) Gray
Secretary:	Harvey Bell
Accountants:	Balance Chartered Accountants Ltd
Farm Consultant:	Peter Bailey
Auditors:	Sewell & Wilson, Whanganui
Bankers:	Bank of New Zealand, Whanganui
Solicitors:	Tripe, Mathews & Feist, Wellington
Registered Office:	16 Bell St, Whanganui
Postal Address:	P O Box 4035, Whanganui

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the **Morikaunui Incorporation** will be held at the Racecourse, Whanganui on Thursday 4 December 2008 commencing at 10:00 am.

AGENDA

1. Mihimihi
2. Karakia
3. Apologies
4. Minutes of the 2007 AGM
5. Matters arising
6. Chairman's Report
7. Financial Report
8. Election of Board members – Hari Benevides and Tema Butler retiring by rotation are re-elected unopposed.
9. Appointment of Auditor – There having been no other nomination for the position of auditor and in the absence of a notice in writing advising that they do not wish to be re-appointed, Sewell and Wilson are automatically re-appointed pursuant to s277 (2) of Te Ture Whenua Maori Act 1993.
10. Appointment of Share Valuer – Balance Chartered Accountants Ltd have offered themselves for re-election.
“That pursuant to s278 of the Act, Balance Chartered Accountants Ltd be re-appointed as Share Valuers.”
11. Dividend
“That the payment of a dividend of \$3.00 per share as recommended by the Committee of Management be approved pursuant to s259 (1c) of the Act.”
12. Any other business
Discussion re the status of The Whanganui Trust.

Whanganui Trust

13. The Whanganui Trust Chairman's Report
14. Discussion about the report.
15. Nominations and then a show of hands for a floor member to the Whanganui Trust.

Harvey Bell

Secretary

Minutes of the Annual General Meeting of **Morikaunui Incorporation** held at the Memorial Hall, Whanganui on 30th November 2007

Welcome

The Chairman welcomed everyone to the meeting. George Waretini delivered a Karakia followed by a Mihimihi from Nohi Wallace.

Apologies

Apologies were received from the following:

Soreya Peke, Rangipo Mete Kingi, Manson Bell, Debbie Teriaki, Mary Mako, Te Uta Hibbard, Eileen Sharon, Martha Thompson, Mary Murrie, Theresa Soutar

Tu Gardiner/Mike McDonnell

Carried

Minutes

Resolved:

“That the Minutes of the AGM (as shown in the Annual Report) held on 1 December, 2006 be approved as a true and correct record.”

Tu Gardiner/Hoani Hipango

Carried

Chairman’s Report

The Chairman summarized her written report. She reported that investment in infrastructure has continued as previously advised:

- the building of the new Mokonui woolshed had been started (*the would be a considerable saving in time moving sheep from Mokonui to the main woolshed and reduced loss of condition because of the two day trek*)
- the contract has been signed to build the new house and that should start in the new year.
- The first 2 phases of the water reticulation scheme have been completed.
- Further sub-division has been completed, some involving the first fodder crop for some time.
- As part of our commitment to staff, each has an annual review and goal setting session with the manager. All are performing well.
- Thanks to Mike, Theresa and the staff.

Tu Gardiner congratulated the Board for the work that had been undertaken on the station.

Turoa Ranginui questioned the economics of building the new woolshed at Mokonui.

Resolved:

“That the Chairman’s Report be received.”

Dardi Metekingi/ Leata Tanoa

Carried

John Summerhays spoke to the Financial Report. A net loss of \$102,831 was reported, after Depreciation of \$94,919.

Mariana Waitai asked that in future Board member fees be shown separately.

Resolved:

“That the Financial Report be received.”

Hoani Hipango/Chris Shenton

Carried

Election of CoM members

Ann Waitai, Bill Konui, Bob Gray and Chris Shenton each made a brief presentation.

Resolved:

“That three of the following be elected to the Board for a term of three years.”

Ann Waitai and Bill Konui (retiring by rotation)

Robert (Bobbie) Gray

Chris Shenton

Six shareholders (Mark Gray, Bobbie Gray, Hoani Hipango, Chris Scanlon, Tu Gardiner and the Nepia Whanau Trust) called for a poll vote.

[The poll vote results were that Ann Waitai, Bill Konui and Bob Gray were duly elected to the Board.]

Share Valuer

Resolved:

“That pursuant to s278 of Te Ture Whenua Maori Act 1993, Balance Chartered Accountants Ltd be reappointed as Share Valuers.”

Tu Gardiner/Dardi Metekingi

Carried

Dividend

Resolved:

“That the payment of a dividend of \$3.00 per share as recommended by the Committee of Management be approved, pursuant 20 s259 (1c) of the Act.”

Whatarangi Murphy-Peehi/Piki McFadyen

Carried

Any other business

Dardi Metekingi asked that the incorporation consider investing in a multiple service centre for local Maori groups.

Mariana Waitai asked that the Morikau board consider equal representation for Atihau-Whanganui Incorporation on The Whanganui Trust. The Chairman pointed out that the Trust Deed did not allow this. Any further discussion should be held over until the following Trust section of the meeting.

The Whanganui Trust

The Chairman focused on two points from her written report.

- The Guidelines review has been completed resulting in greater consistency of decision making.

- On February 16 we had a wananga covering issues such as succession, whanau trusts, taxation, banking.

Ester Tinirau asked whether it was absolutely necessary to follow the letter of the law with regards to representation on the Trust. She asked how many Trustees could be invited. The Chairman said three.

Kemp Dryden asked whether the Trust application forms might be made a little easier. It was stated that a considerable amount of work had gone into them.

Carol Rameka stated that she could fill them out and if she could anyone could.

Resolved:

“That the Chairman Report be received.”

Bobbie Gray/Hoani Hipango

John Summerhays spoke to the Financial Report. The two key figures from the report were:

- the gross assets of the Trust totalled \$1,868,718;
- the excess of income over expenditure for the year was \$56,625

Resolved:

“That the Financial Report be received.”

Hoani Hipango/Ann Waitai

Carried

Floor Appointed Trustee

There were two nominations for the position – Dardi Metekingi and Che Wilson. Che Wilson was declared the winner on a show of hands.

The Chairman closed the meeting at 12:35pm and invited everyone to lunch. Nohi Wallace delivered a karakia.

Chairman's Report

Tena koutou nga Rangatira,

The past financial year has presented many challenges to farming. The severe drought impacted upon performance in a season where returns for lamb and beef have been less than the cost of production.

The overall result was a loss of \$390,313 with the cash deficit (before depreciation) of \$267,463. The cash deficit of \$123,000 is a creditable result given the increases in the costs of fertiliser and fuel.

The returns for stock were:

- Lambs - \$ 44.00 (last year \$47.00)
- Cattle - \$ 577.00 (last year \$750)

The Board has continued to invest in the infrastructure at Morikau Station.

- Following on from the Mokonui woolshed project, we have commenced building a new Manager's house which, upon completion in early 2009, will provide much needed staff accommodation.



- We have maintained our scheduled improvements of water reticulation and paddock sub-division.
- The Board's strategy to improve the genetics of both sheep and cattle is progressing well. Morikau stock is highly regarded and buyers are prepared to pay a premium.

Woolshed opening

Around 150 people attended the opening in February. Among the attendees were two past managers who were complementary about the development of the Station. Winiata Tapa, who was working on the station with his brother when the main woolshed was opened in 1957, shored the first sheep in the new shed. A very enjoyable day was had by all the shareholders and guests who attended.

The first full use was for second shearing in June and by all accounts, the new shed and yards have greatly improved efficiency.

Station visits

The station visits have continued this year and have proved to be very well received by those attending. We used the woolshed opening as an opportunity to take first-time visitors to key vantage points from where they could see the station. The next visit is scheduled for 2 December, two days before the AGM. Look at the website for details – www.morikau.com.



Climate Change Legislation

The Board has great concerns about the impact of the legislation on the value of Maori land. Morikau made a number of submissions to Parliament's Finance and Expenditure Select Committee.

Of further concern are the plans of the Wanganui-Manawatu Regional Council (Horizons) in relation to "slip prone land". A hearings process is currently being undertaken into the so-call "One-Plan" the farming operation does not have its own plan prepared, Horizon will impose one from 2011.

The Board plans to be proactive over the coming twelve months and will engage a Consultant to assist the Incorporation with this process.

Finally my sincere thanks go to my fellow Board members who have contributed tirelessly to the governance of your Incorporation. The current Morikaunui Board engage totally with all issues that require our governance and I acknowledge their devotion to looking after our taonga.

I also thank, Mike and Teresa and the Staff on the Station for their continued efforts and Frances and Keri for their cheerful assistance and to the Secretary for his tireless efforts.

And to you the shareholders who allow me to continue this journey, nga mihi ki a koutou.

Hari Benevides (Ms)

MORIKAUNUI INCORPORATION

Index to the Financial Statements
For The Year Ended 30 June 2008

	Page
Audit Report	11
Statement of Financial Position	12-13
Statement of Financial Performance	14
Schedule of Investments	15
Station Profit and Loss Analysis	16
Statement of Cashflow	17
Reconciliation with Operating Surplus	18
Taxation Statement	19
Statement of Accounting Policies	20-22
Committee of Management Remuneration & Travel	23

AUDIT REPORT

To the Members of Morikaunui Incorporation.

We have audited the financial report on pages 12 to 15 and 17 to 22. The financial report provides information about the past financial performance of the Incorporation and its financial position as at 30 June 2008. This information is stated in accordance with the accounting policies set out on page 20 to 22.

Management Committee's Responsibilities

The Management Committee is responsible for the preparation of a financial report which fairly reflects the financial position of the Incorporation at 30 June 2008 and of the results of operations and cash flows for the year ended on that date.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial report presented by the Management Committee and report our opinion to you pursuant to S277 of the Te Ture Whenua Maori Act 1993.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Management Committee in the preparation of the financial report; and
- whether the accounting policies are appropriate to the Incorporation's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary. We obtained sufficient evidence to give reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

Other than as auditors the firm has no relationship with or interests in the Incorporation.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion

- proper accounting records have been kept by the Incorporation so far as appears from our examination of those records; and
- the financial report on pages 12 to 15 and 17 to 22
 - complies with generally accepted accounting practice;
 - gives a true and fair view of the financial position of the Incorporation as at 30 June 2008 (including the estimated current market value of assets as required by Section 276(4)(c) of the Te Ture Whenua Maori Act 1993) and the results of its operations and cash flows for the year ended on that date.
 - the Share Register and Index of Shareholders required by Section 263 of the Te Ture Whenua Maori Act 1993, has been compiled and correctly kept by the Incorporation.

Our audit was completed on 20 October 2008 and our unqualified opinion is expressed as at that date.

Sewell & Wilson Ltd

Chartered Accountants
Wanganui

MORIKAUNUI INCORPORATION

Statement of Financial Position as at 30 June 2008

2007 \$		2008 \$
	Current Assets	
108,157	Cash at Bank	373,201
146,310	Accounts Receivable	58,355
10,617	Prepayments	4,128
-	Costs for New House	60,900
121,080	Wool on Hand	816
38,221	Income Tax Refund Due	42,331
2,549,799	Livestock	2,187,117
<u>2,974,184</u>	Total Current Assets	<u>2,726,848</u>
	Fixed Assets	
6,346,200	Farms - Land Buildings & Improvements	6,846,082
637,500	Commercial Buildings	-
289,828	Plant, Vehicles & Sundry	277,205
<u>7,273,528</u>	Total Fixed Assets	<u>7,123,287</u>
2,820,606	Investments	1,737,440
<u>13,068,318</u>	Total Assets	<u>11,587,575</u>
	Liabilities	
	Current Liabilities	
574,780	Accounts Payable	106,039
139,860	Provision for Dividend	139,860
12,500	Provision for Whanganui Trust	12,500
17,683	GST Due	(16,198)
<u>744,823</u>	Total Current Liabilities	<u>242,201</u>
<u>\$ 12,323,495</u>	Net Assets	<u>\$11,345,374</u>

MORIKAUNUI INCORPORATION

Statement of Financial Position
for the Year Ended 30 June 2008

2007		2008
	Represented by Equity of:	
6,613,846	Equity at 30 June 2007	6,473,986
139,860	Less Provision for Dividend	139,860
<u>6,473,986</u>	Equity Available for Distribution Tax Free	<u>6,334,126</u>
	Equity Available Distribution Post 30 June 2007	
6,310,747	Equity at 30 June 2007	5,849,509
(102,832)	Profit for year	(390,313)
	Revaluation of	
(142,500)	Investment Properties	-
(159,091)	Livestock	(393,110)
-	Loss on Sale Building	(31,295)
-	Farm Land & Buildings	-
(8,505)	Shares - Revaluation	1,487
(25,810)	Prior Year Adjustments	(4,531)
<u>5,872,009</u>		<u>5,031,747</u>
	Less Distributions	
10,000	Scholarships	8,000
12,500	Whanganui Trust Distribution	12,500
<u>22,500</u>		<u>20,500</u>
5,849,509	Equity Available for Distribution - Taxable	<u>5,011,248</u>
<u>\$ 12,323,495</u>		<u>\$11,345,374</u>

MORIKAUNUI INCORPORATION

Summarised Statement of Financial Performance for the Year Ended 30 June 2008

2007		2008
\$	Income was Received from the following sources:	\$
1,258,949	Farms - Gross Income	1,052,577
1,125,143	Farm Expenses	1,175,654
<u>133,806</u>	Net farm Surplus/(Deficit)	(123,077)
19,122	Rent from Properties	9,836
245,006	Interest and Dividends	198,443
1,196	Other Income	2,567
<u>265,324</u>		<u>210,846</u>
399,130	Total Income	87,769
	Less Expenses:	
237,089	Administration, Governance & Shareholders Meetings	212,218
169,953	Other Administration Costs	143,013
<u>407,042</u>		<u>355,232</u>
(\$7,912)	Net Deficit before Non Cash Adjustments	(267,463)
(94,919)	Less Depreciation	(122,850)
<u>(102,831)</u>	Net Surplus/(Deficit) before Taxation	<u>(390,313)</u>
-	Less: Provision for Taxation	-
<u>\$(102,831)</u>	Net Surplus/(Deficit) After Taxation	<u>\$(390,313)</u>

MORIKAUNUI INCORPORATION

SCHEDULE OF INVESTMENTS AS AT 30 JUNE 2008

2007 \$		2008 \$
	Bank of New Zealand Term Deposits	
	Term Deposit - 8.41% due 21/07/2008	938,869
1,098,855	Term Deposit - 7.6% due 07/09/2007	-
<u>1,098,855</u>		<u>938,869</u>
	National Bank of NZ Ltd	
272,545	Term Deposit @ 7.55% due 19/10/2007	-
67,744	Term Deposit @ 7.5% due 17/12/2007	-
340,289		-
	N Z Wool Services International	
10,857	24675 Shares	9,130
	Virionyx Shares	
47,184	13481 Shares	20,222
(26,962)	Revaluation as at 31/03/08	(11,459)
<u>20,222</u>		<u>8,763</u>
	Direct Property Investments	
300,000	20 Shares	322,320
22,320	Revaluation as at 31/03/08	13,680
<u>322,320</u>		<u>336,000</u>
	Ravensdown Fertiliser Co-operative	
130,992	135,189 Ordinary Shares paid to \$1	135,189
	PPG Wrightson Ltd.	
5,218	3034 Ordinary Shares	7,888
	Wool Equities Ltd	
4,653	9305 \$1 Shares Fully Paid	2,978
	Hanover Finance	
322,503	Term Deposit 8.75% due 22/05/08	-
	South Canterbury Finance	
287,462	Term Deposit 8.25% due 19/05/08	-
277,235	Term Deposit 9.4% due 07/08/09	298,624
<u>564,697</u>		<u>298,624</u>
<u>\$ 2,820,606</u>	<u>Total Investments</u>	<u>\$ 1,737,440</u>

MORIKAUNUI INCORPORATION

Morikau Station Financial Performance Analysis

for the year ended 30th June 2008

	2008	2007
	Total	Total
	\$	\$
Gross Profit - Cattle	278,841	435,299
Gross Profit - Sheep	590,609	620,735
Gross Proceeds - Wool	167,704	196,111
Sundry Income	15,423	6,804
	1,052,577	1,258,949
Farm Working Expenses	883,082	872,988
Pasture & Maintenance	201,162	140,148
Administration & Standing Charges	91,410	112,007
	1,175,654	1,125,143
Profit/(Loss)	\$ (123,077)	\$133,806

Morikau Station Statistical Performance Analysis

for the year ended 30th June 2008

	2008	2007
	Total	Total
Natural Increase		
Sheep	120%	128%
Cattle	78%	71%
Survival to Sale		
Lambs	97%	99%
Calves	92%	97%
Deaths		
Sheep	10%	10%
Cattle	3%	2%
Net Sale proceeds		
Sheep per Head	\$44	\$47
Cattle per Head	\$577	\$750
Wool per Kilo	\$2.33	\$1.96
Effective Farm Surplus		
Effective Area	2376	
Gross Farm income per H/a	443	530
Operating Expenses per H/a	495	473
Effective Surplus per H/a	(\$52)	\$56

MORIKAUNUI INCORPORATION

Statement of Cashflow for the year ended 30th June 2008

2007		2008
\$		\$
	Funds came from Operating Activities:	
1,198,619	Gross Receipts from Farm Production	1,261,898
(1,369,193)	Payments to Farm Suppliers and Employees	(1,295,642)
24,062	Rent Received	25,259
<u>(146,512)</u>		<u>(8,485)</u>
	LESS:	
560,966	Adminstration & Governance Costs	354,207
19,906	Interest Paid	11,982
<u>580,872</u>		<u>366,189</u>
(727,384)	Net Cash Flow from Operations	(374,674)
	Non Operating Receipts:	
89,157	Gross Dividends & Interest	196,674
14,539	GST Received	-
100,409	Taxation Refund	38,221
3,561,645	Investments Realised	2,549,106
24,209	Assets Realised	634,204
<u>3,789,959</u>		<u>3,418,205</u>
3,062,575		3,043,531
	Non Operating Payments:	
1,856,397	Investments Made	1,461,885
399,172	Assets Purchased	688,392
769,151	Dividend Paid	607,708
10,000	Scholarships Paid	20,500
<u>3,034,720</u>		<u>2,778,485</u>
<u>27,855</u>	Change in Bank Balances	<u>265,046</u>
80,301	Add Opening Bank Balance	108,156
<u>\$108,156</u>	Closing Bank Balance	<u>\$373,202</u>

MORIKAUNUI INCORPORATION

Reconciliation with Reported Operating Surplus

as at 30 June 2008

	\$	\$
Reported Deficit		(390,313)
Adjustment for Non Cash Items:		
Depreciation	122,850	
Stock Movement	89,838	
Compounded Interest	(196,674)	
Fertiliser Rebate	<u>(2,567)</u>	
		13,447
Movement in Working Capital:		
Accounts Receivable	29,753	
Accounts Payable	3,856	
GST	(29,647)	
Income Tax	<u>(1,770)</u>	
		2,192
Net Cash Used in Operating Activities		<u><u>\$(374,674)</u></u>

Morikaunui Incorporation

Tax Reconciliation 2008

Taxable Loss From Financial Performance	(390,313)
Add Back PIE Income -	(7,809)
Add Back Depreciation on Development Expenditure	<u>26,434</u>
	(371,688)
Plus Livestock adjustment Morikau Station - movement in numbers	(30,427)
Less Adjustment 2007 Herd Scheme Revaluation Sheep	115,547
Cattle	<u>(95,043)</u>
	(381,611)
Add Development Expenditure	<u>(325,266)</u>
Taxable Income/Loss	(706,877)
Loss Carried Forward from 2007	<u>(846,506)</u>
Total Losses available for future years	<u><u>\$(1,553,383)</u></u>

MORIKAUNUI INCORPORATION

Notes to the Financial Report
for the year ended 30 June 2008

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity:

Morikaunui Incorporation is a Maori Incorporation incorporated under the Te Ture Whenua Act 1993 and prepares general purpose Financial Statements in accordance with generally accepted accounting practice.

The entity qualifies for differential reporting as it is not publicly accountable and is not large. The entity has taken advantage of all available differential reporting exemptions.

Measurement Base:

Unless otherwise stated the accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been followed by the entity.

SPECIFIC ACCOUNTING POLICIES

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

Accounts Receivable:

Accounts Receivable are recorded at estimated net realisable value.

Investments:

Investments held at Trading Banks and Finance Companies are stated at Cost. Shares are valued at Market Values.

Livestock on Hand:

For reporting purposes livestock have been valued using "Herd Scheme" Values.

Fixed Assets:

Fixed assets other than land and buildings are stated at original cost price less accumulated depreciation.

Depreciation

The Committee of Management have decided that tax depreciation rates result in a fair amortization of cost.

Accordingly depreciation has been calculated at either straight line or diminishing value rates allowable under the Income Tax Act 2007 except for investment property which has only been depreciated for taxation purposes.

Freehold Land and Leasehold Land:

Freehold Farm Land and buildings have been revalued to 2005 Rateable valuation.

Notes to the Financial Report (Cont'd)

Operating Revenue:

Gross operating revenue for the year was \$1,367,797. (2007: \$1,534,226)

Taxation:

Provision has been made for all known taxation liabilities. Taxation losses of \$1,553,383 (2007: \$846,506) are available to offset against future income.

Goods and Services Tax:

The financial statements have been prepared on a GST exclusive basis, however, accounts receivable and accounts payable are stated inclusive of GST.

Borrowings:

The bank overdraft is secured by way of a charge over livestock and a registered first mortgage over Morikau Station being Lot 1 DP47540.

CHANGES IN ACCOUNTING POLICIES

There have been no changes to accounting policies:

- All policies have been applied on a basis consistent with those used in previous years.

2. FIXED ASSETS

Fixed Asset	Cost/ Revaluation	Accumulated Depreciation	Book Value 30/6/08	Book Value 30/6/07
Freehold				
Improvements	5,672,146	23,447	5,648,699	5,645,042
Development	489,644	36,727	452,917	156,767
Buildings	850,025	105,559	744,466	1,181,890
Bridges	260	260	-	-
Plant & Machinery	162,457	92,033	70,424	54,793
Furniture & Fittings	49,114	27,704	21,410	26,154
Motor Vehicles	357,329	171,959	185,370	208,881
	<u>\$7,580,975</u>	<u>\$457,689</u>	<u>\$7,123,286</u>	<u>\$7,273,527</u>

3. RELATED PARTY INFORMATION

Related party matters arise with Atihau Whanganui Inc.

Related party transactions relate to joint ownership of the Westpac Building, this property was sold in August 2007.

All related party transactions have been varied out on commercial terms and conditions and at market rates. No related party debts have been written off or forgiven during the period.

4. VALUATIONS of Fixed Assets

2005 Rateable Valuation of Freehold Land – 12,606 acres	6,057,881
Investment Properties (1/2 share) Sold August 2007	-
Book Value Plant, Equipment, Vehicles & Other Assets	<u>277,204</u>
	\$6,335,085

5. DEVELOPMENT EXPENDITURE

The policy is to treat Development Expenditure as Capital which is amortised over a period of 4 to 10 years.

An adjustment is made for taxation purposes.

6. CAPITAL COMMITMENTS

A contract has been signed with G J Gardner Homes to build a dwelling at Morikaunui Station. The contract sum being \$338,850, payments of \$60,900 have been made to balance date.

7. CONTINGENT LIABILITY

There are no contingent liabilities. Previously the Incorporation had guaranteed the mortgage on the Westpac Building.

8. EVENTS SINCE BALANCE DATE

There have been no significant events since balance date.

9. FINANCIAL INSTRUMENTS

- a) Credits Risks – Financial instruments which potentially subject the Incorporation to credit risk principally consist of bank balances, bank deposits, accounts receivable and investments.

The Incorporation does not require collateral from customers.

The maximum credit risk exposure at balance date is the carrying value stated in the Financial Statements.

- b) The Incorporation is not exposed to any concentrations of credit risk.
- c) The carrying amounts of bank balances and deposits, accounts receivable and accounts payable, bank loans and overdraft (secured) and Finance company deposits are equivalent to their fair value. Investments on Company Share are shown at market value. Any variation between carrying and fair value is immaterial.

10. SEGMENT REPORTING

The Incorporation operates in New Zealand in both the livestock farming segment, and the leasing of both farmland and commercial property. The revenues from those segments are identifiable in the Financial Statements.

Committee of Management Remuneration & Travel

	Fees	Travel
Hari Benevides	\$22,275	\$5,933
Tema Butler	\$8,250	\$2,628
James Edmonds	\$9,000	\$4,154
Robert Gray	\$2,700	\$1,656
Turama Hawira	\$6,600	\$1,478
William Konui	\$5,400	\$3,434
Anne Waitai	\$8,700	\$5,574
TOTAL	\$62,925	\$24,857



NOTES: