

The logo for Morikaunui Incorporation features a stylized mountain peak. The left side of the peak is green, and the right side is black with a white wave-like shape at the top. Below the peak, the text "Morikaunui Incorporation" is written in a serif font.

Morikaunui Incorporation

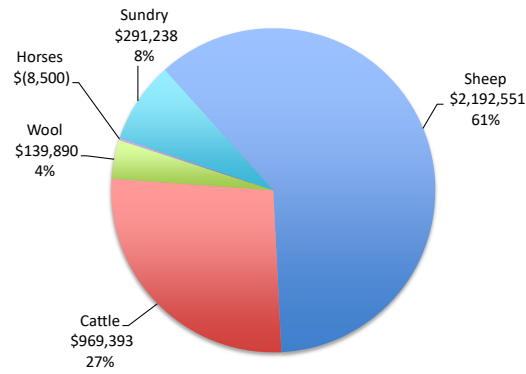
# 2023 Annual Report



# Morikaunui Incorporation - Summary

For the Year ended 30 June 2023

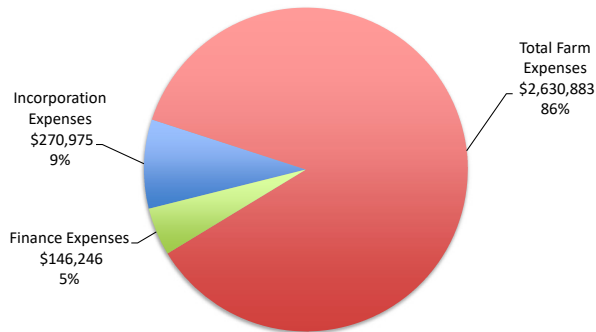
## FARM INCOME



2022  
\$3.6M

2023  
\$3.5M

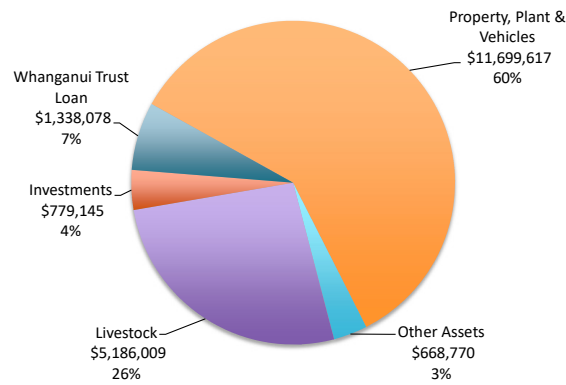
## TOTAL EXPENSES (EXCLUDING NON CASH)



2022  
\$3.01M

2023  
\$3.05M

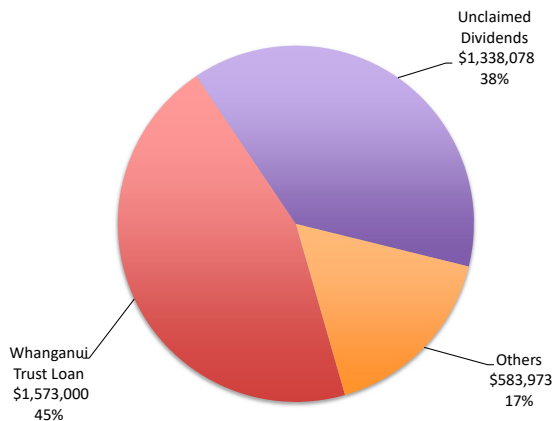
## ASSET MIX



2022  
\$20.2M

2023  
\$19.7M

## LIABILITIES



2022  
\$3.6M

2023  
\$3.5M

# Morikaunui Incorporation

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# Morikaunui Incorporation

## Notice of Annual General Meeting

Notice is hereby given that the Morikau Annual General Meeting will be held on November 17th, 2023 at the Whanganui Racecourse commencing at 10:00am.

### AGENDA

1. **Mihimihi** (Turama Hawira)
2. **Karakia** (Turama Hawira)
3. **Apologies** (provided prior to the meeting) – “Accept apologies”
4. **Minutes of the 2022 AGM:** “That the Minutes as circulated are a true and correct record.”
5. **Matters arising**
6. **Chairman’s Report:** “That the Chairman’s report be received.”
7. **Financial Report** (Glenn Brown): “That the Financial report be received.”
8. **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, Spooner, Hood & Redpath Ltd are automatically re-appointed pursuant to s277 (2) of the Act.
9. **Appointment of Share Valuer:** Doyle & Associates Ltd have offered themselves for election.  
“That pursuant to s278 of the Act, Doyle & Associates Ltd be appointed as Share Valuer.”
10. **Dividend**  
“That the payment of a dividend of \$2.00 per share from Reserves accumulated prior to 30 June 2004 as recommended by the Committee of Management be approved pursuant to s259 (1c) of the Act.”
11. **Charitable purposes payments**  
“That pursuant to s259(1d) of the Act it is hereby authorised that a payment being the greater of \$12,500 or 5% of reported profit be made to The Whanganui Trust to assist with the delivery of its charitable activities and sums totalling no more than \$13,000 be made on account of Education Scholarships.”
12. **Committee of Management:** Hari Benevides and Harvey Bell retire by rotation and both offer themselves for re-election. There being no other nominations, both are duly elected.
13. **The Whanganui Trust**  
The Trust Deed requires that the Trustees report to the Morikau meeting.
  1. Chairman’s Report
  2. Financial Report
  3. Call for nominees for "Floor" elected trustee.

**Harvey Bell**

Secretary

# Minutes of the Morikaunui Incorporation Annual General Meeting held at the Whanganui Racecourse on Friday the 18<sup>th</sup> of November, 2022.

1. The Mihimihi and karakia were delivered by Turama Hawira.

## 2. Apologies

Provided prior to the meeting - Olive Hawira, Stephen Paerata, Abraham Kumeroa

Additional: Mariana Waitai, John Waitai

Apologies accepted

## 3. Minutes of the 2021 AGM:

"That the Minutes as circulated are a true and correct record."

Moved: Chairman Seconded: Cerise McMaster

## 4. Matters arising

There was discussion about increasing the Travel Koha. The chairman advised that it was an issue that the CoM would consider and report back on next year. There were a number of views expressed, with some questioning why eligible locals received the same as those travelling some distance. The issues of age related eligibility was also brought up.

## 5. Chairman's Report.

The chairman made the observation that everyone was no doubt pleased to have an in-person meeting again, after two years of COVID restrictions.

- She first acknowledged the passing in April of valued CoM member Bobbie Gray . "He is greatly missed".
- We are still being impacted by COVID and of course the war in Ukraine;
- The latter has sent fertiliser prices through the roof, along with shipping costs. This is impacting both our imports and exports and therefore hurting farming profits;
- Beef & lamb prices have not seen the full impact of these issues because of the decrease in our dollar value;
- With a predicted drought, in addition to processor staff shortages, the outlook for both beef and lamb this coming season is at best uncertain;

The chairman asked for questions:

To a question from Allan Gilbert-Taurerewa about Income diversification, the secretary responded that the CoM and Manager were looking at tree planting options on marginal land, providing the potential for carbon income.

"That the Chairman's report be received."

Moved: Chairman Seconded: Ann Waitai

## 6. Financial Report

Glenn Brown, the incorporation's accountant, presented the financial report.

- He reported that gross farm income for the year was \$3.67m with other income \$162k.
- Total farm expenses were \$2.7m, incorporation expenses \$233k and finance costs \$69k
- After applying fertiliser early ahead of substantial prices increase as a cost of \$255k, the reported profit was \$343k.
- The overall farm cash surplus for the year was \$863k.

- Total assets at 30 June were \$20.2m while net equity (after deducting liabilities) were \$16.5m.

"That the Financial report be received."

Moved: Chairman Seconded: Eleanor Graham

## **7. 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, Spooner, Hood & Redpath Ltd are automatically re-appointed pursuant to s277 (2) of the Act.

## **8. Appointment of Share Valuer:**

Doyle & Associates Ltd have offered themselves for election.

"That pursuant to s278 of the Act, Doyle & Associates Ltd be appointed as Share Valuer."

Moved: Chairman Seconded: Shane Marshall

## **9. Dividend**

"That the payment of a dividend of \$4.00 per share from Reserves accumulated prior to 30 June 2004 as recommended by the Committee of Management be approved pursuant to s259 (1c) of the Act."

Moved: Chairman Seconded: Raukura Waitai

## **10. Charitable purposes payments**

"That pursuant to s259(1d) of the Act it is hereby authorised that a payment being the greater of \$12,500 or 5% of reported profit be made to The Whanganui Trust to assist with the delivery of its charitable activities and sums totalling no more than \$13,000 be made on account of Education Scholarships."

Moved: Chairman Seconded: Phil Reweti

## **11. Kaumatua koha**

"That pursuant to s259(1d) of the Act it is hereby authorised that a grant in the sum of \$50 towards travel costs be paid by direct credit to any shareholder or shareholding Trust beneficiary attending this meeting who was born on or before the 1<sup>st</sup> of November 1962."

Moved: Chairman Seconded: Alma Pehi

## **12. Committee of Management remuneration**

The secretary advised the meeting that although he was a CoM member, he did not receive CoM fees in addition to his secretary remuneration so was able to talk to the recommended CoM fee increase without any conflict of interest.

The recommendation being put to shareholders was based on research undertaken by Glenn Brown looking at the meeting attendance fee of \$300 set in 2005 with one subsequent increase in 2009 to \$300. The recommendation took account of inflation only and not the increase in responsibilities that Regulations have imposed on governance bodies over recent years.

"That the meeting fees paid to the committee members for attendance at meetings be set at \$400 with the chairman continuing to be paid 50% more, ie \$600."

Moved: Harvey Bell Seconded: Keria Ponga

### 13. **Committee of Management**

*Biographies were included in the meeting papers sent out to shareholders*

Committee member Bobby Gray passed away during the year and Kataraina Millin and William Konui retire by rotation. Both offer themselves for re-election. Hera Smith and Tāwhiao McMaster have been nominated for the committee. With four candidates for three positions, an election is required.

Each candidate was given the opportunity to speak for 3 minutes.

An election was called and held with the results advertised. Kataraina Millin, William Konui and Hera Smith were the successful candidates.

### 14. **Special Resolution**

A detailed explanation was included in the meeting papers sent out to shareholders.

The secretary spoke to the information circulated and there were no questions.

*“That in order to authorise the use of electronic communications, permit virtual shareholder participation at meetings and bringing the Notice period for Special Resolutions into line with the Act, with notice having been given pursuant to s246 of Te Ture Whenua Māori Act 1993, the amendments to the Constitution highlighted in the extracts included with the notice, specifically relating to Rules 1(1), 2(2) & (3), 3(4)(b) (c) & (d), 5, 12(1), 13(a), 17(1-4) & (7), be hereby approved.”*

Moved: Harvey Bell    Seconded: Hari Benevides - *Unanimous*

The chairman closed the Morikau section of the meeting.

### 15. **The Whanganui Trust**

The Trust Deed requires that the Trustees report to the Morikau meeting.

16. The Chairman spoke briefly to her written report.

17. Glenn Brown spoke to his financial report handed out at the meeting.

18. Resolution: “That Te Aroha McDonnell be reappointed as a trustee.”

Moved: Chairman    Seconded: Dorothy Rapana

There being no further business, the chairman declared the meeting closed at noon and advised that lunch would be served in around 20 minutes.

# Chairman's Report

*Kei aku rangatira o tō tātau poāri o Morikau, e rere atu ana te reo manahau, te reo maioha ki a kautau katoa.*

*E tangi tonu te ngākau ki ngā mate huhua o te wā. Kautau rā kua wheturangitia, moe marire mai.*

*Hau mai ki a tātau te hunga ora, tēnā tātau katoa*

## **Tena Koutou Nga Rangatira**

This year marks the 67th AGM. The one constant of the past 67th years has been change. And we as an incorporation must continue to adapt and evolve with the times and challenges that face us, especially for our mokopuna. It is contingent upon us to continuously work diligently, prudently and responsibly as the Kaitiaki of the whenua.

## **COVID-19**

The pandemic still presents significant challenges for the New Zealand sheep and beef industry, changing consumer preferences with more looking to plant based food, significant fluctuation in global markets, currency exchange rates, disrupted global supply chains affecting the industry's ability to export products efficiently and the downturn in the Chinese economy (our biggest market). These dynamics can impact the competitiveness of New Zealand's sheep and beef exports.

## **He Putea (Financial)**

The current financial year is going to be extremely challenging with lamb prices down approximately one third from 2022/2023 year and ewe prices less than half. The drought affected Australian Sheep industry has been dumping their mutton for under \$10a head. This has a major impact on New Zealand Sheep prices.

Wool returns continue to be an unavoidable expense. Returns cover approximately one third to a half of the shearing and dagging costs. However, our manager maintains a very high standard with wool presentation which has been reflected in our returns.

The continuing rise in expense of up to in some case 50% has impacted on our reported profit for this year at \$159k, down from \$343k last year.

Given the forecast referenced above, the dividend recommendation has been halved to \$2 per share.



## **He Titiro Whakamura (The Year in Review)**

The constant of change:

It has been another challenging year with a tough few weeks of poor grass growing conditions. The amount of rain and unseasonal weather patterns. Hamish has worked extremely hard to keep the station and stock up to high standard. We come out of the winter in a very good position.

Credit is due for Hamish and the whole team for the decisions made to allow the station to prosper off the current feed position. It is no small task manipulating the stocking rate in relation to decreasing land area and a tough winter.

Hamish has in between all of the stock work overseen the completion of planting of 350 ha for retired marginal land in a joint venture for inclusion in the Emission Trading Scheme (“ETS”) at no cost to Morikau.

He has also undertaken a major exercise bringing the Mokonui leased land into production with clearing, fencing and regrassing. The fencing off of waterways on the leased land has been with a 100% subsidy from Mouri Turoa.

Morikau is in a strong operational position after a tough few months.

The Committee of Management recognised the financial restraints required with the current economic situation. In conjunction with Hamish and Glen all expenses where possible both on farm and off were cut. The CoM is very cognisant of its responsibilities and duties for the future of Morikau.

## **He Anga Whakamuri (The Year Ahead)**

Like the meaning of “Morikau” the work is never finished.....and we are still “chipping away at it”.

The staff housing has undergone much needed up grading. They are all compliant with the housing standards and will help attract and retain staff.

More fencing is to be done along with water.

With the planting of marginal land into the Emissions Trading Scheme we will look to improve stock performance with lesser numbers and other options.

## **Travel Koha**

When the "Travel Koha" was introduced as the numbers attending did not reach a quorum. As that no longer applies it will cease from 2024.

## **The Whanganui Trust**

In the absence of a meeting, there is no distribution of our full trust Annual Report. The full audited report can be downloaded from the website and a summary is included in the Morikau Report along with a list of education award recipients.

## **He Haerenga (Station Visit)**

It is to be advised.

## **He Tangata (The people)**

On behalf of the Committee of Management, the Whanganui Trust, Hamish, Katrina, the station staff, Glenn Brown (our accountant) and Rehara (our Kaiwhakahaere) we remain committed to the kaupapa as kaitiaki of Morikau.

*No reira, mā te wahi ngāro tātau e manaaki.*

*Na ngākau whakaiti*



Hari Benevides (Ms)  
Chairman

# Financial Statements

Morikaunui Incorporation  
For the year ended 30 June 2023

Prepared by PKF Doyle and Associates The Accountants Ltd

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# Directory

## Morikaunui Incorporation For the year ended 30 June 2023

### Nature of Business

Sheep and Beef Farming

### Registered Office

32 Taupo Quay  
Whanganui 4501

### IRD Number

022-330-322

### Committee of Management

Hari Benevides (Ms) - Chairperson  
William (Bill) Konui  
Turama Hawira  
Kataraina Millin  
Harvey Bell  
Siani Walker  
Hera Smith

### Secretary

Harvey Bell

### Chartered Accountant

PKF Doyle & Associates The Accountants Ltd  
32 Taupo Quay  
Whanganui

### Auditor

Spooner, Hood & Redpath Limited  
Chartered Accountants  
162 Wicksteed Street  
Whanganui

### Bankers

Bank of New Zealand  
Victoria Avenue  
Whanganui

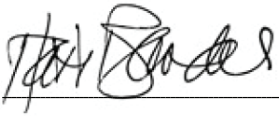
# Approval of Financial Report

## Morikaunui Incorporation For the year ended 30 June 2023

The Committee of Management are pleased to present the approved financial report including the historical financial statements of Morikaunui Incorporation for the year ended 30 June 2023.

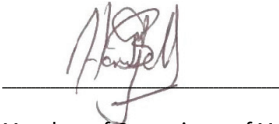
APPROVED

For and on behalf of the Committee of Management.



Chairperson

Date .....10/10/2023.....



Member of Committee of Management

Date .....10/10/2023.....

# Statement of Profit or Loss

## Morikaunui Incorporation For the year ended 30 June 2023

	NOTES	2023	2022
<b>Trading Income</b>			
Beef Cattle Gross Surplus		969,393	1,004,665
Sheep Gross Surplus		2,192,551	2,329,166
Wool Gross Surplus		139,890	160,883
Loss on Horses		(8,500)	-
<b>Total Trading Income</b>		<b>3,293,334</b>	<b>3,494,715</b>
<b>Other Income</b>			
Dividends Received		1,730	138
Interest Received		1,143	253
PIE Income		22,364	21,415
Profit on Sale of Fixed Assets		7,000	6,983
Rebates		26,679	33,248
Sundry Farm Income	8	264,559	134,570
Unrealised Gains/(Losses) on Listed Investments		(21,793)	(113,510)
Unrealised Gains/(Losses) on Carbon Credits		(116,325)	254,100
<b>Total Other Income</b>		<b>185,358</b>	<b>337,196</b>
<b>Total Income</b>		<b>3,478,692</b>	<b>3,831,911</b>
<b>Expenses</b>			
Farm Administration Expenses		226,597	221,603
Farm Working Expenses		1,380,641	1,566,929
Finance Expenses		146,246	69,230
Personnel Expenses		676,775	635,868
Repairs and Maintenance		165,272	160,594
Vehicle Expenses		181,598	127,555
Administration and Other		270,975	232,759
Non Cash Expenses	17	271,683	219,014
<b>Total Expenses</b>		<b>3,319,787</b>	<b>3,233,553</b>
<b>Exceptional Item</b>			
Additional Fertiliser Applied		-	255,400
<b>Total Exceptional Item</b>		<b>-</b>	<b>255,400</b>
<b>Net Profit (Loss) For The Year</b>		<b>158,905</b>	<b>342,958</b>

These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.

# Balance Sheet

## Morikaunui Incorporation As at 30 June 2023

	NOTES	30 JUN 2023	30 JUN 2022
<b>Equity</b>			
Capital	5	260,876	260,876
Retained Earnings	6	2,124,922	2,181,644
Reserves	7	13,790,770	14,109,171
<b>Total Equity</b>		<b>16,176,568</b>	<b>16,551,691</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Bank	9	117,959	183,781
Trade and Other Receivables		222,089	206,369
Income Tax Receivable	4	117	7
Other Current Assets	10	211,379	768,012
<b>Total Current Assets</b>		<b>551,544</b>	<b>1,158,167</b>
<b>Non-Current Assets</b>			
Investment in Shares	12	779,145	789,357
Property, Plant and Equipment	11	11,699,617	11,246,411
Livestock on Hand	13	5,186,009	5,730,353
Whanganui Trust - Loan (Re Unclaimed Dividends)		1,338,078	1,260,740
Other Non-Current Assets	15	117,226	-
<b>Total Non-Current Assets</b>		<b>19,120,075</b>	<b>19,026,861</b>
<b>Total Assets</b>		<b>19,671,619</b>	<b>20,185,029</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables		188,352	572,637
GST Payable		216,489	98,714
Employee Entitlements		101,947	62,211
<b>Other Current Liabilities</b>			
Whanganui Trust - Unclaimed Dividends Due		77,185	66,035
<b>Total Current Liabilities</b>		<b>583,973</b>	<b>799,597</b>
<b>Non-Current Liabilities</b>			
Loans	14	1,573,000	1,573,000
Unclaimed Dividends (Due to Shareholders)		1,338,078	1,260,740
<b>Total Non-Current Liabilities</b>		<b>2,911,078</b>	<b>2,833,740</b>
<b>Total Liabilities</b>		<b>3,495,051</b>	<b>3,633,338</b>
<b>Net Assets</b>		<b>16,176,568</b>	<b>16,551,691</b>

These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.



# Notes to the Financial Statements

## Morikaunui Incorporation For the year ended 30 June 2023

### 1. Reporting Entity

Morikaunui Incorporation is a Maori Incorporation under the Te Ture Whenua Maori Act 1993 and is a sheep and beef farm. The special purpose financial report was authorised for issue in accordance with a resolution of the Committee of Management dated 10 October 2023.

### 2. Statement of Accounting Policies

#### Basis of Preparation

The financial statements have been prepared in accordance with the *NZICA Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs)* published by the New Zealand Institute of Chartered Accountants.

The financial statements have been prepared for the purpose of the entity's income tax requirements and for internal use.

Unless otherwise stated, the accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on historical cost and going concern bases have been followed by the entity. All amounts are presented in NZ \$ rounded to the nearest dollar.

#### Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Combined Statement of Financial Performance and Statement of Financial Position have been applied:

##### (a) Revenue Recognition

Revenue is recognised when the obligation for payment has been created.

##### (b) Livestock

Livestock is recorded at Market Value. The annual change in numbers calculations is recorded in the Incorporation's Statement of Financial Performance by way of increasing or decreasing the Gross Profits from livestock trading while changes in market values is recorded directly into the Equity of the Incorporation. Herd Values have been used for taxation calculations.

##### (c) Accounts Receivable

Accounts receivables are recognised less an allowance for any uncollectible amounts. Individual debts that are known to be uncollectible are written off in the period that they are identified.

##### (d) Property, Plant and Equipment and Investment Property

Property, plant and equipment and investment property are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

Depreciation is calculated on a straight line/diminishing value basis over the estimated useful life of the asset either using depreciation rates published by Inland Revenue or based on estimates by management. Assets' estimated useful life is reassessed annually. The following estimated depreciation rates/useful lives have been used:

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These financial statements have been audited.

Account	Method	Rate
Freehold Land	Straight Line	0%
Property Improvements	Diminishing Value	0% - 15%
Development Expenditure	Straight Line	10%
Forestry	Straight Line	0%
Buildings	Diminishing Value	0% - 39.6%
Development Plans 2016	Diminishing Value	0% - 25%
Bridges	Straight Line	2.5%
Plant & Equipment	Diminishing Value	9.6% - 67%
Development Plans 2017-2018	Diminishing Value & Straight Line	0% - 25%
Furniture & Fittings - Station	Diminishing Value	10% - 30%
Furniture & Fittings - Incorporation	Diminishing Value	11.4% - 25%
Motor Vehicles	Diminishing Value	10% - 30%
Office Equipment	Diminishing Value	16% - 67%

#### Land

The Incorporation's land is designated Maori Freehold land and is subject to the selling limitations defined in Te Ture Whenua Act 1993 ("the Act").

Land, buildings and other improvements have been revalued to its Rateable Value dated 1 September 2019. The rateable values are assessed every three years. An objection has been submitted to the Whanganui District Council for the valuation dated 1 September 2022.

#### Development Expenditure

Development Expenditure is capitalised and amortized over a period of 4 to 10 years. An adjustment is made for taxation purposes.

#### (e) Income Tax

Provision has been made for all known taxation liabilities. Income tax is accounted for using the taxes payable method.

#### (f) Investments

Investments held at trading banks are stated at cost. Shares are valued at market values. For listed investments the annual change in value is recorded in the Incorporation's Statement of Financial Performance as an unrealised gain.

#### (g) Financial Instruments

Financial instruments are recognised in the Statement of Financial Position when the incorporation becomes party to a financial contract. They include cash balances, deposits, bank overdraft, payables, receivables and intercompany balances.

All of the financial instruments of the Incorporation are initially recorded at cost and subsequently carried at amortised cost using the effective interest method. Due allowance is made for impaired receivables (credit losses).

#### (h) Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST. The Incorporation is GST registered on an invoice basis.

These financial statements have been audited.

### (i) Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

	2023	2022
<b>3. Tax Reconciliation</b>		
Net profit/(loss) before tax	158,905	342,958
<b>Permanent Differences</b>		
Changes in Livestock Numbers - Sheep	111,362	(163,401)
Changes in Livestock Numbers - Cattle	106,081	380,258
Increase/(Decrease) Tax Value of Sheep	(63,291)	158,759
Increase/(Decrease) Tax Value of Cattle	(110,119)	(282,605)
Increase/(Decrease) Tax Value of Horse	(8,500)	-
Non Deductible Expenditure	123,301	68,188
Non Assessable Income	129,404	(147,794)
Imputation Credits Assessable	5,981	5,580
Development Expenditure Deductible Capitalised	(526,511)	(192,347)
Donation to Donee Organisation	(17,147)	(44,983)
Tax Losses approved by the IRD	(1,679,258)	(1,771,915)
Prior Year Adjustments	-	12
Losses from conversion of ICA Credits	(34,179)	(31,886)
<b>Total Permanent Differences</b>	<b>(1,962,876)</b>	<b>(2,022,134)</b>
<b>Timing Differences</b>		
Audit Fee Accrual	1,300	(500)
Holiday pay accrual movement	29,760	418
<b>Total Timing Differences</b>	<b>31,060</b>	<b>(82)</b>
Total adjustments	(1,931,816)	(2,022,216)
Total Loss	(1,772,911)	(1,679,258)
Taxable income (loss to carry forward)	(1,772,911)	(1,679,258)
	2023	2022

### 4. Income Tax

Opening Balance	7	-
Plus - Tax Refunds	(10)	(3)
Less - RWT Paid	120	10
<b>Income Tax (Receivable)</b>	<b>117</b>	<b>7</b>
	2023	2022

### 5. Capital

Issued Shares - 46620 Shares	260,876	260,876
<b>Total Capital</b>	<b>260,876</b>	<b>260,876</b>

These financial statements have been audited.

	2023	2022
<b>6. Retained Earnings</b>		
<b>Retained Earnings</b>		
Opening Balance	2,181,643	2,083,148
<b>Plus</b>		
<b>Net Profit</b>		
Net Profit	158,905	342,958
<b>Total Net Profit</b>	<b>158,905</b>	<b>342,958</b>
<b>Total Plus</b>	<b>158,905</b>	<b>342,958</b>
<b>Less</b>		
<b>Grants &amp; Scholarships</b>		
Grants & Scholarships	29,147	57,983
Dividend Paid	186,480	186,480
<b>Total Grants &amp; Scholarships</b>	<b>215,627</b>	<b>244,463</b>
<b>Total Less</b>	<b>215,627</b>	<b>244,463</b>
<b>Total Retained Earnings</b>	<b>2,124,921</b>	<b>2,181,644</b>
	2023	2022

**7. Reserves**

<b>Land Revaluation Reserve</b>		
Opening Balance	7,870,134	7,870,134
<b>Total Land Revaluation Reserve</b>	<b>7,870,134</b>	<b>7,870,134</b>
<b>Realised Capital Reserve</b>		
Opening Balance	499,777	499,777
<b>Total Realised Capital Reserve</b>	<b>499,777</b>	<b>499,777</b>
<b>Livestock Revaluation Reserve</b>		
Opening Balance	5,739,260	5,873,575
Movements for the period	(318,401)	(134,315)
<b>Total Livestock Revaluation Reserve</b>	<b>5,420,859</b>	<b>5,739,260</b>
<b>Total Reserves</b>	<b>13,790,770</b>	<b>14,109,171</b>
	2023	2022

**8. Sundry Farm Income**

Fencing Subsidies	187,359	-
Hive Rental	60,960	70,070
Other	16,240	64,500
<b>Total Sundry Farm Income</b>	<b>264,559</b>	<b>134,570</b>

These financial statements have been audited.

2023 2022

**9. Cash and Bank**

BNZ - Current Account	5,241	1,273
BNZ - Call Account	113,675	182,829
BNZ - Dividend Account	-	15
BNZ - Credit Cards	(957)	(336)
<b>Total Cash and Bank</b>	<b>117,959</b>	<b>183,781</b>

2023 2022

**10. Other Current Assets**

BNZ Term Deposit	-	400,138
Carbon Credits on Hand	137,775	254,100
Farm Supplies on hand	58,604	98,773
Rent Paid in Advance (Grazing)	15,000	15,000
<b>Total Other Current Assets</b>	<b>211,379</b>	<b>768,012</b>

**11. Property, Plant & Equipment 2023**

	<b>Cost</b>	<b>Depreciation Charged</b>	<b>Accumulated Depreciation</b>	<b>Closing Book Value</b>
Freehold Land	8,523,000	-	-	8,523,000
Property Improvements	204,818	2,149	93,542	111,276
Development Expenditure	1,193,711	5,900	1,182,396	11,315
Forestry	48,535	-	-	48,535
Buildings	968,507	8,551	223,769	744,738
Development Plans 2016	789,313	34,624	378,070	411,243
Bridges	260	-	260	-
Plant & Equipment	433,570	39,487	224,800	208,770
Development Plans 2017-2023	1,625,812	99,743	319,605	1,306,206
Furniture & Fittings - Station	25,333	477	22,450	2,883
Motor Vehicles	654,103	64,063	324,293	329,810
Office Equipment	12,557	1,703	10,715	1,842
	<b>14,479,519</b>	<b>256,698</b>	<b>2,779,901</b>	<b>11,699,618</b>

These financial statements have been audited.

## Property, Plant & Equipment 2022

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
Freehold Land	8,523,000	-	-	8,523,000
Property Improvements	204,818	2,382	91,394	113,425
Development Expenditure	1,193,711	12,806	1,176,496	17,215
Forestry	48,535	-	-	48,535
Buildings	957,898	8,543	216,348	741,550
Development Plans 2016	789,313	37,007	343,446	445,867
Bridges	260	-	260	-
Plant & Equipment	461,747	40,523	262,096	199,651
Development Plans 2017-2018	1,088,828	45,074	219,862	868,966
Furniture & Fittings - Station	34,413	576	31,054	3,359
Motor Vehicles	588,086	64,326	306,788	281,298
Office Equipment	15,664	1,959	12,119	3,545
	<b>13,906,273</b>	<b>213,196</b>	<b>2,659,861</b>	<b>11,246,412</b>

2023                      2022

## 12. Investment in Shares

Ballance Agri-Nutrients Ltd - 16,479	133,480	122,715
Farmlands Co-Operative Society Ltd - 3,556	4,372	3,556
Innate Immunotherapeutics Ltd - 1,349	100	100
PGG Wrightson Ltd - 354	1,444	1,551
Property for Industry Ltd - 271,080	639,749	661,435
<b>Total Investment in Shares</b>	<b>779,145</b>	<b>789,357</b>

2023                      2022

## 13. Livestock on Hand

Beef Cattle on Hand	2,034,641	1,929,199
Horses on Hand	3,500	12,000
Sheep on Hand	3,147,868	3,789,154
<b>Total Livestock on Hand</b>	<b>5,186,009</b>	<b>5,730,353</b>

These financial statements have been audited.

	2023	2022
<b>14. Non-Current Loans</b>		
Whanganui Trust - Loan	1,573,000	1,573,000
<b>Total Non-Current Loans</b>	<b>1,573,000</b>	<b>1,573,000</b>

	2023	2022
<b>15. Other Non-Current Assets</b>		
Deposit on Tree Planting	72,500	-
Farm Forestry	44,726	-
<b>Total Other Non-Current Assets</b>	<b>117,226</b>	<b>-</b>

	2023	2022
<b>16. Retained Earnings Prior to 2004</b>		
Opening Balance	1,913,930	2,100,410
Dividends	(186,480)	(186,480)
<b>Total Retained Earnings Prior to 2004</b>	<b>1,727,450</b>	<b>1,913,930</b>

Dividends distributed from Retained Earnings Prior to 2004 are free from Income Tax in the hands of Shareholders.

	2023	2022
<b>17. Non Cash Items</b>		
Depreciation	256,698	213,196
Loss on Sale of Fixed Assets	14,985	5,818
<b>Total Non Cash Items</b>	<b>271,683</b>	<b>219,014</b>

	2023	2022
<b>18. Related Party Transactions with The Whanganui Trust</b>		
Donations Paid	17,147	44,983
Interest Paid	110,974	64,904
<b>Total Related Party Transactions with The Whanganui Trust</b>	<b>128,121</b>	<b>109,887</b>

	2023	2022
<b>19. Related Party Assets or (Liabilities)</b>		
Whanganui Trust - Unclaimed Dividends Due	(77,185)	(66,035)
Whanganui Trust - Loan	(1,573,000)	(1,573,000)
The Whanganui Trust Loan - Unclaimed Dividends	1,338,078	1,260,740
<b>Total Related Party Assets or (Liabilities)</b>	<b>(312,107)</b>	<b>(378,295)</b>

## 20. Maori Authority Tax Credits

The balance of the Maori Authority Tax Credit Account at year end was \$118,907 (2022:\$112,460)

These financial statements have been audited.

## 21. Taxation Losses

Accumulated Taxation losses of \$1,772,911 (2022:\$1,679,258) are available to offset against future Income.

## 22. Emissions Trading Scheme

The Incorporation has entered the NZ Emissions Trading Scheme ("ETS") in respect of 54.6 hectares of pre-1990 forested land. This entitles the Incorporation to receive emission units ("NZU") for carbon stored in the specified area.

The Incorporation has received its entitlement of 3,300 NZU units (i.e. 60 tonnes per ha). The dollar value of these units received has been recognised in the financial statements at a market value at June 2023 of \$41.75 per unit.

## 23. BNZ Credit Facilities

The Incorporation has a BNZ overdraft facility (limit \$300,000) secured over livestock.

The Incorporation has a BNZ term loan facility that is secured by way of a general security agreement over the Incorporation's assets, but excluding land. The total owing at balance date is NIL.

## 24. Capital Commitments

The Incorporation has no capital commitments as at 30 June 2023 (2022:Nil).

## 25. Related Parties

Morikaunui Incorporation is the settlor of The Whanganui Trust ("the Trust") and appoints six of the seven Trustees (one is independently appointed). The result of the Trust have not been consolidated as the effect would be immaterial. Distributions are made to the Trust annually as per the Statement of Movements in Equity. The Incorporation's unclaimed dividends are held in trust by the Trust.

The Incorporation has current liabilities owing to the Trust as stated in the Statement of Financial Position.

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

## 26. Contingent Liabilities

The Incorporation has no contingent liabilities and no guarantees as at 30 June 2023. (2022:Nil)

## 27. Events Occurring After Balance Date

There are no known significant events that have occurred after balance date.



## INDEPENDENT AUDITOR'S REPORT

To the Members of Morikaunui Incorporation

### Opinion

We have audited the financial statements of Morikaunui Incorporation, which comprise the Balance sheet as at 30 June 2023, and the statement of profit or loss and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with Special Purpose Financial Reporting Framework for For-Profit Entities (SPFR for FPEs), issued by Chartered Accountants Australia & New Zealand.

### 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 Morikaunui Incorporation in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners 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, Morikaunui Incorporation.

### Emphasis of Matter – Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of the entity's income tax requirements and for internal use. As a result, the financial statements may not be suitable for another purpose.

### Restriction on Responsibility

This report is made solely to the Members of the Incorporation. Our audit work has been undertaken so that we might state to the Committee of Management those matters 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 Committee of Management as a body, for our audit work, for this report, or for the opinions we have formed.

### Committee of Management's Responsibility for the Financial Statements

The Committee of Management are responsible on behalf of the entity for determining that the SPFR for FPEs framework adopted is acceptable in Morikaunui Incorporation's circumstances, the preparation of financial statements, and for such internal control as the Committee of Management 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 Committee of Management are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

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

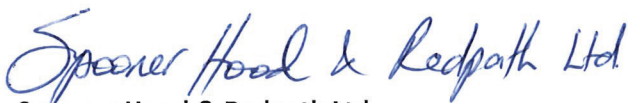
Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

[www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/](http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/)

#### **Report on Other Legal and Regulatory Requirements**

The Share Register and Index of Shareholders has been compiled and correctly kept in accordance with Section 263 of the Te Ture Whenua Maori Act 1993.



**Spooner Hood & Redpath Ltd**

Whanganui

10 October 2023



**SUPPLEMENTARY SCHEDULES**

FOR THE YEAR ENDED 30 JUNE 2023

**Governance, Shareholder meetings & Admin details**

	2023	2022	2021
Accounting Fee - Accounts, Consultancy & Shareholder Support	70,957	70,715	72,674
Audit Fee	13,330	15,700	15,300
Consultancy (HR)	9,650	9,175	20,426
Governance	41,159	33,556	45,226
Governance Admin & Support	50,233	50,329	51,282
Office Expenses	30,126	30,530	32,765
Shareholder AGM Costs/Meetings	47,491	20,851	19,214
Travel Reimbursement (Committee)	8,029	5,703	14,465
		-	
	<b>\$270,975</b>	<b>\$236,559</b>	<b>\$271,352</b>

\*includes Committee fees

**Committee fees and travel for 2023**

	Fees	Travel
	\$	\$
Hari Benevides	12,450	5,231
Hera Smith	3,000	461
K Millin	5,850	1,069
Turama Hawira	4,790	123
William Konui	4,650	299
Harvey Bell	-	770
Siani Walker	5,450	77
	<b>\$36,190</b>	<b>\$8,029</b>

**Farm Performance Analysis**

	2023	2022	2021	2020	2019
<b>Net Sale Proceeds</b>					
Sheep Per Head (Avge)	\$ 132	\$ 134	\$ 117	\$ 132	\$ 118
Cattle Per Head (Avge)	\$ 1,192	\$ 1,267	\$ 1,304	\$ 1,389	\$ 1,258
Wool Per Kilo (Avge)	\$ 1.52	\$ 1.58	\$ 1.06	\$ 1.49	\$ 2.12
<b>Effective Farm Surplus</b>					
Effective Area Ha	2,447	2,447	2,447	2,447	2,590
Gross Farm Revenue Per Ha	\$ 1,356	\$ 1,442	\$ 1,311	\$ 1,329	\$ 1,149
Farm Operating Expenses Per Ha	\$ 1,065	\$ 1,104	\$ 837	\$ 823	\$ 787
Net Farm Surplus (after depreciation) per Ha	\$ 186	\$ 251	\$ 360	\$ 224	\$ 242
Gross Farm Revenue Per Stock Unit	\$ 126	\$ 132	\$ 124	\$ 117	\$ 121

# Statement of Financial Performance

## The Whanganui Trust For the year ended 30 June 2023

	NOTES	2023	2022
<b>Revenue</b>			
Donations, fundraising and other similar revenue	1	17,147	44,983
Interest, dividends and other investment revenue	2	126,481	70,580
<b>Total Revenue</b>		<b>143,628</b>	<b>115,562</b>
<b>Expenses</b>			
Costs related to providing goods or service	3	21,561	19,322
Grants and donations made	4	26,750	36,625
Other expenses	3	4,383	8,495
<b>Total Expenses</b>		<b>52,694</b>	<b>64,443</b>
<b>Surplus/(Deficit) for the Year</b>		<b>90,935</b>	<b>51,120</b>

The Financial Statements are to be read in conjunction with the accompanying notes. These statements have been audited.

# Statement of Financial Position

## The Whanganui Trust

As at 30 June 2023

'What the entity owns?' and 'What the entity owes?'

	NOTES	30 JUN 2023	30 JUN 2022
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	5	323,002	125,454
Accrued Interest Receivable		678	830
<b>Other Current Assets</b>			
Morikaunui Incorporation - Unclaimed Dividends (current year)		77,185	66,035
BNZ Term Deposits	5	459,800	500,000
<b>Total Other Current Assets</b>		<b>536,985</b>	<b>566,035</b>
<b>Total Current Assets</b>		<b>860,664</b>	<b>692,319</b>
<b>Non-Current Assets</b>			
Investments	5	17,351	17,351
Morikaunui Incorporation - Advance		1,573,000	1,573,000
<b>Total Non-Current Assets</b>		<b>1,590,351</b>	<b>1,590,351</b>
<b>Total Assets</b>		<b>2,451,015</b>	<b>2,282,670</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and Accrued Expenses	6	6,401	6,328
<b>Total Current Liabilities</b>		<b>6,401</b>	<b>6,328</b>
<b>Non-Current Liabilities</b>			
<b>Loans</b>			
Loans	6	1,338,078	1,260,740
<b>Total Loans</b>		<b>1,338,078</b>	<b>1,260,740</b>
<b>Total Non-Current Liabilities</b>		<b>1,338,078</b>	<b>1,260,740</b>
<b>Total Liabilities</b>		<b>1,344,479</b>	<b>1,267,069</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>1,106,537</b>	<b>1,015,602</b>
<b>Accumulated Funds</b>			
Trust Capital	7	1,106,537	1,015,602
<b>Total Accumulated Funds</b>		<b>1,106,537</b>	<b>1,015,602</b>

The Financial Statements are to be read in conjunction with the accompanying notes. These statements have been audited.

## The Whanganui Trust - Education Awards 2023

<b>Post-graduate</b>		<b>\$5,000</b>	<b>Under-graduate - rollover</b>		<b>\$1,000</b>
{ Haukapuanui Vercoe	Auckland	PhD Civil Eng	Fiona Nicoll	Otago	MBChB
{ Sonny Vercoe	Auckland	PhD Eng	Neve Duxfield	Victoria	BA Arts
			Caitlin Huria	Otago	BSc
<b>Under-graduate - new</b>		<b>\$1,000</b>	Puna Maniapoto - Love	Auckland	C. BA Law & Arts
Kayla Waudby	Waikato	BA. Env plannng	<b>Trust Trade Scholarships</b>		<b>\$2,500</b>
Maia Waudby	Waikato	BA Climate Change Bcc	Tauri Maniapoto- Cheer	EIT-Napier	Certificate L4
Mya Clement	Ara Institute of Canterbury	BA	Tawera Puohotaua	Apprentice	Certificate

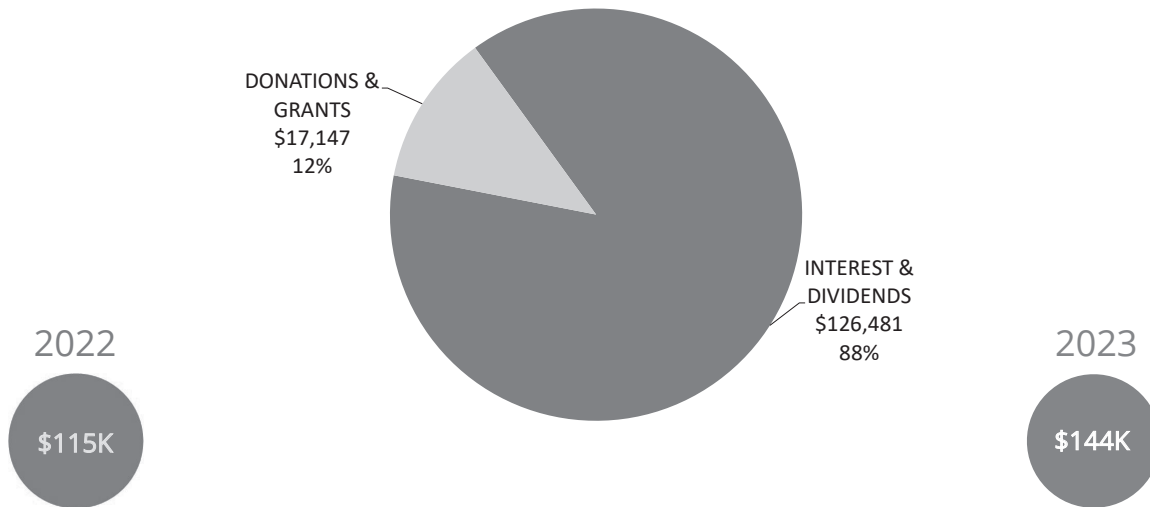
### The Whanganui Trust

<u>Education grants</u>		<b>\$500</b>	<u>Education grants (Cont'd)</u>		
Aaron Chadwick	TW Raukawa	Diploma	Noah H Blackburn	Otago	BCom & BSci
Acacia Flewitt	Auckland	LLB	Ratahi Corbett	Canterbury	BA
Ally Ataria	Massey	BD with Honours	Robert Brownlie	TW	Diploma
Casey Whale	Elite School of Beauty & Spa	Diploma	Ronald Dennis	TW Aotearoa	Cert. L4
Christina McMaster	TW Raukawa	Bilingual Teachers	Sade Connelly	TW Aotearoa	Certificate
Daniel Tauru	TW Aotearoa	Cert.	Seth Joseph Haapu	Auckland	Dclps Psychology
Gisele Howard	Auckland	BSc	Shari Te H R Scanlon	Massey	BAcc
Hannah Huria	NZMA Porirua	Cert. (Health & Wellbeing)	Shelley Akuhata	TW Awanuiarangi	MIndS
Heta Mako	Victoria	BA. Arts	Taiwhenua Edwards	Waikato	B.CSDA
Hineraukura Edwards	Auckland	BHSci	Te Ahumairangi Edwards	Waikato	BHsci
Isiah Anaru Teki	Te Ohomai Institute	Diploma	Nikayla Te W Williams	Waikato	Diploma
Jaimee-Lee Coleman	TW Aotearoa	Cert. L3 & L4	Zane Connolly	TW Aotearoa	Certificate
Jaimee Wharepapa- Gray	TW Aotearoa	Diploma	Chontelle Wallace	TW Raukawa	M.Ed
Jemima Su'a	Auckland	BA. Arts	Patrina Taurua	TW Aotearoa	Masters
Jill Faith Sheehy	Massey	Diploma	Gemma Walsh	Victoria	BA-LLB
Jody-Anne Takiari	TW Raukawa	Poutāhū Whakaakoranga	Ioane Wairua-Pohe Takiari	Te Pūkenga Whanganui UCOL	BA
Matthew K Clark	Waikato	BA	Miles Langford	Massey	BA Sport
Maia Aroha Clark	Victoria	BA. Arts	Lexus Taiwhati	UCOL PN	Diploma
Metina-Hinekorangi Doyle	Victoria	Bcom & LLB			
Mikaere Tohill	Auckland	BA Health Science	<u>Education Year 13 grants</u>		
Ngahua Kawau	TW Raukawa	Masters Education	Evangeline McNeill	St Andrews College	Chch

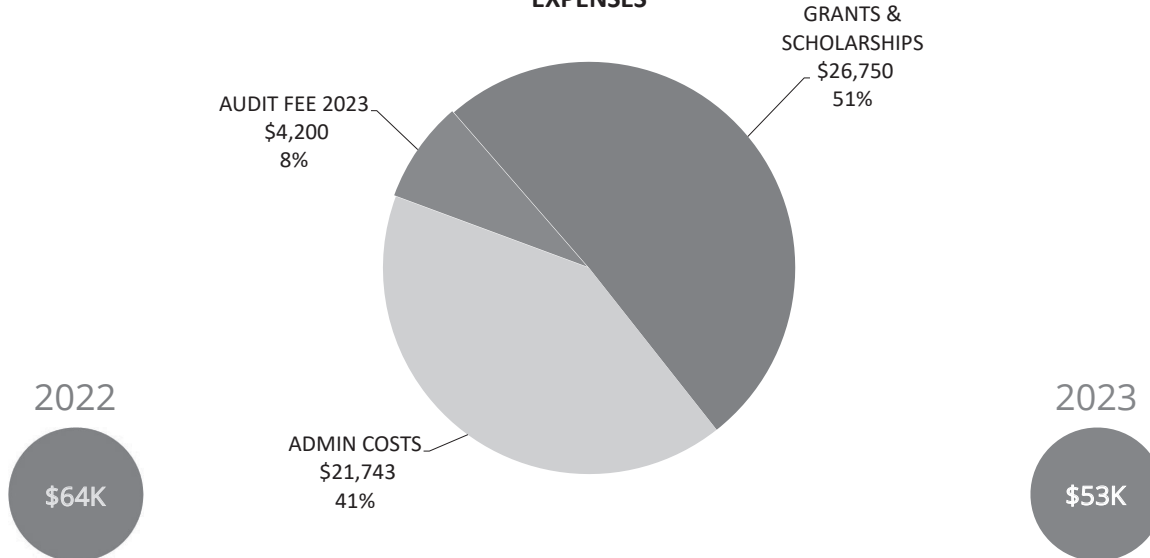
# The Whanganui Trust - Summary

## For the Year ended 30 June 2023

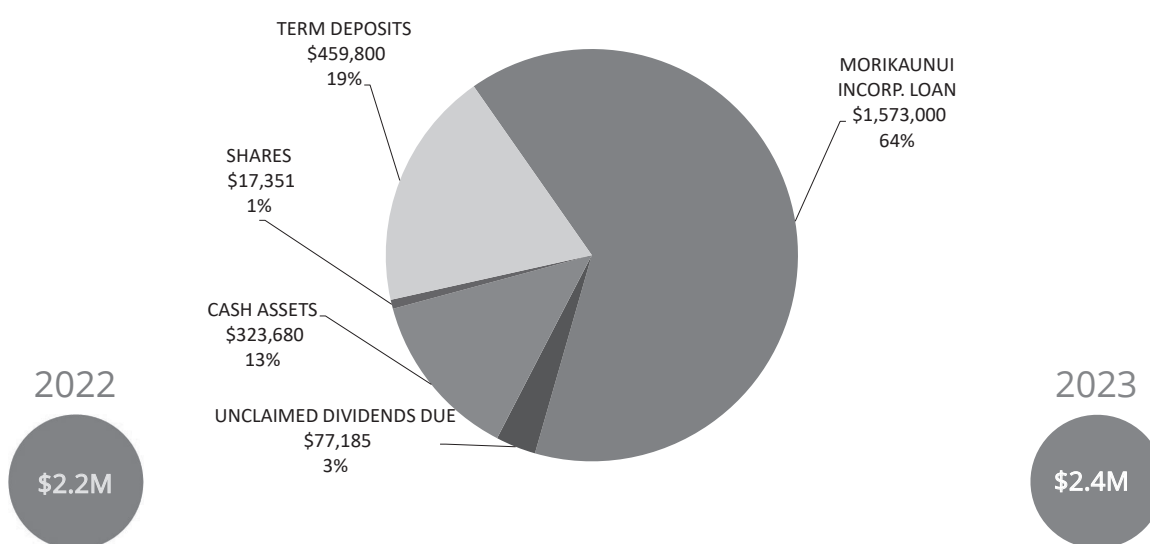
### INCOME



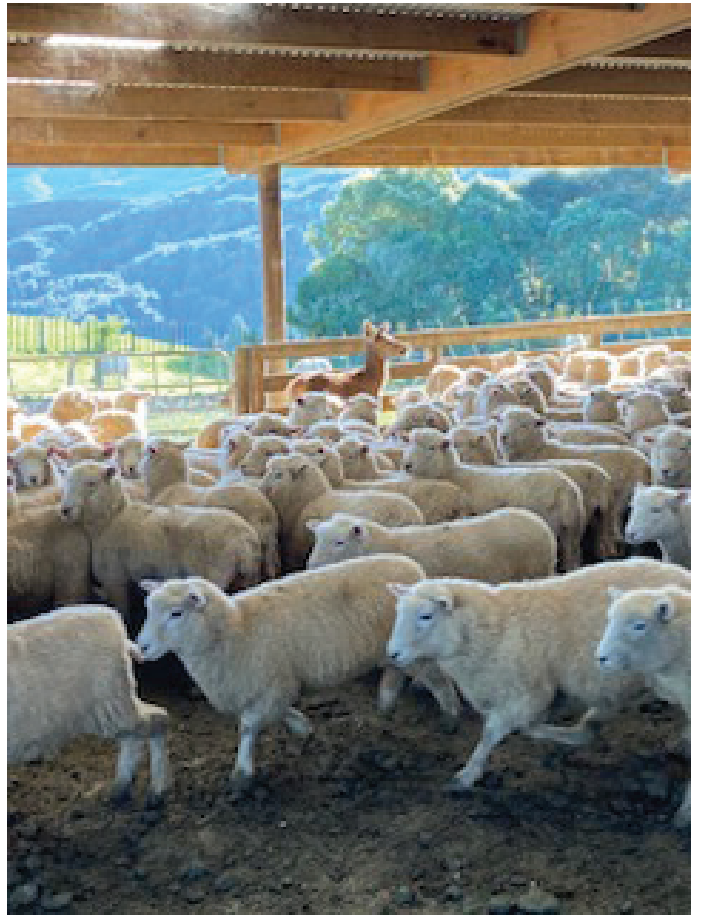
### EXPENSES



### ASSET MIX







## Committee of Management members:



Harvey Bell (Secretary)



Siani Walker



Turama Hawira



Hera Smith



Kataraina Millin



William Konui



Hari Benevides (Ms) (Chairman)



\* Members retiring by rotation are automatically nominated for re-election unless they give notice in writing to the contrary no later than 4:00pm on the last business day of September (ie 30/09/2021, 30/09/2022 and 29/10/2023) in the year that they are due to retire. That is also the date & time by which any nominations must have been received.



PO Box 641, 32 Taupo Quay  
Whanganui  
Kaiwhakahaere: Rehara Tamehana  
Tel: 06 348 7218 [rehara@morikau.nz](mailto:rehara@morikau.nz)

**Morikau.com**