



TE PUURONGO AA TAU A WAIKATO-TAINUI



Waikato-Tainui
Annual Report 2022





He Koorero Naa Te Kiingi

Message from the King

Whakamoemititia te Atua i toona waahi ngaro.

Matua, Tamaiti, Wairua. Paimaarire.

Tāngihia tonutia ngaa mate o te waa. Kei te pae o maumahara tonu a Tumuaki Anaru Tamihana. He momo teeraa koroua, kei te mimiti haere. Kei taku pokowhiwhi kaha, i te ao i te poo, moe mai raa. Otiraa ngaa ringaringa waewae katoa o te Kiingitanga kua huri ki tea o wairua, moe mai raa, haere, whakangaro atu.

Tihei mauri ora, ki te whei ao, ki te ao maarama.

E te iwi, e te motu, e whai ake nei ko te Puurongo-aa-Tau o taku iwi, me aana kamupene, aana waahanga katoa.

The end of another financial year brings about the series of reports that offer a snapshot of our life as an iwi. These reports are largely based around finances. While important and critical for transparency, this is not our entire story. There are always stories in between the lines and graphs. Success of tamariki, rangatahi, pakeke and kaumaatua – these stories, the stories of the heart, are important and need to be captured in the narrative of our iwi.

There is much reflection on Whakatupuranga 2050 and the direction of our iwi. We continue to grow assets and see reports of a growing balance sheet – does this translate and equate to strong marae? Strong in tikanga, reo and facilities? How does the growth of iwi assets lead to a stronger Kiingitanga? Stronger for the people as we journey towards the full restoration of our Mana Motuhake. Growing up our kaumaatua instilled in the next generation a passion for Kiingitanga that is the tuaapapa of everything Waikato. Our unity, our passion, our vision, and our Mana Motuhake is linked to Kiingitanga.

As the Head of the Kiingitanga my thoughts and concern are for our people on the edges, on the fringes; those that the 'system' forgot. How do we bring them to the centre of our being and the middle of our unity? In the tikanga of Poukai we see the strategic vision of Kiingi Taawhiao. A vision that puts pouaru, pani and rawakore at its centre in a very practical way.

A vision led by Kiingitanga, supported by the people and everyone has a role to play to ensure mana is upheld, people are cared for, tikanga is honoured and the ultimate pursuit is for Mana Motuhake.

Poukai is a Kiingitanga strategy that works and doesn't require long paged documents to outline the risks, policies, and procedures. It works because it is led by tikanga and founded in Kiingitanga. As people of the Kiingitanga we are not free to live our lives - we are bound in tikanga left by our tuupuna. Tikanga is the sole and primary guide for a life in the Kiingitanga.

How can our iwi entities be more agile, flexible, and faster? More focused on tikanga and doing what is right for the well-being of the people? How do we connect all of our people into the success of the balance sheet that we see?

Kiingitanga - a life lived in service, tikanga and gratitude. Our prayer for the people is still Mana Motuhake. Our service for the people is still Kiingitanga. Our vision for the people is still our tongikura that guide and sustain us.

E te iwi, kia kotahi mai raa taatou ki te waka o te Kiingitanga.

Whiti ki te tika,

Whiti ki te ora,

Whiti ki te rangimaarie,

Titia iho, au au aue. Ha!

Paimaarire.



Kiingi Tuheitia Pootatau Te Wherowhero VII



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Whakatupuranga 2050

Vision, Mission & Values

Vision

*Maaku anoo e hanga tooku nei whare
Ko ngaa pou oo roto he maahoe, he patatee
Ko te taahuhu, he hiinau
Me whakatupu ki te hua o te rengarenga
Me whakapakari ki te hua o te kawariki*

I shall fashion my own house
The support posts shall be of maahoe, patatee
The ridgepole of hiinau
The inhabitants shall be raised on rengarenga
Nurtured on kawariki

Mission

*Kia tupu, kia hua, kia puaawai
To grow, prosper and sustain*

Ngaa Tikanga Pou

MANAAKITANGA

Ka tautoko i eetehi atu maa ngaa whanonga maarohirohi, ngaakau pai hoki, aa, maa te whakawhitiwhiti koorero teetehi ki teetehi i runga i te ngaakau pai kia aawhina ai taatou i taatou ki te eke panuku, me te aha, ka eke anoo ngaa whakatutukitanga o te iwi.

WHAKAPONO

He hononga riiraa ki te Kiingitanga ka kitea i oona maatauranga, i oona puukenga me te aahua o ana whanonga ki oona hua mahi, ki oona kiritaki me te marea i runga i te atawhaitanga, te tuutohutanga me te ngaakau pono me kore noa e whakapono teetehi ki teetehi.

RANGIMAARIE

E tau ana, e tuwhera ana anoo hoki te ngaakau ki ngaa koorero whakahoki, aarahi, tautoko hoki a eetehi atu. Ka mauritau, ka hinengaro tuwhera, ka aata whakaaro hoki i te waa e whakatau ana i ngaa tono me ngaa wero ka paa mai.

MAHI TAHI

E hiahia ana ki te mahi ngaatahi, ki te whakakaha anoo i eetehi atu ki te mahi ngaatahi me te tuwhera tonu o te hinengaro ki ngaa whakaaro hoo. Ka aawhina ki whakarite i teetehi panonitanga manahau, i eetehi hua whaaiti me teetahi ahurea kounga.

WHAKAITI

Ka manaaki i ngaa whakaaro o eetehi atu, tae atu ki oo te iwi whaanui maa te paatai me te whakarongo ki a raatou me te whiriwhiri anoo i ngaa whakaaro o eeraa e paahekoheko ana raatou kia whai akoranga ai taatou i ngaa mahi o mua hei whakaahua ake i ngaa raa kei te tuu mai.

AROHA

Ka whakarite hononga, ka whai kauanuanu hoki puta noa i te rohe o Waikato maa te whakaatu i te ngaakau pono me te haapai i te mana o aa taatou taahuhu koorero. Ka whakatau i eetehi atu maa te maarama ki oo raatou hiahia me te whiriwhiri tika i ngaa whakaaro 'kia uu tonu ai ki te ara tika.

KOTAHITANGA

E mihi ana, e kauanuanu ana hoki ki too taatou kanorautanga me oona hua maa te whakaatu i oona moohiotanga me toona tuutohutanga ki eetehi atu. Ka whai waahi hoki ki te whakarite rongooa maa te whakarite i te taiao tika e tapatahi ai aa taatou mahi.



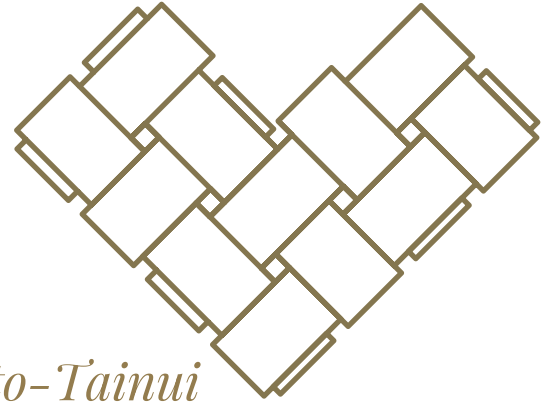
Ngaa Tikanga Pou is an illustration of the Kiingitanga principles. It was designed by Korotangi Paki.

Duan Poaneki *Waipapa Marae*
Duane Kukutai *Te Kotahitanga Marae*



Ngaa Poupou O Waikato-Tainui

Chairs and Chief Executives of Waikato-Tainui



An organisation the size and breadth of Waikato-Tainui requires cohesive, collaborative leadership to drive the change and success that we are seeking on behalf of our people. Ngaa Poupou o Waikato-Tainui is our vehicle to encourage, promote and lead this.

Overseen by the Chair of Te Whakakitenga o Waikato, in FY2022, Ngaa Poupou o Waikato-Tainui comprised the Chief Executives and Chairs of:

- Te Arataura (Executive Board of Te Whakakitenga o Waikato)
- Tainui Group Holdings
- The Office of the Kiingitanga

Ngaa Poupou o Waikato-Tainui are committed to promoting kotahitanga, mahitahi, communication and alignment across the tribal entities. It encourages meaningful collaboration and provides a collective view on the strategic direction of our iwi.

Paimaarire.

Parekawhia McLean

Chair of Te Whakakitenga o Waikato



Parekawhia McLean
Chair of Te Whakakitenga o Waikato



Tukoroirangi Morgan
Chair of Te Arataura



Hinerangi Raumati Tu'ua
Chair of Tainui Group Holdings



Donna Flavell
Chief Executive of Te Whakakitenga o Waikato

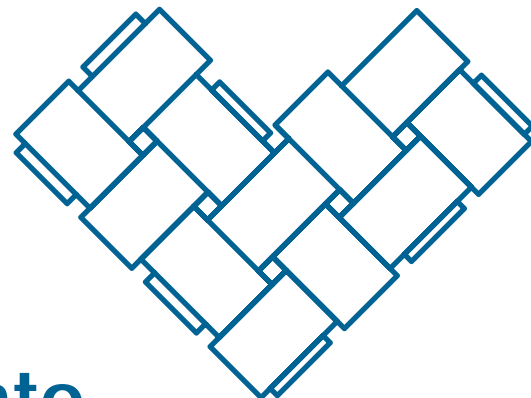


Chris Joblin
Chief Executive of Tainui Group Holdings



Parekawhia McLean
Chair of Te Whakakiteanga o Waikato

Te Puurongo a te Kaihautuu o te Whakakitenga o Waikato



Report of the Chair of Te Whakakitenga o Waikato

Tuia te rangi e tuu nei

Tuia te papa e tiiraha nei

Tuia ngaa iwi e pae nei!

He kura i tangihia, he maimai aroha ki a koutou

Ngaa tini-o-iwi, ngaa mano-o-tangata

Okioki atu raa i roto i te maakohakoha o te waahi ngaro!

Tiihei ki te whei ao ki te ao marama!

E te iwi whaanui teenei au ka mihi! Teenei au ka whakamihia!

Teenei au ka monoa!

It is with pleasure that I receive the 2021-22 Annual Report on behalf of Te Whakakitenga o Waikato and present it to our people for their consideration.

I want to begin by recognising the hard work that management and staff have put in over the last 12 months. It has not been an easy task as we continue to live with the restrictions associated with COVID -19. I am grateful that during this period, our team stepped up to support the incredible efforts of our marae, hapuu and hauora Maori providers. Living with COVID-19 has tested our resilience and I am proud that we were able to make a positive contribution to the oranga of our iwi.

Everyone, including Te Whakakitenga o Waikato, found alternative ways of conducting business to ensure continuity of service. Over the past year, we adapted our own practices and hosted on-line and in person hui. We continued to make decisions and even invited manuhiri into these hui like the Chief District Court Judge Heemi Taumaunu to present on Te Ao Maarama. The fact Te Whakakitenga o Waikato was able to transition seamlessly into this mode of operating is a credit to the members, management and our staff.

One of the roles of Te Whakakitenga o Waikato is to provide our Executive Committee, Te Arataura, with strong strategic direction and support so that we deliver tangible results for our people. This annual report shows we responded to the challenges and delivered where we said we would.

Financials

The financial results are strong, however much of it is made up of property valuation increases rather than cash. This means our priorities going forward will need to reflect the resources that we have available for distribution.

The economy is facing some strong headwinds due to a wide range of global influences and domestic pressures, including cost of living and inflationary pressures.

I am acutely aware that these challenges will remain for at least the next two years. This means we need to look at how we inform the next five-year plan to ensure it reflects the evolving nature of the wider socio-economic and political environment.

Social investment requires us to understand how our tribal business can contribute to influencing central and local government policy, and large infrastructure projects so that our people are actively engaged and in turn directly benefit from these investments.

Te Whakakitenga

I remain impressed with the leadership within Te Whakakitenga o Waikato. This term delivered the most wahine and younger members into the whare. With a diversity of skills, attributes, perspectives, and lived experience it bodes well for the future of the iwi. I have enjoyed the robust debate and quality of discourse from every member of the house. The right of members to express a view on all tribal matters is paramount because ultimately, they represent the voice of their people and marae.

I want to recognise the work carried out by the Whenua Committee over the past 12 months. It was never going to be a simple task of pulling together a policy to direct how we should consider whenua acquisition and disposal. However, the Whenua Committee worked diligently and addressed the matters that they thought were critical to developing a framework and policy for our consideration.

Members of the Whenua Committee included Committee Chair, Nanaia Rawiri (Tikirahi), Hori Awa (Kaitumutumu), Huirama Matatahi (Waahi Paa), Karen Wilson (Puukaki) and Robyn Roa (Kai-a-te-Mata).

The Appointments Committee also had a productive year including the completion of a 'plan on a page' to support the important mahi they undertake, for and on behalf of Te Whakakitenga o Waikato. The Committee is co-chaired by Tori Ngataki (Whaataapaka) and Huirama Matatahi (Waahi Paa) supported by Ikimoke Tamaki-Takarei (Tuurangawaewae), Justine Berryman (Te Kauri), Sheryl Matenga (Waingaroro), and Ngira Simmonds (Kaahui Ariki representative, Deputy Chair Te Arataura)

The Joint Management Accords are another good example of where we have drawn upon the expertise within Te Whakakitenga o Waikato:

Hamilton City Council

- Anaru Adams (Rukumoana)
- Carolyn Hopa (Tauhei)

Waipaa District Council

- Dale-Maree Morgan (Paaraawera)
- Barney Manaia (Kahotea)

Waikato Regional Council

- Norm Hill (Kaitumutumu)
- Jocelyn Berryman (Te Kauri)
- Moana Hamana (Raakaunui)



Conclusion

Overall, I am pleased with how we have managed and responded to the challenges and opportunities over the past 12 months. These are reflected in the investments and outcomes highlighted in this annual report. Our extensive work programme represents the maturity of a post settlement entity with 27 years' experience now.

Over the past year, and indeed a number of years, many of our people have been appointed to influential leadership roles across the public and private sector. A reflection, I believe of the investment we made into succession planning and the capability within the iwi. While the returns might not be immediate their presence provides a perspective that drives transformational change to benefit not just Waikato but iwi Maori across the motu. This is critical because change will only occur if it's driven by strong leadership and direction.

Our tribal experts have influenced the design and direction of the Pae Ora Reforms through Te Whatu Ora | Health NZ, Te Aka Whai Ora Maori Health Authority, ACC, Tax Review, Maori Media Sector Review, Maori Medium Education Review, Natural Resources, Primary Industries as well as a range of other sectors. Looking ahead, we will continue to promote tribal members with expertise as change agents and to extend our influence in a meaningful and mana enhancing way.

It is a privilege and an honour to be the Chair of Te Whakakitenga o Waikato. A role that depends on the goodwill and support of many others. I acknowledge Kiingi Tuheitia for his ongoing leadership and guidance to us all. E te Kiingi, teenei ka mihi atu ki a koe.

To the Chairs' of Te Arataura - Linda Te Aho and Tukoroirangi Morgan, I thank you both for your steadfast commitment to working in the best interests of our people.

I also acknowledge the Chair of Tainui Group Holdings, Hinerangi Raumati-Tu'a and Chair of the Waikato Endowed Colleges Trust, Dr Marama Muru-Lanning for your dedication and inspirational leadership of your respective entities. Last but not least, I thank management and all our staff for the relentless energy, commitment, and purpose that you bring daily to your mahi and to building a better future for our iwi.

Maa taatou katoa e piikau nei ngaa toimahatanga o te waa i raro iho i te mana o te Kiingi - kia eke panuku, kia eke tangaroa - hui ee! Taaki ee!

A handwritten signature in black ink, appearing to read 'P. McLean'.

Chair, Te Whakakitenga o Waikato



Mahia te mahi,
hei painga mo te iwi



(front) Joshua Rawiri-King *Te Kaharoa (Aramiro) Marae*
(back) Jacob Douglas *Te Kuuiti Paa*

Ngaa Tohu Framework



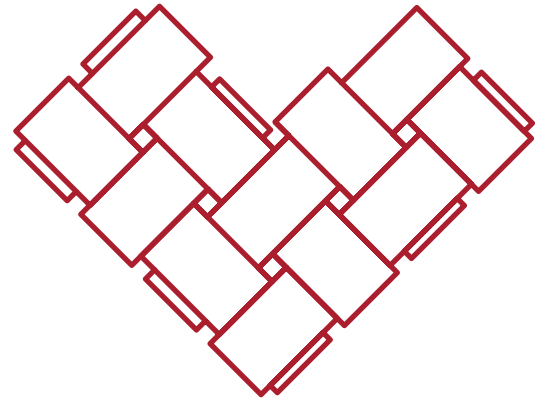


*Donna Flavell, Chief Executive of Te Whakakitenga o Waikato
Tukoroirangi Morgan, Chair of Te Arataura*



Te Puurongo a Te Arataura

Report of Te Arataura



“...Teenei ka noho ka hihiri ngaakau o taangata

Ki te mahi e takoto mai nei

Ki konaa te raurau tupu noa mai ai

Kia piki ake au ki runga te kiritai...”

Mairanga ake te kupu tapu ki a ia te mana mutunga kore, aa, ka tau mai ngoona tauwhirotanga ki runga ki te whenua, ki runga anoo hoki ki a Kiingi Tuheitia Pootatau Te Wherohero VII.

E kore e oti noa te mooteatea o te whatumanawa ki te iti me te rahi kua riro ki te poo – waituhi ki te rangi e kitea, waituhi ki te ngaakau e kore e kitea!

Hiinei te whakamaanawa atu ki a koutou katoa ngaa mahuetanga iho – teena koutou otiraa teena taatou katoa – paimaarire!

When Te Puea uttered those familiar words “mahia ngaa mahi hei painga moo te Iwi” it was a call for unity and to think about community and service rather than self. We both want to recognise our staff and management and the massive efforts that they have played in the last 12 months over some very tough working conditions.

Your combined efforts are not lost on your governors and so we want to thank you all for being there for our people. You epitomise her words and provide a contemporary context which reminds us of our most fundamental Kiingitanga principles.

I also want to recognise Linda Te Aho for her significant contribution during the 2021-22 financial year. Linda was at the helm as Chair for the most part of this reporting period and we are very fortunate that she has stayed on as a member of Te Arataura. She has provided valuable guidance, context and will continue to do so for the duration of her term. We also want to acknowledge and recognise Marae Tukere and Jason Ake who were leading the management of the organisation for six months of the financial year. They have both done a formidable job and ensured our ambitious work programme was effectively delivered.

It is with pleasure that we present the annual position to Te Whakakitenga o Waikato for the 2021-2022 financial year.

The theme of this report is Whakatupuranga 2050. Whakatupuranga 2050 was adopted in 2007 as our high-level tribal blueprint towards marae achieving mana motuhake. It is worth reminding ourselves that we committed to this pathway and while we might review its implementation, the strategic direction is as relevant now as it was 15 years ago.

- i) To retain our historical role as Kaitiaki o te Kiingitanga**
- ii) To ensure Kiingitanga remains an eternal symbol of unity**
- iii) To preserve our tribal heritage, reo and tikanga**

- iv) **To grow our tribal estate and manage our natural resources**
- v) **To succeed in all forms of education and training**
- vi) **To be global leaders in research excellence**
- vii) **To grow leaders**
- viii) **To develop self-sufficient marae**
- ix) **To advance the social development of our people**
- x) **To develop and sustain our economic capacity**

Te Whakakitenga has a much more youthful demographic and gender make up and so it is always useful to reflect on these fundamental documents as we chart a new pathway forward. Many of the members of the house have been familiarising themselves with the vision and commitments that are set out in Whakatupuranga 2050.

The objectives that underpin Whakatupuranga 2050 are fairly universal in nature and commit us to a work programme that is reflective of those principles. The world has a funny way of throwing a curve ball our way and in the last two years this has been in the form of a world-wide pandemic. We will address that in more detail later in this report but having a high-level document like Whakatupuranga 2050 allowed us to face the last 12 months with a clear direction and purpose.

We encourage all of our whaanau members to familiarise themselves with the visionary direction as set out in Whakatupuranga 2050. Everything that we do should have a clear pathway back to that document.

Financial Performance

In the year to 31 March 2022, our financial performance enabled us to distribute \$36m across a range of priority areas including \$3m toward marae dividends.

Consolidated position resulted in a net surplus of \$311m up from \$109m. Approximately, \$287.9m of the \$311m is due to valuation uplift and is not cash.

Our total liabilities increased to \$293m from \$201m.

Tribal assets as a whole have grown by \$449m to \$1.978b and total equity is \$1.685b.

The TGH distribution from TGH is \$14m made up of a \$10.5m dividend and a \$3.5m divestment of WT Global shares.

COVID Response

COVID-19 has played a significant role in determining our direction over the reporting period. It also forced us to take a more agile and pragmatic approach to both leading and responding to what became a rapidly evolving environment.

The organisation has built strong foundational relationships, and this positioned us well to engage directly with Ministers and agencies to ensure our unique voice was not only heard but resonated and actioned.

During the final quarter in 2022 we advocated for our providers who needed access to RAT tests. Within days Hopuhopu was set up to hold around 600,000 RAT tests for distribution to our front-line services. This combined with \$4m of funding that we procured directly from the Government, helped support them to build their own internal service capability. This was delivered to our marae and communities either directly or via our hauora providers. It demonstrated the value in partnering with a single focus underpinned by our King's tongikura "Amohia ake te ora o te iwi, ka puta ki te whei ao."

Government Reform: *Three Waters, Resource Management, Maaori Health Authority*

The last 12 months have been populated with some fairly significant government reform issues that will continue on for the next 12 months. All of these issues will impact our people and set the platform for how our issues will be addressed for the next decade at least.

During the first quarter of last year we began the process of positioning the organisation to respond to the Government's Three Waters and Resource Management (RMA) reform process. It was critical that we engaged to protect the integrity of our Waikato River treaty settlement and to ensure our voice was amplified in the policy development processes.

The Waikato River Settlement is unique and substantially alters the way in which the RMA (and other relevant statutes) apply and operate within the Waikato region. As such, the proposed RMA Reforms have more significant implications for the Waikato region and the Waikato River Settlement than any other region or Treaty settlement in the country.

Any amendments to the RMA provisions will inevitably impact on our awa and consequently our people, which is why we have taken a proactive approach to this legislative reset. Therefore, our contribution has been reflective of the extremely high expectations that have already been established in our Settlement and ensuring that the redress mechanisms are upheld in the new regime. Anything short of this, will mean Waikato-Tainui will take all action necessary to ensure our rights and interests are recognised and protected.

The Government plan to create four publicly owned entities that will oversee drinking water, wastewater and stormwater infrastructure across the country. Boards will be appointed to manage them and will include representatives from Maaori, councils and water infrastructure experts.

Three Waters reform is an attempt to address the historic underinvestment in three waters across NZ (investment between \$120 billion to \$185 billion in three water infrastructures is estimated over the next 30 years). The four new water services entities will traverse the whole of the country and the map (above) depicts the geographical area for each of the entities. Waikato-Tainui rohe extends across both Entities A & B and we have been actively involved in shaping the two entities. The new entities are to be established by 1 July 2024.

The last 12 months has also seen the Government introduce a swathe of changes to the health sector. It is a space that we have shared interests because we require radical change rather than passive movement in the system.

The Maaori Health Authority represents an opportunity to stand up our own Koiora strategy, because the current structure has consistently failed to address the inequities that exist in the systems. We will continue to advocate strongly in the 2022-23 financial year.

Local and Regional Government

We maintain an active presence in all our local government relationships.

During the first quarter of last year we challenged the Hamilton City Council around its decision to delay the introduction of Maaori wards in time for the 2022 local government elections. We are pleased they revisited that decision consistent with the positions adopted by Waikato Regional Council, Waikato District Council, Waipaa District Council, Otorohanga District Council and Matamata-Piako District Council. Waitomo will follow in 2025.

We have a number of Joint Management Agreements with the various councils and retain a very active interest in representing a tribal perspective on these committees. Of particular interest has been our position around water with councils playing a key role in allocation while acting as the conduit to regulate usage.



We see our input here as critical for a number of reasons:

- **To protect our rights and interests in freshwater.**
- **To ensure our Waikato River Settlement mechanisms are upheld through the implementation of any new reforms.**
- **To reduce the ongoing pressure on our awa to support development. Alternative sources need to be explored and advanced to protect the overall health and wellbeing of our awa.**
- **There will be a number of new regulatory requirements that will be imposed on our marae and the potential impacts need to be mitigated as much as possible.**

Treaty Settlements

We continue to advance the outstanding Harbours settlement negotiations with the Crown. It remains unfinished business from our 1995 Raupatu Settlement which has meant embarking on a comprehensive round of engagements with our whaanau around Kaawhia, Aotea, Whaingaroa and Manukau harbours.

We have also been involved in Relativity discussions with the Crown. We disagreed with the Crown's formula on how they quantified the relativity figure and triggered a binding mediation process to challenge their determination. The Court agreed with aspects of our claim and this will now form an important aspect of how they calculate any future relativity redress items.

Education

Reducing a transactional approach between iwi and the Ministry of Education is one of several priorities to drive a collective agreement that Waikato-Tainui, Ngaati Tuuwharetoa and Ngaati Raukawa (Ngaai Iwi) have signed with the Government department.

At a special ceremony hosted at Waihi Marae, the three iwi signed a Kawenata with the Ministry of Education. The Tiriti-based relationship agreement is guided by iwi aspirations for education:

- **Ko te Mana Maatauranga**
- **Kia Tuuwharetoa ki te ao**
- **Raukawa Kia Mau, Kia Ora**

In the first year, the three-iwi received \$1.3 million to begin to develop our Puna Maatauranga, our own Marautanga to develop our own rauemi (resources), and to deliver our own waananga in our own spaces. We have also developed an equitable funding framework, to enable the sustainability of resourcing from the Ministry of Education in perpetuity.

The Associate Minister Kelvin Davis said, "currently educational priorities are Ministry driven and transactional costs are high on both sides. Tuuwharetoa, Raukawa and Waikato-Tainui span four Ministry regions, and their priorities align with multiple Ministry groups. While the Ministry can build capacity to service these contracts, Ngaai Iwi has fewer resources".

The Kawenata outlines a number of high-level principles and strategic aims that the Ministry and iwi have agreed to work towards including co-designing a framework between parties to shape and deliver initiatives for Maori learner success and resourcing the growth of our own Puna Maatauranga within our learners and tamariki.

Housing Workshops

The home ownership opportunities across the housing continuum Tooku Nei Whare - Home Ownership Workshops, continue with the delivery of our workshops this financial year. These workshops would normally be held in person at our Bryce Street offices or out at Hopuhopu, however the alert levels required us to move the workshops online which still worked well for our whaanau and increased participation.

The free workshops cover everything from getting your finances in order, to how to deal with banks, lawyers, and insurers all the way through to the process of purchasing a whare and managing your mortgage and rates. These workshops are a key contribution that we make to supporting whaanau into home ownership.

We delivered four online workshops and 53 tribal members were in attendance. Our hope is that we can get a better conversion rate of those who register to attend the workshops as the rate is quite low. We are investigating different ways to improve this and reviewing our post-workshop survey data to inform our future direction.

Te Mauri Paihere ki Mangakootukutuku (Weaving Life Principles), is a unique partnership which reflects the vision of Kiingi Tuheitia Pootatau Te Wherowhero VII, alongside Waikato-Tainui, Kaainga Ora – Homes and Communities and Ara Poutama Aotearoa – Department of Corrections.

In August 2021, resource consent was lodged, and we can now advise that Hamilton City Council has granted resource consent for this development, which means plans can continue to progress. Te Mauri Paihere ki Mangakootukutuku is progressing the following:

- **A safe and caring kaupapa Maaori-led support and environment which will be for those in need of housing**
- **The build of 47 new, warm, dry, modern homes**
- **This will include 16 homes for waahine who will have recently left a corrections facility, to support them to reintegrate into the community**
- **The homes will be fully insulated, with double glazing, carpets and curtains, will be built to a 6 Homestar rating and will be compliant with the Healthy Homes Standards**
- **The development will include outside maara kai areas, landscaping and plantings, off-street parking and designated rubbish and recycling storage bin areas.**

We have been in ongoing negotiations with Kaainga Ora and the Ministry of Housing and Urban Development around a master plan for Hopuhopu and these discussions will continue into the next financial year. It is our intention to confirm a significant housing project at Hopuhopu.

Whanake Business Support

We continued with supporting our growing pakihi through our partnership with Poutama and the offering of the Business Growth Grant. This fund is specifically targeted at our pakihi that are well established and looking at growing. Through us and Poutama, pakihi can apply for support to grow their business whether it is by purchasing a much-needed asset or service.

One pakihi in particular that we were able to support recently was Roa Kombucha, a tribally owned Kombucha brewing business that pride themselves in providing the best tasting Kombucha in Aotearoa. With a strong focus on their whakatauaakii - "He Hauora te Taonga!", the ora and wellbeing of whaanau, hapuu and iwi.

Employment Opportunities

The journey to meaningful and sustainable employment continues to become a reality for tribal members. Te Rau Mahi, the Waikato-Tainui iwi employment portal, has been a successful tool with supporting and connecting job seeking tribal members to key partners of Waikato-Tainui and their employment opportunities offered.

When it came to securing employment, through Te Rau Mahi we were able to identify who of our whaanau were looking for employment, their skillsets and employment industries they were interested in.

We provided advice and support to whaanau applying for roles within Te Rau Mahi, with the aim of successfully securing employment. "When one whaanau member succeeds, we all succeed".

To date - Te Rau Mahi has over 1,500 tribal members registered to the portal, 174 organisations committed to providing opportunities to our uri, and 214 employment opportunities advertised across all industries. Although these are unprecedented times for our iwi, our Education and Pathways team continued to provide ongoing support for all tribal members seeking employment.

Marae Insurance

Waikato-Tainui has an insurance programme to ensure our marae have insurance that is affordable and offers peace of mind. The insurance year for the marae insurance is July to June; we currently utilise Chubb Insurance (through Willis Tower Watson, the broker) who have endeavoured to offer us a competitive package for comprehensive cover.

Willis Towers Watson approached other insurers to look at comparative costs. Chubb remains the most competitive overall. It was noted that our long relationship and combined insurance products with Chubb have enabled them to provide very competitive rates.

The premium for Marae Insurance has increased from FY2021; a modest 4.94% increase. The Paa Whakawairua team engaged with marae to complete the approval process.

Willis Tower Watson produces an insurance manual for each marae and it is provided to each individual marae to confirm details of their cover.

Some key highlights of our insurance cover:

- **Do we have cover for Taonga?**

Yes, taonga is specifically insured.

- **Do all the marae qualify for the cover?**

Yes, all our 68 marae are eligible.

Our Nursery

The Native Nursery has successfully grown to accommodate the business strategy implemented in FY22 enabling us to leverage the tribe's relationships to help grow the industry, support training and development, as well as pathways to employment and work experience. Education and qualification support are also a priority in future deliverables.

The nursery has since secured one of several supply contracts to the value of \$3.8 million. These contracts have enabled partnerships and contracts with other tribal nurseries, contractors and employees to ensure long term success for future opportunities.

- **Operating as a social, cultural, and environmental ecosystem through day-to-day processes and active connectivity between people and whenua**
- **Actively reflects our role as Kaitiaki in how it functions, looks and interacts with the whenua**
- **Achieving a careful balance between environmental, cultural and commercial self-sustainability**
- **Prioritising a nurturing environment for people and ecology through active training opportunities and successful ecologically sound commercial practice**



Taonga Protection

Our Heritage and Identity team had a number of initiatives this year concentrating on Taonga Protection. We are fortunate to have Dr Rangī Te Kanawa (Te Kuūiti Paa) regularly providing training and development for staff on conservation techniques and supported training of 24 tribal members in protection and conservation of textiles and documents.

The team is also collaborating with Te Papa Taonga Consultant, Hikitia Harawira (Mootakotako Marae) providing catalogue and database reviews to ensure these are fit for the proposed Whare Taonga as part of the Hopuhopu Development Project.

VHS Digitisation

The Archives Team have acquired two VHS and Audio digitisation machines to support the large amount of digitisation activity within the five-year plan. The systems have been procured via a relationship with Ngāa Taonga Sound & Vision to protect and restore digital taonga. With an average life span of 20 years, many whānau may be holding onto VHS and audio tapes at home that may be due to expire or succumb to dust and mould.

The team currently has nearly hundreds of VHS and cassette tapes to digitise and have bought on an intern to support the mahi. An example of Collections being digitised is the collection of tribal videographer of many Poukai over a span of 20 years, Anaru Thompson from Ngaatira Marae. Archives Manager, Charles Willison says the quality of tapes being digitised are astounding and is testament to the taonga that they are for future generations.

Ruku Kai Waananga

The second Ruku Kai Waananga was completed in FY22 with all participants completing their free dive and scuba certifications. The programme began in 2021 to support tribal members nominated by their marae to complete their certifications and provide techniques to dive safely. The programme has also created a network of tribal members passionate about diving and they're catching up regularly to support kaupapa around the Rohe.

Programme Lead, Mahana Toka (Waahi Paa), says it's been a privilege to spend time with these whānau who keep our marae ticking along. Information on the next programme will be available in the coming months. All registrations need to be via marae trustees to ensure the programme meets its target of two qualified divers per marae.



Automation to Increase Efficiencies

The Grants and Data Teams have been working together over the past year to implement a number of automations into the Salesforce system that is used to manage grant applications. The number of applications per month has grown exponentially, so automations will allow the team to work smarter.

Tribal Connection Lead, Te Marae Tapara says with all of the new technologies available to us, it's important that we maintain a high quality of connection with our tribal members so we're working together to find a balance that suits our model of service. Our kaumaatua especially appreciate speaking to a human, so automations allow our team to concentrate on connection rather than transaction. Automations will also make it easier for tribal members to apply for grants using the online portal, confirm bank accounts for payment and increase the number of applications that can be processed in a day.

Aukaha

If you have been keeping an eye on our social media presence, then you will have noticed Aukaha which is a collaborative news service. It has been broadcasting weekly on its own platforms as well and Maaori Television bringing you stories of our people over the past year. All of those stories are now available on our shared platforms and act as time sensitive repositories of our people and kaupapa.

Tira Hoe

And finally, who can forget our tribal Tira Hoe which had to be completed in two phases. The initial leg was postponed after one of the participants caught COVID-19 and so we temporarily halted the kaupapa in line with our COVID health and safety plan. After the monthlong stand-down we reset and finished the kaupapa. For many of the participants it was a life changing experience filled with fun, laughter, tears, reflection but most of all whanaungatanga. Photos of our Tira Hoe attendees are included throughout this report to capture those moments in full glory.

Whakahirahira ana te manawa, kua tatuu taatou ki teenei waahi kotahi, ahakoa ngaa aupiki me ngaa auheke o te waa! Puutahitanga! Puuaroha! Puutake - he kotahitanga teenei - whaia rawatia!

Paimaairere!

Tukoroirangi Morgan
Chair - Te Arataura

Donna Flavell
Chief Executive Officer

Te Arataura

Board Meetings, Subcommittees and Joint Management Agreements (JMA's) with Councils

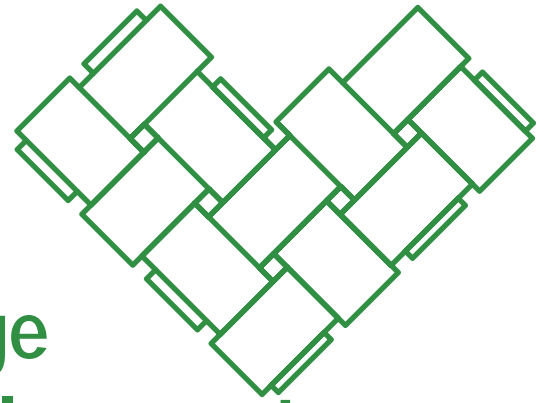
Member	Te Arataura Mtgs		Group Audit & Risk		Group Investment		Te Roopuu Wai		Distributions	
	attended	possible	attended	possible	attended	possible	attended	possible	attended	possible
Linda Te Aho (Chair)	16	16	4	5	10	10	3	3		
Ngira Simmonds (Deputy Chair, Kaahui Ariki Representative)	16	16								
Donald Turner	16	16							11	12
Hinerangi Raumati-Tu'ua	16	16	5	5						
Huirama Matatahi	14	16					3	3	11	12
Jackie Colliar	16	16	2	5			3	3		
Maxine Graham	16	16	5	5	9	10	2	3	12	12
Rangitamoana Wilson	16	16							12	12
Tori Ngataki	15	16	4	5						
Tukoroirangi Morgan	15	16					1	1		
Vanessa Clark	16	16			10	10				

Member	Whenua		Appointments		Waikato Regional Council JMA		Waipaa District Council JMA		Waikato District Council JMA		Hamilton City Council JMA	
	attended	possible	attended	possible	attended	possible	attended	possible	attended	possible	attended	possible
Linda Te Aho							2	2			6	6
Ngira Simmonds			3	8								
Donald Turner					3	3					6	6
Hinerangi Raumati-Tu'ua	2	2							2	2		
Huirama Matatahi					1	3			2	2		
Jackie Colliar					3	3	2	2				
Maxine Graham												
Rangitamoana Wilson									1	2		
Tori Ngataki												
Tukoroirangi Morgan												
Vanessa Clark											4	6

Te Whakakitenga o Waikato Representatives	Waikato Regional Council JMA		Waipaa District Council JMA		Waikato District Council JMA		Hamilton City Council JMA	
	attended	possible	attended	possible	attended	possible	attended	possible
Norman Hill	2	2						
Jocelyn Berryman	2	2						
Dale Maree Morgan					1	1		
Barney Manaia					1	1		
Carolyn Hopa							3	3
Anaru Adams							3	3



*Dr. Marama Muri-Lanning, Chair of Waikato
Tāinui College for Research and Development*



Te Puurongo a Waikato-Tainui College for Research and Development

Report of the Waikato-Tainui College for Research and Development

Strategic Plan FY23

The following provides an update of the key activities that were in the plan for the period April - September 2022.

College put into recess

- This activity was completed in April 2022, with the last of the affected staff leaving before the end of that month. Where possible, and desired, support was provided to these kaimahi.
- Both the Caretaker/ Groundsman and Cleaner were retained to ensure that the College is being maintained during the recess, with ongoing communications with the Board Chair to ensure they feel valued during this period and to understand what is being done.
- A decision has been made that the College will slowly emerge from the recess post the upcoming Koroneihana.

Tooakiaki Roopuu - work plan developed and agreed to

- Tooakiaki Roopuu established, and a smaller number of trustees were retained from the previous full board for the period of the recess.

Budget approval - from Te Arataura and Te Whakakitenga o Waikato

This was approved in May 2022, we have received \$360k of the agreed funds but await the final payment of \$190k.

Kaimahi - Recruitment of key researchers

- In the original plan, our desire was to recruit a Lead Researcher and Research Team immediately. Having engaged with iwi members on their desired research needs, while also connecting in with local tribal researchers, we are going to start smaller.
- We will initially appoint two researchers who will work on a small number of defined projects in the previously agreed wai/water space.
- This will allow the Board Chair to work closely with these individuals to ensure that there is an agreed level of rigour brought to these projects, defined outcomes are met, and tribal value is delivered.
- The team will evolve once these foundations are in place, allowing it to grow into more substantial research projects.



Engagement Plan – Waikato-Tainui research networks and external entities invited to hui and co-design research projects

- A preliminary hui between Watercare Infrastructure Chair (Prof Kobus van Zyl), Head of Research at University of Waikato (Prof Briony James) and University of Auckland (Prof Simon Holdaway) with Tukoroirangi Morgan and College Trustees will be organised to discuss the two universities support of Waikato-Tainui College's research programme going forward. The key to this discussion will be how they could support our vision and how we might go forward as partners in some areas of water research.
- We are potentially looking to repeat the hui with NIWA, WRA, Te Waananga o Aotearoa and Te Whare Waananga o Awanuiaarangi.

Rangahau – Programme for Wai Maaori and Hauora Maaori confirmed

- Meet with Tukoroirangi Morgan to discuss funding opportunities with Watercare around relevant research.
- Early engagements with relevant entities about hosting water symposiums at the College in 2023.

Financial Sustainability – Financial advice from Baker Tilly and the completion of the PWC Audit

- **SIPO** – \$19M from the endowment has been invested with our group brokers and while the markets have been very volatile, we are confident the funds are being prudently managed. As the markets rebound so too will the returns, providing the College with a funding stream that has not previously been available. As previously stated, the \$19M principal will not be touched to cover any form of expenditure. We retain \$700K in an ASB fixed term deposit and this will be transferred to the investment fund.
- **Audit** – Baker Tilly and PWC have now completed the audit. While the treatment of the endowment was seen as a significant positive, there were a number of red flags that were raised in relation to the financial rigour that had previously existed within the College. Baker Tilly is now working with the Board Chair and Trustees to put in place the necessary processes/systems to ensure that these issues will not occur again.
- **Operational Expenditure** – with limited activity on site, it has allowed a closer look at all operational costs as it has been clear that these have not been reviewed in some years. Where relevant contracts have been ceased (e.g. leased cars, bottled water, plants) or reduced (e.g. cleaning, telecommunications), while other fixed costs remain but conversations are occurring with vendors about the most appropriate model moving forward (e.g. Meridian, ASB Bank). We have had to invest in renewing some technology infrastructure as prior technology being used was ceasing to operate from August 2022, but we have worked with Spark to ensure this upgrade is being done in the most cost-effective manner.
- **Building/ Landlord Costs** – in reviewing total spend during the last FY we identified all building related costs were being paid by the College. We have agreed with the WRLT that these historic costs would not only be reimbursed but moving forward would be paid directly by the landlord.

Operational Updates

Health and Safety

In line with the longer-term repairs and maintenance plan, work has commenced to address some of the more significant items that are now more easily remedied while the building is essentially vacant. This work is being driven/funded by the WRLT Property Team given they are the landlords.

With minimal staff onsite a risk was identified around the safety of kaimahi. This was discussed with them both and a plan agreed to ensure any risk was mitigated.

Naaku noa, naa



Dr Marama Muru-Lanning
Chair

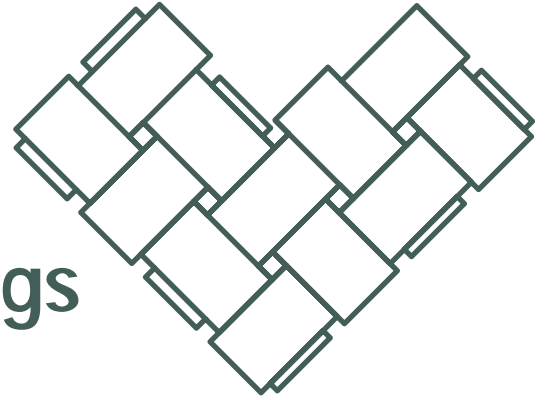




Hinerangi Raumati Tu'ua, *Chair of Tainui Group Holdings*
Chris Joblin, *Chief Executive of Tainui Group Holdings*

Te Puurongo a Tainui Group Holdings

Report of Tainui Group Holdings



Kia tuupara te hoe kia tau ki te pae

He ihiihi nuku, he ihiihi rangi

Whakatupu rawa, whakatupu tangata

Amohia ake te ora o te iwi, ka puta ki te whei ao

Taaparatia te maahina, he puurangi, he maaneanea

He kupu koorero, he kupu tohutohu

I ngaa waa o te raru, i ngaa waa o te pai

Teenei maatou e takatakahia nei te ara whai hua

Moo te iwi, moo teenei raa haere ake nei

Teena koutou katoa

The theme for this year's Annual Report – Whakatupuranga 2050 – encourages us to reflect on our role as the commercial entity of Waikato-Tainui and the contribution we are making to the aspirational vision held by our iwi for our people.

At the heart of Tainui Group Holdings' (TGH) success is the original endowment from the 1995 Raupatu Settlement which encapsulated those aspirations and a willingness to move forward out of grievance towards progress.

Growth, moving forward, progress. These have all featured strongly in the performance of TGH over the past financial year, highlighted by the commencement of our new role as Chief Investment Officer for Waikato-Tainui and advancements across the majority of asset sectors. TGH is now a company with a total asset value of \$1.40b and it is this growing asset base that will continue to fuel our journey towards Whakatupuranga 2050.

PUNA WHAKATUPU TANGATA

Iwi Investment Framework

We have made significant progress in the first of a two-year transition to implementation of Puna Whakatupu Tangata (Puna). All four tribal funds have now been invested in accordance with the transitional rules set and governed by Te Arataura.

The Waikato Raupatu Lands Trust fund (which includes TGH) performed exceptionally well with a 30.2% return for FY22. We are pleased with this performance given the recent downturn in global markets, and it underscores the importance of a diversified asset portfolio. The remaining funds (River Initiatives Fund, Co-Management Fund, Sir Robert Mahuta Endowment Fund) have higher exposure levels in global shares and bonds and have each returned -2.0%, -2.0% and -0.4% respectively. This performance has been impacted by the market volatility however, in accordance with our long-term investment beliefs, we expect these to improve over time. A detailed summary of the CIO performance is included further in this report.

Investing tribal assets collectively is a new approach for our iwi. We are progressively understanding the nuances and intent of the PWT framework and other relevant policy documents, such as the Whenua Policy, and how these are to be applied within a complex investment environment.

Looking ahead, there are major strategic business decisions that will need to be made. We are undertaking a concerted effort to offer Te Whakakitenga members the opportunity to increase their understanding of PWT so that they have the information they need for the decisions they will make on behalf of marae.

RUAKURA SUPERHUB

Ruakura Superhub is TGH's largest ever development and our best example of an intergenerational asset that will lead long-term economic sustainability. Stage one of this 30-year project will open in late 2022. Tenant leases secured so far, and the responses received from prospective tenants have confirmed the viability of the development and we look forward to further tenancy announcements to come.

Ruakura's growth in value for this financial year is the most significant contributor to the record profit result we are announcing. This result is a testament to the efforts of our team and those kaimahi over the last 16 years who have contributed to transforming Ruakura from a rural block into a pre-eminent inland port, logistics and industrial development.

While we acknowledge Ruakura's success to date, we are focussed on how we balance a diverse investment portfolio to meet the requirements of Puna Whakatupu Tangata and growing our cash earnings.

NGAA HUA-AA-TAHUA Financial Performance

The following financial results relate to the performance of TGH-owned assets (as normally reported) and do not include the WRLT global equities returns.

We are reporting a Net Profit after tax of \$269.7m for the FY22 year. This is up from \$125.3m last year and, like that result and as signalled above, is driven by a \$265.7m increase in asset values. It does not represent a significant increase in cash earnings. Operating Profit of \$4.0m makes up the remainder of the Net Profit result.

Revenue is \$65.4m (up from \$59.3m), Total Asset Value is \$1.40b (up from \$1.04b), Total Equity is \$1.12b (up from \$848.4m) and Total Debt is \$215.0m (up from \$130.8m). This debt increase is a result of capital expenditure across Ruakura Superhub, ACC and Te Arikiniui Pullman Auckland Airport Hotel.

Distribution (annual cash payment to our iwi) is \$14.0m which is made up of \$10.5m from TGH managed assets and \$3.5m from global equities. This compares to \$13.3m in FY21. TGH also provides in-kind support services, including rent abatements, to Waikato Raupatu Lands Trust valued at \$1.0m.

WHAKATUPU COMMERCIAL FRAMEWORK

We have a uniquely different worldview as iwi and this includes how we want to conduct business. Tikanga and social outcomes are important factors in decision-making. In our commercial partnerships we are seeking long-lasting mutual relationships that offer holistic outcomes as well as financial gains.



This is a perspective that we have now articulated with 'Whakatupu', a new commercial framework anchored by four pou to guide and inform decision-making and how we work. We have drawn the pou - Mana Motuhake, Kaitiakitanga, Whakatupu Tangata, and Whakatupu Rawa - from the Puna Whakatupu Tangata strategy to ensure alignment with Waikato-Tainui. 'Whakatupu' is the overarching TGH framework under which all other frameworks will link. If an opportunity, strategy, or direction cannot fit within the Whakatupu Commercial Framework then it is unlikely to be undertaken.

HE MANAWA-AA-WHENUA Kaitiakitanga Strategy

Kaitiakitanga for TGH includes whenua sustainability and financial prosperity entwined with social, environmental, and cultural priorities.

He waihoopuapua ka mimiti i te raa

Ko te wai a Rona he manawa-aa-whenua e kore e mimiti

He-Manawa-aa-Whenua, our kaitiakitanga strategy, has been named for the underground puna at Kaawhia that never runs dry. It frames holistic outcomes to guide the way TGH fulfils its primary role of delivering strong, financial returns in a sustainable way with investments which improve the wellbeing and prospects of our people, reo, culture, whenua, awa and the natural environment.

Solar energy and water harvesting built into new buildings, jobs, and business opportunities for tribal members through social procurement, natural habitat improvements at Ruakura, riparian fencing by tribal members, native plants sourced from tribal nurseries, Paataka Kai to feed our marae - these are all examples of He-Manawa-aa-Whenua in action.



ACC Office Block



Tainui Group Holdings

WHAITOHU Brand

Significant change has occurred within TGH over recent years and the brand review was an opportunity to reflect this evolution. Development included extensive consultation and I thank all those who generously contributed their time and whakaaro, in particular the members of our Kupu Toi advisory roopuu - Ani Willis, Tukoroirangi Morgan, Rahui Papa and Renata Te Wiata. Ka nui te mihi.

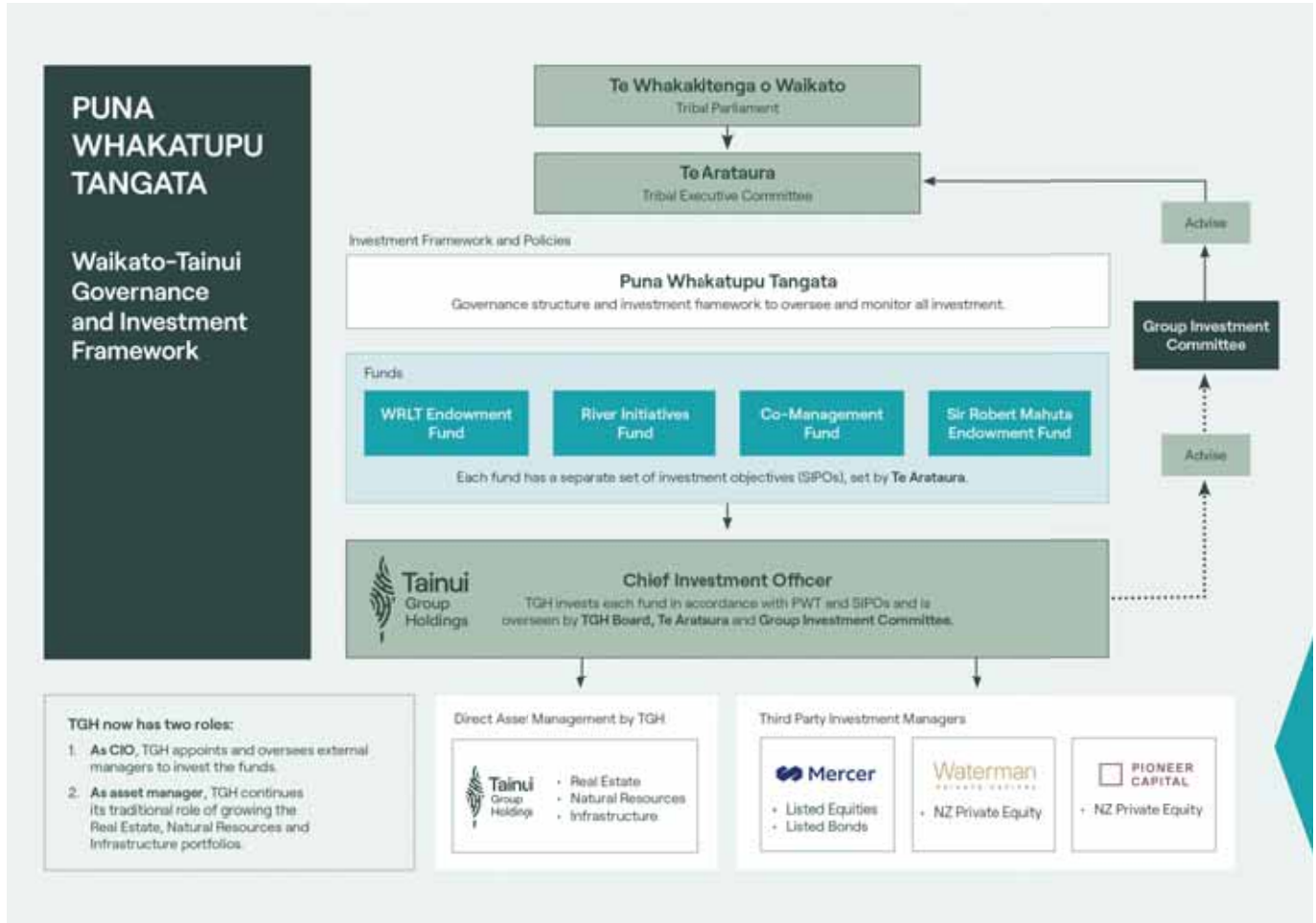
This mahi resulted in the selection of a hoe, an iconic Waikato symbol, as our tohu. Through the hoe we connect to who we are as river people and to the historical use of the tupuna awa as the original trading route our entrepreneurial ancestors used to get their goods to market.

Together with the takarangi, the design that is shown within the hoe, our tohu speaks of iwi, connection, and past, present, and future. *Kia tuupara te hoe kia tau ki te pae.*

Chief Investment Officer Report

Waikato-Tainui is one year into a two-year transition plan to implement Puna Whakatupu Tangata - our iwi investment framework. Puna Whakatupu Tangata provides a governance structure and investment guidelines to oversee and monitor the investment activities of the tribe. It also outlines the investment principles, beliefs, tikanga and operational guidelines that influence how the Waikato-Tainui funds are invested.

Over the past year, Tainui Group Holdings (TGH) has stepped into a new role as Chief Investment Officer (CIO) for Waikato-Tainui. The new CIO role sees TGH performing a number of functions including operationalising Puna Whakatupu Tangata and taking over the management of the four investment funds within the Waikato-Tainui group while still retaining its traditional role as Asset Manager of real estate, natural resources, and infrastructure investments.



Update on Transition

There has been significant progress in implementing Puna Whakatupu Tangata over the last year. The CIO is pleased to report the following key progress towards the PWT transition goals:

- The hiring of an experienced investment professional into the Chief Investment Officer role to oversee the implementation of Puna Whakatupu Tangata
- The deployment of assets previously held in cash into the relevant Mercer Funds (invested in shares and bonds) as instructed by Te Arataura
- Monthly reporting of investment performance and compliance by TGH as CIO to Te Arataura
- The development of an Investment Compliance Framework to ensure all the obligations of Puna Whakatupu Tangata will be met by the end of the transition period
- The CIO has created the Whakatupu commercial framework to guide and inform decision-making and how we work. Whakatupu ensures alignment with Waikato-Tainui as it is anchored by four pou: Mana Motuhake, Kaitiakitanga, Whakatupu Tangata, and Whakatupu Rawa. These pou are drawn from the Puna Whakatupu Tangata strategy.

Investment Performance Summary

In the one-year period ending 31 March 2022, the markets have experienced a reversal of the strong positive trend of post COVID asset returns. Since mid-2020, listed markets have performed strongly as Government stimulus and lower interest rates supported growth. However, since the end of Dec 2021, the markets have become more focused on several factors that have resulted in increased volatility and negative returns in both equity and debt markets.

These factors include rapidly rising inflation and interest rates, the withdrawal of central bank stimulus and the start of the Ukrainian war that has increased energy prices, further escalating inflation and constraining growth. As these factors occurred towards the end of the reporting period and given some positive gains leading up to the end of 2021, the reported impact on the four Waikato-Tainui funds has been limited. However, FY23 is shaping up to be an extremely challenging year for all asset classes, as the market waits for the negative factors impacting it to play out.

The Waikato Raupatu Lands Trust portfolio produced an exceptional return of 30.2% in the FY22 year driven by strong real estate and natural resources returns. Specifically, Ruakura property revaluations accounted for \$180.8m of the total profit. Despite the strong total return on the WRLT portfolio, these returns are in the form of capital gains and not cash, which places pressure on the portfolio's ability to make distribution payments. The relatively small allocation to global equities in the WRLT (c. 15%), means this portfolio was not heavily affected by the negative listed market returns towards the end of FY22.

Given the other Waikato-Tainui funds (River Initiative Fund, River Co-Management Fund and Sir Robert Mahuta Endowment Fund) have all their assets diversified across listed equities and bonds, they have been more exposed to the listed market volatility than WRLT. The small negative return experienced in these funds over FY22 reflects this. Te Arataura and the WECT trustees determined that a distribution from these funds in FY22 would not be made at this time but could occur at a later date of their choosing.

FY22 returns of the Waikato-Tainui funds managed by the CIO

	Waikato Raupatu Lands Trust Fund	River Initiative Fund	River Co-Management Fund	Sir Robert Mahuta Endowment Fund
Gross Assets	1,655m	44.1m	24.5m	18.9m
Net Assets	1,437m	44.1m	24.5m	18.9m
Return %	30.2%	-2.0%	-2.0%	-0.4%
Distribution Paid	14.0	deferred	deferred	deferred

FY23 CIO Objectives

In FY23 the CIO will continue to build on the progress made to date to implement Puna Whakatupu Tangata. In particular, the CIO will focus on the following areas:

- Educating governors and iwi members on Puna Whakatupu Tangata to create a greater understanding of the investment framework.
- Improving the quality of the portfolio to meet the new investment objectives of Puna Whakatupu Tangata, such as the 2.5% distribution on net assets and growing the inflation adjusted value of the portfolio over time.
- Creating funding solutions for TGH's strong pipeline of real estate investment opportunities. How we choose to fund (or not fund) these opportunities will require several decisions to be made by TGH, Te Arataura and Te Whakakitenga over FY23.
- Ensuring Waikato-Tainui is positioned to weather the current listed market volatility that is occurring in FY23. As long-term investors, it is important that we look through the current market volatility and not react to short-term performance. There are several headwinds (inflation, rising interest rates, rising commodity prices, the war in Ukraine, ongoing COVID implications and supply chain issues) that will need to play out before we can expect to return to more normal market conditions.

ANGA WHAKAMUA Looking Ahead

FY23 will be a milestone year for TGH with the official opening of Ruakura Superhub some 16 years since the idea first germinated. It has been a journey – from identifying the logistics, transport, and sustainability benefits of an inland port to seeking government support and funding to get underway. But this development will prove its value many times over as the long-term cash asset it has been designed to be.

Likewise, the completion and opening of the headquarters we are building for ACC in Kirikiriroa and the Cambridge Police Base will act as tohu of our strategy to be the preferred landlord for Crown agencies. We hope to make further announcements of this type of partnership project in coming months.

Over the next year we also look forward to working with Te Arataura to embed the collective investment approach of Puna Whakatupu Tangata. Real estate investment opportunities are numerous, particularly at Ruakura, and decisions will be required as to how we fund improvements to the quality of our portfolio to meet distribution (iwi funding) goals.

We are also heading into a period of global volatility with rising inflation, interest rates, and cost of living, as well as ongoing ramifications of COVID. We will look for the opportunities within these challenges to best protect and grow our business.

NGAA MIHI Acknowledgements

The new whakataukii for our brand encourages us to paddle the waka together to reach the new horizon. To see the opportunities and strive forward as one to achieve our goals.

Our waka is propelled by the strength of many. From our King – e te Kiingi Tuheitia, teenaa koe – to our marae, members of Te Whakakitenga o Waikato and Te Arataura, colleagues at the Waikato Raupatu Lands Trust, the board of TGH and our valued business partners. We also acknowledge the Group Investment Committee led by Mark Butcher and Te Arataura for the creation of Puna Whakatupu Tangata and for their ongoing support as we work through the transition together. Teenaa koutou katoa.

But it's the strength of the team at TGH, led by Chris Joblin, that drives this business forward and which deserves special acknowledgement and thanks. We know that FY22 was a particularly challenging year with many months of uncertainty due to the pandemic. Our team stayed focused on the job at hand knowing that the rewards will endure for many, many years. The board of TGH and myself wish to express our thanks to our team for a job well done.

Paimaarire.

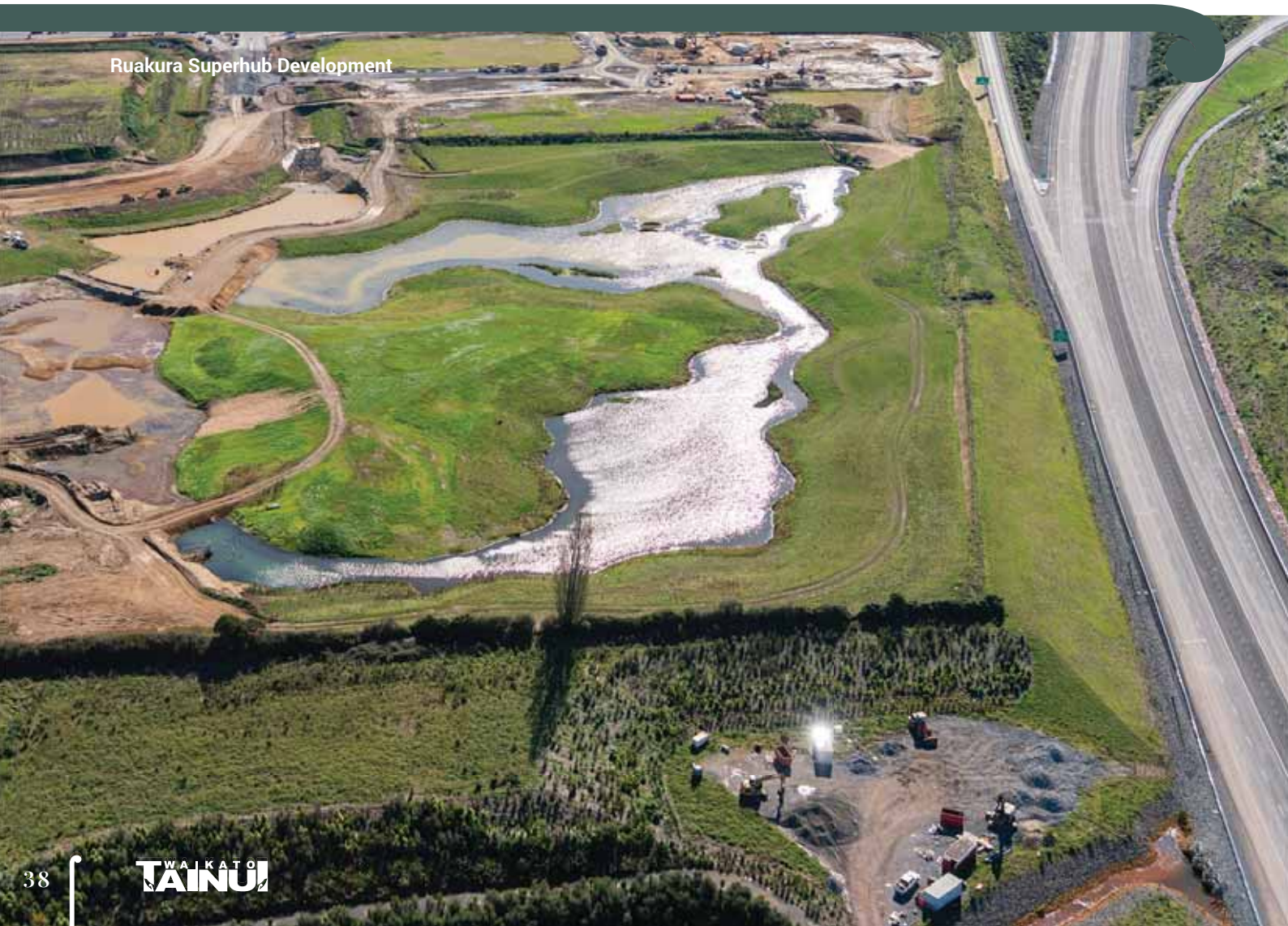


Hinerangi Raumati-Tu'ua
Chair



Chris Joblin
Chief Executive Officer

Ruakura Superhub Development





NGAA HIRAHIRA

Highlights

Our haerenga to build intergenerational wealth:

TGH FINANCIAL HIGHLIGHTS:

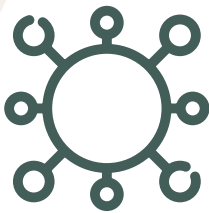
Total Asset Value **\$1.40b**

Net Profit After Tax **\$269.7m**

Total Equity **\$1.12b**

Revenue **\$65.4m**

Dividend **\$10.5m***



Ruakura Superhub

Opening September 2022

Logistics Zone is 40% tenanted and new roads open from July 2022.

First tenant building - PBT - opens September 2022

Waitomo Service Centre opens December 2022

Tuumata Rise residential underway with earthworks completed July 2022.

Ruakura Inland Port

Opening November 2022



Natural Resources

Farms

65% of farming kaimahi tribally affiliated

70% of all farming and forestry capital expenditure undertaken by tribal businesses

Forests

Kawaroa forest harvest begun

Puna Whakatupu Tangata

All four tribal funds invested
WRLT fund 30.2% return



Cambridge Police Base

Completion August 2022

ACC Regional Headquarters

Completion March 2023

Te Arikinui Pullman Auckland Airport Hotel

Exterior completed
Interior fitout underway

Opening 2024

*TGH declared a dividend of \$15.7m in 2022, with \$10.5m being a final for 2022 and \$5.2m relating to 2021 being declared in 2022.



'He kuuwaha i whakapuaretia ki te Punakai raaua ko te Puna Tangata Ka ora teetehi mea, ka ora teetehi mea . . .'

Investing in our people

The following statistics provide a snapshot of support provided to tribal members and marae across a range of kaupapa between April 1, 2021 – 31 March 2022.

Top Koha Statement:

Participate
at my marae



*Tribal members by age**

Age	Count
0 to 5	747
5 to 10	1768
10 to 20	9278
20 to 30	16542
30 to 45	23976
45 to 60	16831
60 to 80	11578
80 to 90	1436
90+	491
Total	82,647

Employment

1574

verified tribal members registered
with Te Rau Mahi

300

roles created or supported by
Waikato-Tainui

200

tribal members received pastoral
care support in their jobs

200

tribal members supported into
employment

27

tribal members secured into
apprenticeships

27

Te Tomokanga Tool Grants
distributed to tribal members

Business & Partnership



33% growth

of our Tribal Business register, Puna Pakihi



\$15,000

in growth grants awarded to tribal pakihi

Education & Grants 2021-22

5,462

total grants paid out



The oldest applicant was

98



2,107

were male



3,053

were female

4140

Kaumaatua Grants in total



Top 3 Kaumaatua Grant uses were for

GP



Pharmacy



Dental



677

Education Grants



569

Tertiary Grants



110

Tumate Mahuta Grants
(Masters & Postgraduate)



23

Doctoral Grants

17

Tikanga Ora Reo Ora Ake Grants



5 Taurahere Grants



43

Sports Grants



19

Taiao Grants



23

Amohia Ake Grants



16

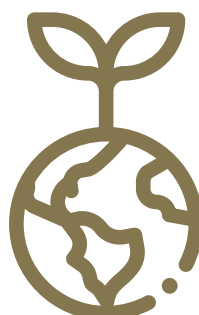
Poukai Grants



17

Waikato Primary Schools

(incl. kura kaupapa / kura-aa-iwi) participating in our House of Science programme



400

Rangatahi in STEM

enrolled in the Puuhoro STEM (Science, Technology, Engineering & Mathematics) project









Ngaa Tohu Hapori

Social Signposts

Kia tupu ki te hua o te rengarenga,
kia pakari ki te hua o te kawariki

*To grow a prosperous, healthy, vibrant,
innovative and culturally strong iwi*

Te Ara Whakatipuranga Initiatives:

- Support the development and growth of commercial and social enterprises for tribal members and marae
- Creation of opportunities across the housing continuum
- Creation of home ownership opportunities
- Creation of papa kaainga or communal living opportunities
- Grow education and career pathway partnerships to improve quality learning
- Establish Waikato-Tainui wellbeing standards and monitoring unit for hauora and social wellbeing
- Manage gaps or misalignments with health and wellbeing service delivery
- Supporting tribal members into individual career pathways

Relationship agreement signed with Habitat for Humanity

Following the completion of houses built within Te Kaarearea by Habitat for Humanity early last year, the not-for-profit organisation has signed a relationship agreement with Waikato-Tainui to help broker more home ownership opportunities for tribal members.

The agreement sets out a number of shared aspirations and priorities that both organisations want to achieve in order to help progress tribal members along the housing continuum. This includes Habitat for Humanity providing specialist advice on things such as housing and development typologies, finance models and interventions.

Representatives from Habitat for Humanity Central Region attended a special signing ceremony at Waikato-Tainui offices in May 2021.

Habitat for Humanity purchased 12 of the 50 sections that were under development for Te Kaarearea.

In March 2021, the first group of three houses were completed and officially handed over to whaanau with connections to Maurea and Te Kotahitanga Marae. By the end of June, all 12 Habitat for Humanity houses were allocated to whaanau.

Habitat for Humanity are a great example of an organisation that provides pathways to home ownership for communities who would not be able to achieve this without support. Waikato-Tainui hope to leverage their knowledge and expertise in the housing space to help drive our projects. We also want to ensure we can support tribal members into Habitat's home ownership programme.

Habitat for Humanity have committed to considering referrals from Waikato-Tainui as part of our partnership and are very keen to develop programme offerings to serve tribal members alongside other cohorts.

'Our Power' collaboration to combat energy hardships

Energy hardship and a drive to provide affordable and accessible energy to tribal members within the Waikato region, is the premise behind a collaborative partnership between Waikato-Tainui and WEL Networks' 'Our Power' initiative.

In 2019, the Waikato Wellbeing Project identified that 18,000 households within the region lived in energy hardship. As the cost of living increased, so did the cost of power and a growing concern for communities to access affordable energy.

'Our Power' with the support of the WEL Charitable Trust, identified a gap in the market and was created to provide Waikato consumers with affordable energy, as well as encouraging and supporting community solutions to energy hardship. 'Our Power' is owned by the community and offsets cost of a daily fixed charge to the consumer which lowers the cost of a power bill.

Following the challenges of COVID-19, we took the opportunity to join with 'Our Power' and support tribal members with this alternative power option. Although this is still a relatively new space for us, tribal members who are active customers, have found the change a positive one and send savings to their monthly power bill.

As a community power company, 'Our Power' works with community organisations, social service providers and iwi to ensure its products and services reach communities most in need. Through its gifting feature, customers are able to gift a specific amount to community organisations or individuals and adding it to their weekly power bill.

In addition, 'Our Power' also works with iwi to educate and support energy literacy amongst communities.

Habitat for Humanity Relationship Agreement signing, 2021



New approach for tribal-wide social procurement

A draft social procurement strategy across the wider tribal group has been finalised and signals a new beginning in how Waikato-Tainui procures services and products in the very near future. Over the past year, Waikato-Tainui and Tainui Group Holdings have worked together to develop a strategy and operational model for social procurement that will be adopted across both entities.

As an organisation, the development of the strategy has enabled us to look at how we merge our social and commercial objectives for the betterment of our whaanau.

Through the implementation of the strategy, we will need to optimise our tribal economy to increase iwi, hapuu, marae and whaanau participation. It will mean changing the way we do things and placing value on aspects in addition to cost.

Some of the priority areas that the strategy will cover includes a concentrated focus on implementing policy and process changes, allocating resources and working with our talent pool to ensure they're ready to take up the opportunities that are created. The goal is to have our people working on our projects, and to then seek those same opportunities from our partners. Ultimately, we want to scale up and replicate what we've achieved to date with some of the contracts for Ruakura so there's an extensive implementation work programme we still need to confirm.

Southern Cross Kaumaatua Health Essentials Launch

A Virtual Launch was held earlier this year, to sign the Relationship Agreement with Southern Cross and begin the rollout of the Health Essentials package as part of the 2022 Kaumaatua Grant. The initiative is a part of an organisational focus identifying opportunities where impactful investment can be made to ensure our tribal members can live healthy lives, and work towards living and breathing Whakatupuranga 2050.

As leaders in our own respective markets, together, Southern Cross and Waikato-Tainui have the challenge now to disrupt current health systems to create better outcomes for our people.

Tribally owned recruitment partnership a win for iwi

We have partnered with tribally owned recruitment company Kiwi Staff, to deliver employment programmes that better prepare whaanau to transition into mahi. The Hamilton-based recruitment specialist work with our Education & Pathways team to deliver the tribe's "Work Readiness" programme including pastoral care services to ensure support systems are in place for tribal members and their whaanau once in employment.

Owned and operated by Mainu Huirama (Ngaati Tamainupoo), Kiwi Staff has been working in the recruitment and employment industry for the past five years, and recently opened a branch in Brisbane, Australia.

Through the partnership, Waikato-Tainui kaimahi will complete a short assessment with tribal members to understand their current status and employment needs. Once complete, they will be referred to Kiwi Staff or may choose to self-refer to them directly to continue accessing any additional support as they progress.

We've adopted this model in an effort to build capacity of tribally owned businesses, which in turn adds volume to the capacity of our own team – better servicing whaanau and their communities.

We are also excited to keep close to the Southern Cross Maaori Advisory and support their work in building confidence in public and private health sectors, and ensuring kaumaatua receive culturally appropriate and supportive care, to ensure the best possible health outcomes.

The package as part of the Kaumaatua Grant provides \$1,250 worth of essential health services.

The Kaumaatua Grant also includes a newly established relationship with St. Johns Services, providing kaumaatua with an annual ambulance subscription.





Ngaa Tohu Kaupapa

Cultural Signposts

Tooku marae, tooke tuurangawaewae

Our marae are vibrant and self-sufficient

Te Ara Whakatipuranga Initiatives:

- Support marae to develop Oranga Marae Plans (Marae Development Strategy)
- Development of a strategic approach to maintenance and build projects across 68 marae
- Deliver Waikato-Tainui reo and tikanga programmes at tribal member, marae, and hapuu level
- Engage our marae to co-design, develop and deliver systems to connect tribal members to their marae and improve overall marae engagement
- Support the gathering of maatauranga and safe recording and storage of our taonga, waahi tapu and waahi tuupuna
- Support marae and whaanau to protect their taonga as kaitiaki of their waahi tapu and waahi tuupuna

Matariki Kaumaatua Ball

Matariki Ahunga Nui

Matariki Hunga Nui

Matariki Taapuapua

Given COVID-19 restrictions prevented us from hosting the annual Matariki Kaumaatua Ball in 2020, we were excited to host again in 2021 as part of our iwi Matariki celebrations.

The night was a fabulous and glitzy affair for kaumaatua, as they gathered to celebrate Matariki with Kiingi Tuheitia and Makau Ariki Atawhai.

Some 180 kaumaatua from 45 of our Waikato-Tainui marae attended the celebrations.

Held in June at the Hamilton Gardens, guests were treated to a three-course dinner whilst being entertained by the ever-popular and slick Howard Morrison Quartet Take Two band, who played many crowd favourites that had everyone joining in to sing, dance and laugh the night away.

Given some of the challenges kaumaatua faced during lockdown, it was an exceptionally poignant time to recognise their immense contributions.

The evening was a chance for the iwi to acknowledge the significance of our kaumaatua as keepers of tribal histories, koorero, waiata and the strength they provide not only to their whaanau, marae and hapuu, but also to the Kiingitanga. Hiinei te ataahua o te noho tahi, kai tahi, koorero tahi i too taatou Kiingi taha.

Koro King and Virginia King Te Kooraha Marae
Kaumaatua Ball 2021





Tongi Maara Installation

Tongi Maara Installation

Maaku ano e hanga tooku nei whare

Waananga were recently facilitated with Taniwha, Te Kotahitanga and Tauranganui Marae who are completing the installation of Tongi Maara on their sites.

The installations allow Marae whaanau to share stories and practically care for the many plants identified in Ngaa Tongi aa Taawhiao. The programme led by Rangitiaho Mahuta (Tauranganui Marae) and Sam Toka (Taniwha Marae) included the physical installation of Tongi Maara as well as online waananga to discuss the use of Tongi at each marae, and the physical uses and maintenance of plants such as Maahoe, Kawariki and Rengarenga at each Marae.

The Marae are looking forward to being able to have physical waananga with their whaanau to ensure these Taonga Tuku Iho are cared for and used by the hands of their marae members through physical mahi in the maara, and through the hearts of their marae members through the use of tongi in karakia and whaikoorero.

Launch of Aukaha another platform for iwi news service

As noted earlier in our Chair's Report, an exciting new regional news service, under the iwi communications function, was launched in April 2021, providing an additional platform for iwi to share their stories online.

Aukaha is a pan-tribal reo irirangi Maaori news service focussed on local kaupapa and will provide regional news from Tongariro to Te Puuaha, and across to Rotorua, Tauranga Moana and Hauraki.

Aukaha is pivotal in extending the reach and coverage of Maaori news content to greater audiences. Against the backdrop of mainstream media narratives, the team are committed to bringing relevant and authentic stories that capture the grassroots perspectives of whaanau, marae, hapuu and iwi across the rohe.

Freelance producers, journalists and content developers, along with kaimahi from within Waikato-Tainui and Tainui Live in Kirikiriroa, Te Arawa FM in Rotorua and Moana Radio in Tauranga will contribute and file news stories for Aukaha.

Operating out of two studios based in Hamilton and Rotorua, Aukaha will also serve as a training ground for future producers, journalists and broadcasters.

Through a tuakana/teina mentorship, we will foster the next generation of kaipaapaaho. We've got seasoned broadcasters who have years of industry experience that rangatahi coming through can learn from. This exposure whilst teaching them the balance of being transparent and authentic in the way news is reported, creates a sustainable pathway for succession planning.

Aukaha





Tira Hoe a journey of reconnection

Over the past year, we were fortunate to hold several Tira Hoe. In 2021, and as part of a new cultural induction programme for governors, a special haerenga along the Waikato River was held to give Te Whakakitenga o Waikato members an opportunity to reconnect with our tupuna awa. Forty members of Te Whakakitenga were part of their own tira hoe and attended workshops held over three different weekends. Building on whakawhanaungatanga amongst new and returning members of Te Whakakitenga, participants received water safety training before tackling a shortened 21km paddle between Hamilton and Ngaaruawaahia, with the Tira Hoe finishing at Tuurangawaewae Marae.

The induction also featured historical koorero and cultural narratives of significant sites along the awa including a short whiikoi to Mangaharakeke Paa, near the current Fonterra factory site in Te Rapa.

In early 2022, we also delivered our Tira Hoe for tribal members in two phases. The initial leg was postponed after COVID-19 constraints, so we temporarily halted the kaupapa in line with our COVID-19 health and safety plan. After the month long stand-down we reset and finished the haerenga.

Tira Hoe is an opportunity for our iwi members to connect with our tupuna awa - Waikato, by being on the water and seeing, feeling and hearing koorero from marae, hapuu and iwi who reside along its shores.

For many of the participants it was a life changing experience filled with fun, laughter, tears, reflection but most of all whaanau.

We look forward to hosting the next Tira Hoe in 2023.

Ka ore ko te unuhenga o te taniwha i te rua ara ake ko te Huinga Taniwha

Huinga Taniwha is a waananga that promotes and supports marae, hapuu, iwi and whaanau aspirations through reo and tikanga resource creation.

Throughout 2021 our Heritage and Identity team engaged with Te Puhi Ariki – Ngaa-wai-hono-i-te poo, Ngaai Tai ki Taamaki – Umupuia Marae, Te Iti o Hauaa Marae whaanau to create resources pertaining to koorero tuku iho specific to their respected repository and share their resource creation journey and aspirations with the iwi whaanui. Resources created included pukapuka, waiata, kiriata, papa keemu, puukei kaari among others.

Our Huinga Taniwha team came together to organise an online platform due to Covid restrictions in October 2021. We had nearly 150 registrations for our online waananga. Each were presented with four online workshops from our facilitators above and were sent copies of their resource creations and Huinga Taniwha merchandise. Waananga attendees provided feedback noting it was insightful, amazing and felt privileged to be apart of this special kaupapa.

It was an honour for our team to collaborate with our marae, hapuu, iwi, whaanau and share their taonga with the iwi whakanui.

Tangimoana Tuhakaraina, Awhi Tuwhenua,
Te Aomarama Maaka & Tu Clarke









Ngaa Tohu Whai Rawa

Wealth Signposts

Ki te kaapuia, e kore e whati

Maximising our collective strength
to achieve our aspirations

Te Ara Whakatupuranga Initiatives:

- Continue to diligently pursue and settle outstanding settlement claims
- Review and refine Waikato-Tainui's investment management framework, including SIPO and investment parameters
- Leverage strategic investments (H2A, tourism, cultural) to create investment opportunities
- Investment in and protection of our 'Waikato-Tainui' brand and identifying marks
- Establish a collaboration network that connects tribal members to business, innovation and education ecosystems

Partnership opportunities

Between July and September last year, we hosted a number of Crown Ministers interested in exploring potential partnership opportunities. The May Budget signalled major infrastructure commitments by the Crown and as the largest landowner in Waikato, we were keen to explore those opportunities in more detail.

We have identified the Hopuhopu precinct as a major opportunity for redevelopment from both a housing and commercial lens. This project is being socialised across central, regional and local government and will become a central focus point for our people. We will continue to advocate with Ministers and Crown agencies about the significant economic and cultural benefits that this redevelopment will bring to our region. The Ruakura development is a drawcard for this Government as it tries to kick start the economy back into gear.

Mana Motuhake, Mana Whakahaere, Mana Moana

Negotiations continue to be driven by the Waka Hourua framework with the intention to engage in a more holistic approach to settling our outstanding and remaining claims.

The framework and its three key tenets of Mana Motuhake, Mana Whakahaere and Mana Moana have continued to be a focal point of negotiations as we continue to pursue our collective aspirations for settlement.

A number of key themes have emerged which are guiding the direction of negotiations moving forward. These themes are:

- **Decision Making - Autonomy**
- **Data Sovereignty**
- **Sustainable Management Frameworks**
- **Succession Planning - Capability and Capacity Growth**
- **Restoration and Rejuvenation - Health and Wellbeing**
- **Access to Whenua and Moana**
- **Investment in Infrastructure**
- **Reinvigorating communities**

The themes have been grouped into four key work streams or Pou:

- **Pou Taiao** - *restoration and protection of whenua, wai and moana*
- **Pou Whai Rawa** - *reinvigoration of our communities*
- **Pou Kaupapa** - *exercise of tikanga and kawa*
- **Pou Hapori** - *preservation and protection of matauranga and oranga*

Negotiations over the coming months will continue to develop and advance these Pou further.



Margie Apiti, Diane Bradshaw, Miki Apiti, Minister Andrew Little, David Stone at Ookapu Marae



Whaanau share settlement aspirations at Ministerial visit

Kaawhia and Aotea Moana whaanau came together in May 2021, to host Minister for Treaty of Waitangi Negotiations, the Hon Andrew Little, and share with him first-hand, their unique stories as part of our Waikato-Tainui Remaining Claims Settlement.

The Minister was invited to the harbours so he could develop a better appreciation for the stories and histories of the area, deepen his connection to the moana and whenua, and better understand the iwi and hapuu perspectives.

Despite the cold, wet and rainy weather, Minister Little and representatives from Te Arawhiti first visited Maketuu Marae, then Ookapu Marae and finished at Te Papatapu Marae where whaanau were each able to share their concerns and aspirations for Kaawhia and Aotea harbours.

Some of the koorero shared by whaanau included recounting stories of culturally significant sites, and the more contemporary challenges of climate change and the impacts it poses to the Taiao.

“We have to work together as iwi, we are all interconnected, we all whakapapa together, we are all part of the moana, so we are really keen to progress along that path,”

Lees Seymour (Ngaati Hikairo)

Diane Bradshaw (Ngaati Te Wehi) spoke to Minister Little about the environmental issues at Aotea Harbour and shared with him the story of Whakaotirangi, one of the wives of Hoturoa, who brought taro on Te Waka o Tainui and planted it at Hawaiki iti on the edge of Aotea Harbour.

The Waikato-Tainui Negotiations Team supported by the Settlement and Protection team will be looking to secure more time with the Minister to do similar visits to Manukau and Whaingaroa Harbour.

We expect to be working with the Crown for 12-18 months on drafting the Deed of Settlement, and we hope there will be opportunities for engagement throughout this period.





Ngaa Tohu Taio

Environmental Signposts

Ka whakamiri noa i toona aratau, e tia nei he tupu pua hou

Working towards the restoration and enhancement of our wai and whenua to the state in Kiingi Taawhiao's maimai aroha.

Te Ara Whakatupuranga Initiatives:

- Secure water rights
- Develop and operationalise Iwi Environmental Standards consistent with Tai Tumu, Tai Pari, Tai Ao
- Implement a five-year programme of investment to improve wai (including Kaawhia, Aotea, Whaaingaroa and Manukau harbours) and whenua
- Training and support for our tribal members so that they can lead Taiao initiatives
- Support our whaanau to respond to climate change impacts (and other environmental challenges) on their marae

Three Waters Reforms

In October 2021, Minister Nanaia Mahuta announced the Government will create four publicly owned water entities to manage delivery of water, wastewater and storm water (Three Waters) services in New Zealand.

The driver for change came about as a result of the inability of existing infrastructure to uphold the health and wellbeing for our waterways. Aging infrastructure, climate change implications and ineffective governance regimes in the current water management system required that change happen and that it happens immediately. Whilst “health and wellbeing” (Te Mana o te Wai) features strongly in the reforms to come, this is not unfamiliar to Waikato-Tainui. The Waikato River Settlement is hinged on the two cornerstone pillars of Te Mana o te Awa (Health and Wellbeing) and Mana Whakahaere (Co-governance/management) and in the Three Waters space, is the benchmark by which we measure the reforms against.

The priority for Waikato-Tainui in the Three Waters reforms has been to ensure that these principles are continually at the forefront of any policy change and that the integrity and treaty obligations within our settlement are not marginalised or compromised in any way. What we are seeing in the reforms is a strong alignment to our settlement principles and in particular the manner in how they are to be exercised on the ground through decision making (mana whakahaere) and reflected in a more holistic application to policy development regarding health and wellbeing (mana o te awa/wai). The Waikato River Settlement has always reflected the sentiment that “the health and wellbeing of water is intrinsically linked to the health and wellbeing of people” which is what we are now seeing being echoed in the Three Waters reform. The Waikato River Settlement has afforded us a position of strength for not only the Three Waters reforms but for reforms in general. This will continue to be an important check and balance for us as we actively track the progress of the Three Waters reforms this year.



Water Storage

Ka hangaia e maatou too maatou ake whare

(Our own house will be built by us) to safeguard water supply for future generations.

The Taniwha Water Storage Project (Wai Ora) was one of the five Taniwha Projects that form Amohia Ake - the Waikato-Tainui resilience plan. Wai Ora was designed to give effect to Te Mana o te Awa and help unlock headroom to enable development of our whenua (given the current challenges to access water for economic use).

This project reviewed the current land portfolio to look at the costs and benefits to creating water storage within the Waikato River catchment. The land being considered for this project is our open cast mines at Rotowaro.

Whilst there are several potential benefits, the primary focus is to secure enough potable water to address both the current demands but also enough to support community needs well into the future. This need was emphasised by the water shortage crisis in Taamaki that required additional water to be taken from the Waikato River.

Wai Ora is designed to ensure water can be sourced in a manner that protects the mauri of the river system both now and well into the future. Waikato-Tainui and WSP (nee Opus) are working together through all phases of the water storage project. At its core, Waikato-Tainui is looking to secure a healthy water source for our marae and hapuu.

Forestry Training

In April, the Taiao team engaged Forestry Training NZ to deliver a range of Taiao programmes to our tribal members to assist them in attaining the following certificates;

- Certification in Chainsaw
- Light Utility Vehicle Safety
- 4x4 Driver Safety Course

The aim of the courses and the certification was to provide our tribal members with additional skills and qualifications to assist in their growth and development, and potential employment opportunities in the near future. It was a great turn out from whaanau, despite the uncertainty around COVID-19 restrictions and challenges.







Ngaa Tohu Mahi Tonu

Ongoing Work Signpost

**Mehemea he mahi pai moo
te tangata, mahia**

*A high performing organisation
making an impact*

Te Ara Whakatipuranga Initiatives:

- Fast-track the capture of relevant tribal member and marae data
- Develop and deploy a suite of digital solutions to support the needs of tribal members, marae and our organisations
- Review current service delivery model and adjust to ensure successful delivery of outcomes
- Take stock of the current organisational capability and culture
- Tailor and deploy Waikato-Tainui innovation capability (culture, people systems, processes, partnerships) to our marae and Waikato-Tainui enterprises

Maaori wards for local government celebrated by iwi

Waikato-Tainui welcomed the successful vote by local authorities within its tribal rohe, to establish Maaori wards in time for the next local government elections. Waipaa District Council, Waikato District Council, Ootorohanga District Council and Hamilton City Council voted to establish Maaori wards, which will be in place for the 2022 and 2025 elections.

The introduction of Maaori wards means voters on the Maaori electoral roll can vote for candidates contesting Council's Maaori wards, rather than for a candidate contesting a general ward. Maaori ward candidates do not need to be on the Maaori electoral roll.

This decision provides our people with a voice at the table to express an iwi/maori view on all matters in front of these Councils. Local government is a critical partner because it has significant influence on many of the issues affecting the everyday lives of our people and we look forward to strengthening our relationship with them.

Hamilton City Council received 994 submissions, with staff analysis indicating that more than four out of five responses (81%) favoured Council introducing Maaori wards to achieve better representation. Waipaa District Council received 879 submissions, with 84% supportive of establishing a Waipaa Maaori ward.

The number of Maaori wards is determined by population numbers, with the Hamilton City Council expected to have two wards and one for each of the district councils.

Microsoft seek to support indigenous communities

Global technology giant Microsoft has joined with Waikato-Tainui to form a relationship that it hopes will help them support and enhance future initiatives with Maaori communities.

Microsoft shared its desire to engage and work with indigenous peoples around the world. Having already established partnerships in Australia, and North and South America, Microsoft NZ are wanting to build relationships with Maaori and Pasifika communities and organisations.

Partnering with Microsoft is a natural progression for our organisation. We're excited on the future direction we will take to influence the delivery of their systems and services with both an indigenous and maaori lens. We aren't solely consumers of technology, we are innovators and creators that they can learn from.

Microsoft have already celebrated a number of maaori-focussed initiatives including the launch of a te reo maaori artificial intelligence translator and a version of Minecraft that explores Te Ao Maaori - the first indigenous Minecraft in the world. They have also implemented digital initiatives with other iwi including Ngaati Whaatua ki Ooraakei, Ngaati Whaatua ki Kaipara and Ngaai Tahu.

For us, the rollout of education programmes that support STEM subjects (science, technology, engineering, and mathematics), will also benefit from these types of partnerships.

The tech space is a growth industry and we will take advantage of opportunities such as internships, that help pathway rangatahi into these areas. Collective purchasing power for software and technology for tribal members and marae is something we want to establish with Microsoft in the future.

Ki te kore he whakakitenga, ka ngaro te Iwi

*Without vision,
the people will perish*

A series of E-Waananga were held in November, in place of our planned "Roadshow" engagement at marae. Our team revised the kaupapa and took the opportunity to connect with marae whaanau to hear how we can be more responsive and better understand the needs of our whaanau and marae.

Building on the work started through Te Paa Whakawairua Marae Development plans and Te Pito Whakatupu Marae engagement, we identified the need for two specific waananga.

Our first E-waananga were for those marae that already have a development or strategic plan, our second e-waananga were for our marae who are yet to develop plans or want to build on current plans.

We analysed current data and created seven workshops based on the top priorities Marae had identified.

These included:

- **Transforming governance**
- **Nurturing reo & tikanga**
- **Growing rangatahi leadership**
- **Revitalising kaitiakitanga**
- **Strengthen marae infrastructure**
- **Marae enterprise**
- **Leading education and employment**

Our intention is to utilise this (and other) data to inform the next iteration of our five-year plan.

Roll out of Xero software a positive boost for Marae

Supporting our marae to help manage their financial accounts in a simple and easy way, was the premise for offering free subscriptions to Xero for Waikato-Tainui marae. In May 2021, marae administrators and trustees were able to undertake software training sessions in Xero - a cloud-based accounting software that was built to help small businesses.

Last year we released our Growing Marae Wealth For Future Generations resource to provide marae with information about financial choices and investment. Xero subscriptions for our marae is an extension of the financial tools and support we want them to be able to access.

A total of 28 marae have taken up the one-year free Xero subscription offer and attended training sessions in Auckland and Waikato. Feedback so far has been very positive, with marae administrators commenting that Xero is easy to navigate. Several marae have also seen a substantial decrease in their external accounting fees, due to their ability to complete more accounting duties themselves.

We are always looking for solutions, services and products that can assist our marae to better manage and grow their financial independence and wellbeing. Xero is one example, and we will continue to explore other tools in the future that can support marae and tribal members in this space.







Ngaa Puurongo-aa-Tahua

Waikato Raupatu Lands Trust Consolidated Financial Statements for the year ended 31 March 2022

DIRECTORY

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Financial Statements

Waikato Raupatu Lands Trust *Directory*

For the year ended 31 March 2022

Directory

DATE OF ESTABLISHMENT	10 November 1995
TRUSTEE	Te Whakakitenga o Waikato Incorporated
AUDITOR	PricewaterhouseCoopers Private Bag 92162, Auckland 1142
BANKERS	Bank of New Zealand Westpac Banking Corporation ANZ Bank New Zealand Limited Bank of Tokyo Mitsubishi Australia Industrial and Commercial Bank of China (New Zealand) Limited
POSTAL ADDRESS	PO Box 648, Hamilton 3240
TELEPHONE	+64 7 858 0430
FACSIMILE	+64 7 858 0431
WEBSITE	waikatotainui.com



Independent auditor's report

To the Trustees of Waikato Raupatu Lands Trust

Our opinion

In our opinion, the accompanying consolidated financial statements of Waikato Raupatu Lands Trust (the Trust), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 March 2022, its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2022;
- the consolidated statement of comprehensive revenue and expense for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the areas of tax compliance, tax advice, financial forecast modelling, the provision of general training materials, and subsequent to 31 March 2022, executive remuneration benchmarking, and regulatory and electricity sector advice. The provision of these other services has not impaired our independence as auditor of the Group.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Trustees and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Trustees for the consolidated financial statements

The Trustees are responsible, on behalf of the Trust, for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Trustees, 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 Trust and the Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

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

For and on behalf of:

A handwritten signature in black ink, appearing to read 'Richard Day', written over a light blue horizontal line.

Chartered Accountants
27 July 2022

Auckland

Waikato Raupatu Lands Trust

Consolidated statement of comprehensive revenue and expense for the year ended 31 March 2022

	Note	2022 \$'000	2021 \$'000
Revenue from exchange transactions		60,069	60,569
Revenue from non exchange transactions		16,630	8,448
Other operating revenue		1,697	1,969
Total revenue	3	78,396	70,986
Expenses	4	(75,246)	(51,342)
Finance costs - bank loans		(7,467)	(6,044)
Finance revenue		2,307	3,448
Share of profit of investments accounted for using the equity method	25	7,081	6,736
Net operating surplus before other gains and tribal activities		5,071	23,784
Other gains / (losses) - net	5	287,905	116,647
Net operating surplus / (loss) before tribal activities		292,976	140,431
Other income		54,183	8,738
Social investment	6	(35,973)	(40,347)
Net surplus / (loss) from tribal activities		18,210	(31,609)
Net surplus / (loss) before tax		311,186	108,822
Income tax expense	7	(126)	
Net surplus / (loss) after tax		311,060	108,822
Attributable to equity holders of Waikato Raupatu Lands Trust		311,060	108,822
Net surplus / (loss) after tax		311,060	108,822
Other comprehensive income			
Items that will not be reclassified to surplus:			
Gain / (loss) on revaluation of hotels, farms and owner occupied properties	16, 8	29,130	3,544
Gain on revaluation of carbon credits	15, 8	17,192	4,159
Other	8	-	223
Items that may be subsequently reclassified to surplus or loss:			
Total other comprehensive income / (loss)		46,322	7,926
Total comprehensive income / (loss)		357,382	116,748
Total comprehensive income / (loss) attributable to:			
Equity holders of Waikato Raupatu Lands Trust		357,382	116,748
Total comprehensive income / (loss) attributable to:		357,382	116,748

This consolidated statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes.

Waikato Raupatu Lands Trust

Consolidated statement of financial position

for the year ended 31 March 2022

	Note	2022 \$'000	2021 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	9	101,671	246,334
Trade and other receivables	10	87,316	27,443
Other financial assets	14	301,362	188,025
Inventories	11	8,679	5,233
Biological assets - livestock	12	5,028	4,634
Total current assets		504,056	471,669
Non current assets			
Other receivables	10	9,333	6,833
Other financial assets	14	40,795	58,867
Investments in joint ventures	25	65,900	70,908
Intangible assets	15	53,314	33,186
Biological assets - forestry	12	18,727	17,733
Property, plant and equipment	16	207,220	181,129
Investment properties	17	928,545	570,958
Te Wherowhero title properties	18	150,029	117,724
Total non current assets		1,473,863	1,057,338
Total assets		1,977,919	1,529,007
LIABILITIES			
Current liabilities			
Trade and other payables	21	47,417	38,148
Accrued revenue	24	263	263
Interest bearing liabilities	19	-	100,000
Other financial liabilities at fair value through surplus or deficit	20	187	1,402
Total current liabilities		47,867	139,813
Non current liabilities			
Accrued revenue	24	29,662	29,925
Interest bearing liabilities	19	215,025	30,762
Other financial liabilities at fair value through surplus or deficit	20	178	702
Total non current liabilities		244,865	61,389
Total liabilities		292,732	201,202
Net assets		1,685,187	1,327,805
EQUITY			
Accumulated comprehensive revenue and expenses	8	1,592,434	1,281,374
Reserves	8	92,753	46,431
		1,685,187	1,327,805
Total equity		1,685,187	1,327,805



Tukoroirangi Morgan
Chairperson
27 July 2022



Hinerangi Raumati Tu'ua
Representative of Te Arataura
27 July 2022

This consolidated statement of financial position should be read in conjunction with the accompanying notes.

Waikato Raupatu Lands Trust

Consolidated statement of changes in equity

for the year ended 31 March 2022

Attributable to equity holders of the Trust

	Note	Reserves \$'000	Accumulated comprehensive revenue and expense \$'000	Total Equity \$'000
Balance as at 1 April 2020		38,728	1,172,329	1,211,057
Comprehensive revenue				
Net surplus for the year		-	108,822	108,822
Other comprehensive revenue and expense				
Items that will not be reclassified to surplus and deficit				
Gain on revaluation of hotels, farms and owner occupied properties	8	3,544	-	3,544
Gain on revaluation of carbon units	8	4,159	-	4,159
Other		-	223	223
Total other comprehensive revenue and expense		7,703	223	7,926
Total comprehensive revenue and expense		7,703	109,045	116,748
Balance as at 31 March 2021		46,431	1,281,374	1,327,805

Attributable to equity holders of the Trust

	Note	Reserves \$'000	Accumulated comprehensive revenue and expense \$'000	Total Equity \$'000
Balance as at 1 April 2021		46,431	1,281,374	1,327,805
Comprehensive revenue				
Net surplus for the year		-	311,060	311,060
Other comprehensive revenue and expense				
Items that will not be reclassified to surplus and deficit				
Gain on revaluation of hotels, farms and owner occupied properties	8	29,130	-	29,130
Gain on revaluation of carbon units	8	17,192	-	17,192
Total other comprehensive revenue and expense		46,322	-	46,322
Total comprehensive revenue and expense		46,322	311,060	357,382
Balance as at 31 March 2022		92,753	1,592,434	1,685,187

This consolidated statement of changes of equity should be read in conjunction with the accompanying notes.

Waikato Raupatu Lands Trust

Consolidated statement of cash flows

for the year ended 31 March 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Receipts from customers		79,418	67,918
Proceeds from relativity settlement received from the Crown		-	2,894
Payments to suppliers and employees		(47,805)	(42,823)
Payments to grant recipients		(43,621)	(23,794)
Interest received		2,307	3,448
Interest paid		(7,081)	(6,043)
Net cash inflow/(outflow) from operating activities		(16,782)	1,600
Cash flows from investing activities			
Receipts from disposals (investments in joint venture)		-	51,038
Payments for investments in other financial assets	14	(322,383)	(133,304)
Receipts from divestments in other financial assets	14	222,802	208,105
Dividends from investments in other financial assets		1,697	1,969
Payments for contribution/investment in joint venture	25	(13,047)	(14,214)
Receipts from joint venture dividends	25	4,500	4,802
Payments for property, plant and equipment	16	(6,486)	(5,451)
Payments for intangible assets	15	(174)	(554)
Payments for investment properties	17	(99,054)	(28,725)
Net cash inflow/(outflow) from investing activities		(212,145)	83,666
Cash flows from financing activities			
Proceeds from borrowings		295,435	30,389
Repayment of borrowings		(211,171)	(65,125)
Net cash inflow/(outflow) generated from financing activities		84,264	(34,736)
Net increase/(decrease) in cash, cash equivalents, and bank overdrafts		(144,663)	50,532
Cash and cash equivalents at the beginning of the year		246,334	195,804
Cash and cash equivalents at the end of the year	9	101,671	246,336
Reconciliation of surplus for the year to net cash inflow from operating activities			
Net surplus after tax for the year		311,060	108,822
Non cash items:			
Depreciation, amortisation and impairment	4	25,937	2,639
Share of total profits of joint ventures	25	(7,081)	(6,736)
Other gains - net	5	(287,905)	(116,647)
Other movements		(592)	1,819
(Increase)/decrease in current assets:			
Trade and other receivables	10	(62,373)	(6,205)
Inventories	11	(3,446)	4,993
Biological assets	12	(1,388)	(2,679)
Increase/(decrease) in current liabilities:			
Trade and other payables and employee entitlements		9,269	15,859
Other financial liabilities		(263)	(263)
Net cash (outflow)/inflow from operating activities		(16,782)	1,600

This consolidated statement of cashflows should be read in conjunction with the accompanying notes.

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements for the year ended 31 March 2022

1. GENERAL INFORMATION

1.1 Reporting entity

The Waikato Raupatu Lands Trust (the 'Trust') is the lead iwi organisation for Waikato Tainui, responsible for developing and implementing initiatives which improve iwi outcomes in the areas of education and training, employment, tribal preservation, marae development, health and wellbeing, environmental and resource management.

The Trust manages iwi affairs, implements the iwi development strategy, and makes distributions for education, health and wellbeing, marae, social and cultural development.

Tainui Group Holdings Limited ('TGH'), a controlled entity and commercial arm of the Trust, manages a diversified portfolio of direct investments, equities, primary industries, private equity funds, and properties.

Waikato Raupatu River Trust, a controlled entity of the Trust, represents the Trust on matters relating to the Waikato Tainui Deed of Settlement in relation to the Waikato River.

The Trust is incorporated and domiciled in New Zealand.

These consolidated financial statements have been approved for issue by Te Arataura on 25 July 2022.

Te Arataura do not have the power to amend the financial statements once they have been issued.

a) Waikato Raupatu Land Settlement

On 22 May 1995, Waikato Tainui signed the Deed of Settlement with the Crown's representatives for a full and final settlement of its Raupatu claim to be made to the Trust. This agreement formed the basis for the Waikato Raupatu Claims Settlement Act 1995.

The initial settlement, being the redress value, totalled \$170.0m.

As part of the Deed of Settlement, a relativity clause is provided which allows for further settlement redress. The payment of further settlement from the Crown was triggered in the financial year ended 31 March 2013, when all Treaty settlements since 1994 exceeded \$1.0b. The amount of \$70.0m was received in December 2012 upon first claim under the relativity clause. Further to this in December 2014 an amount of \$12.5m was received as a result of the arbitration process which followed the first claim. The second claim was made in December 2017 with an amount of \$189.6m. As a result of arbitration, further amounts were received of \$16.8m in April 2018, \$1.2m in April 2019 and \$2.8m in August 2020. The claims are made five yearly. No settlement is payable after 2045. For further details on accounting policy and treatment for relativity settlement refer to note 2.1(f)(i).

b) Waikato Raupatu River Settlement

On 17 December 2009, a Deed of Settlement (the 'Settlement') was made between the Crown and Waikato Tainui to settle the claim by Waikato Tainui for the Waikato River.

The Settlement, being the redress value, is specified as \$70.0m plus \$30.0m over a period of 28 years. The Settlement is to be realised as follows:

(i) The Sir Robert Mahuta Endowment (\$20.0m) is to be applied to support the vision of Sir Robert Mahuta for the Waikato Tainui Endowed College at Hopuhopu as an educational centre providing leadership, innovation, research and scholarship in indigenous development and practices and support research management practices on improving the health and wellbeing of the Waikato River and Waikato Tainui's tribal histories associated with the Waikato River;

(ii) The River Initiatives fund (\$50.0m) is to be applied for the purposes of cultural and environmental development projects related to the Waikato River, enhancing the restoration and protection of the relationship of Waikato Tainui with the Waikato River and protecting and enhancing sites of significance, fisheries, flora and fauna; and

(iii) Co- management Fund shall be received for the purpose of assisting Waikato Tainui engage in new co management arrangements under the Settlement. The co-management funding of \$3.0m shall be received on settlement date with an annuity of \$1.0m per year for 27 years. In 2014, \$10.0m was advanced, reducing the annuity receipt from 27 years to 17 years. \$21.0m has been paid with an annuity payable to the Waikato River Authority of \$1.0m per year for a further 7 years. Included in the Settlement, but excluded from these financial statements is the settlement funding for the Waikato River clean up. The Waikato River Clean Up Trust was established with the Waikato River Authority being the Trustee. The Waikato River Clean Up Trust's objective is the restoration and protection of the health and wellbeing of the Waikato River.

2. SUMMARY OF GENERAL ACCOUNTING POLICIES

2.1 Basis of preparation

(a) Reporting Entity

The financial statements include the consolidated results of Waikato Raupatu Lands Trust (controlling entity) and its controlled entities, together the 'Group'. Te Whakakitenga O Waikato Incorporated is the ultimate controlling party of the Trust.

(b) Statutory base

The consolidated financial statements of the Trust have been prepared in accordance with the Charities Act 2005, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

(c) Basis of preparation

The Trust has adopted XRB A 1 Application of the Accounting Standards Framework. The Trust is required to apply Tier 1 Not for profit Public Benefit Entities Accounting Standards (PBE Standards) as it has expenses over \$30 million. The Trust complies with these PBE standards and authoritative notices that are applicable to entities that apply PBE standards.

The principle accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(d) Functional and presentation currency

Items included in the financial statements of each of the Group's entities' operations are measured using the currency of the primary economic environment in which it operates (the functional currency). The consolidated financial statements are presented in New Zealand dollars, which is the Trust's functional and presentation currency.

All values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

(e) Changes in accounting policies

There have been no changes in accounting policies during the year ended 31 March 2022.

(f) Critical accounting estimates

The preparation of financial statements in conformity with PBE Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. The estimates and judgements are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The following are the critical estimates and judgements management has made in the process of applying the Trust's accounting policies and that have the most significant impact on the amounts recognised in the financial statements.

(i) Relativity settlement

Relativity is the mechanism under which any further settlement with the Crown is recognised (see note 1 for further details). The receipt of funds from the Crown will be settled on a five yearly basis.

The calculation of future receivable amounts requires significant judgment and estimation. The Trust uses its judgment to determine the value of the undisputed portion of all Treaty settlements and makes assumptions based on information available such as Crown's statements, individual Treaty Settlement Deeds and other financial information. For the year ended 31 March 2022 the Trust has determined those undisputed and reliably measurable portions of Treaty settlements made are only settlements paid in cash, and therefore has recognised a relativity settlement receivable on that basis.

It should be noted that given the complex nature of the relativity settlement and ongoing disputes with the Crown, actual relativity settlement payments are likely to deviate substantially from amounts recorded. Any changes in the estimates will be recorded in the accounting period in which they become known.

(ii) Fair value of assets and liabilities

The Trust records certain assets and liabilities at fair value in the statement of financial position as follows:

Hotels, farms, owner occupied properties and tribal properties (note 16), investment properties (note 17) and Te Wherowhero title properties (note 18) are stated at fair value.

2. SUMMARY OF GENERAL ACCOUNTING POLICIES

The fair values have been determined by independent valuers as at 31 March 2022 using a mixture of market evidence of transactional prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches. For a selection of these asset classes, they are valued triennially in out of cycle periods an assessment is made to determine whether the fair value of the assets differs materially from the carrying value.

If the assessment suggests a material movement in the valuation then a revaluation is completed.

Biological assets (note 12) comprise of livestock and forests. Both are held at fair value and valued by independent valuers using current market prices less point of sale costs (livestock) and the Discounted Cash Flow (DCF) method and the replacement cost method (forests).

Other financial assets that have been designated as held at fair value through surplus or deficit (note 14) include shares in listed companies, unlisted equity funds and fixed interest investment funds held at fair value. The fair value of shares in unlisted companies, in the absence of quoted prices, has been determined using valuation techniques. The fair value of fixed interest investment and equity funds is determined using redemption price as determined by the Fund's administrator.

Interest rate swaps disclosed as other financial liabilities (note 20) are valued using discounted cash flow techniques and observable market information.

The determination of fair value for each of the assets and liabilities above requires significant estimation and judgement which have a material impact on the consolidated statement of comprehensive revenue and expense and consolidated statement of financial position.

Non current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(iii) Impairment testing

Indefinite life intangible assets

Intangible assets with indefinite useful lives (note 15) comprising of fishing quota is required to be tested for impairment at least annually. The impairment assessment for fishing quota requires an estimation of the recoverable amount of the quota based on the higher of value in use or fair value less costs to sell. The determination of the recoverable amount of the quota requires significant estimation and judgement. An independent valuer is used for this determination. The valuers methodology includes assessing each fishstock individually and providing an estimate of the likely market value for each fishstock which is based on market inputs.

Carbon credits are intangible assets with an indefinite useful life carried at revalued amount. In line with PBE IPSAS 21 the difference between fair value and fair value less costs of disposal is the direct incremental costs attributable to the disposal of the asset. The disposal costs of the carbon credits are negligible, therefore the recoverable amount of the carbon credits need not be estimated.

Other assets held at cost

Intangible assets, property plant and equipment, and other assets held at cost are evaluated within the scope of PBE IPSAS 21 for indicators of impairment. If impairment indicators exist then then the recoverable amount of the asset is measured using the lower of fair value less costs of disposal or value in use for the cost generating unit or individual asset if it generates independent cashflows.

2. SUMMARY OF GENERAL ACCOUNTING POLICIES

2.2 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

2.3 Current and deferred income tax

The Inland Revenue Department has approved the Trust as charitable for the purposes of the Income Tax Act 2007.

However, some entities within the Trust are taxable. In the instances where an entity is taxable, current tax is calculated by using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. See note 25 for details of entities that have charitable status.

2.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks or other financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.5 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against other expenses in the consolidated statement of comprehensive revenue and expense.

2.6 Financial assets and liabilities

Financial assets and liabilities are classified on initial recognition into the following categories:

- (i) at fair value through surplus or loss;
- (ii) at amortised cost;
- (iii) loans and receivables whereby the classification depends on the purpose for which the financial assets and liabilities were acquired.

Management determines the classification of its financial assets and liabilities at initial recognition.

(a) Financial assets and liabilities at fair value through surplus or loss

Financial assets and liabilities are financial assets held for trading or designated at fair value through surplus or loss. Derivatives are also classified as held for trading unless designated as hedges.

(b) Financial assets and liabilities measured at amortised cost

Financial assets and liabilities measured at amortised cost are non derivative assets or financial liabilities with fixed or determinable payments that are not quoted in an active market. Trade and other payables, and debt instruments are classified as financial liabilities measured at amortised cost.

(c) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those classified as held at fair value through surplus or loss. Trade and other receivables are classified as loans and receivables.

2. SUMMARY OF GENERAL ACCOUNTING POLICIES

Recognition and measurement

A financial asset or liability is recognised if the Group becomes party to the contractual provisions of the asset or liability. Regular purchases and sales of financial assets and liabilities are recognised on the trade date, the date on which the Trust commits to purchase or sell the asset or liability. A financial asset or liability is recognised initially at its fair value plus (in the case of a financial asset or liability not at fair value through surplus or loss) transaction costs that are directly attributable to the acquisition or issue of the instrument. Financial assets and liabilities carried at fair value through surplus or loss are initially recognised at fair value and transaction costs are expensed in surplus or loss.

After the initial recognition, financial assets are measured at their fair values except for loans and receivables, which are measured at amortised cost using the effective interest rate method.

After the initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method except for the financial liabilities measured at fair value through surplus or loss.

Realised and unrealised gains and losses arising from the changes in the fair value of financial assets and liabilities held at fair value through surplus or deficit are included in the surplus or loss of the period in which they arise.

The fair value of financial assets held that are quoted in an active market are based on current bid prices and the fair value of financial liabilities held that are quoted in an active market are based on current ask prices. If the market for a financial asset is not active (and for unlisted securities), the Trust establishes fair value by using valuation techniques. These include the use of recent arm's length transaction pricing models refined to reflect the Trust's specific circumstances.

Financial assets are de recognised when the rights to receive cash flow from the financial assets have expired or have been transferred and the Trust has transferred substantially all risk and reward of ownership. Financial liabilities are de recognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset or a group of financial assets are impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably measured.

Evidence of impairment may include indication that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, high probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive revenue and expense.

2.7 Non current assets held for sale

Non current assets are classified as 'assets held for sale' when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.8 Accrued revenue

Accrued revenue comprising of The Base Joint Venture, a 50% joint venture partnership with Kiwi Property Group Limited. The principal activity of the Joint Venture is to own and manage the Joint Venture Property, known as The Base. Accrued revenue comprises of lease revenue received in advance. This is amortised over 120 year term using the straight line method.

2. SUMMARY OF GENERAL ACCOUNTING POLICIES

2.9 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an expense.

2.10 Goods and services tax

The surplus and loss component of the consolidated statement of comprehensive revenue and expense has been prepared so that all components are stated exclusive of GST. All items in the consolidated statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

2.11 Statement of cash flows

The statement of cash flows is prepared exclusive of GST. For the purposes of the statement of cash flows, cash and cash equivalents include cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

Operating activities include all transactions and other events that are not investing or financing activities.

Investing activities are those activities relating to the acquisition and disposal of current and non current investments and any other non current assets.

Financing activities are those activities relating to changes in the equity and debt capital structure of the Group and those activities relating to the cost of servicing the Group's equity capital.

2.12 Impairment of non financial assets

(a) Indefinite useful life intangible assets

Where an intangible asset has an indefinite useful life, the asset will be tested annually for impairment by comparing the carrying amount with its recoverable amount.

(b) Cash generating assets

Cash generating assets are assets held with the primary objective of generating a commercial return, except for those measured under the revaluation model or those measured at fair value through surplus or loss. The Group assesses non financial cash generating assets at each reporting date whether there is any indication that an asset may be impaired or not. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of the asset's value in use or fair value less costs to sell. Any impairment loss is recognised immediately in the surplus or loss.

If in a future period, there is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased, the Group performs an assessment of the recoverable amount of that asset. If the Group determines that there has been a change in the estimates used to determine the assets recoverable amount, the assets carrying amount shall be increased to its recoverable amount and the reversal of the impairment loss recorded directly in surplus or loss. The reversal is limited so that the carrying amount net of depreciation, does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, had no impairment loss been recognised for the asset in prior years.

(c) Non cash generating assets

The Group assesses non financial non cash generating assets at each reporting date whether there is any indication that an asset may be impaired, except for those that are measured under the revaluation model or those measured at fair value through profit or loss. If any such indication exists, the Group estimates the recoverable service amount of the asset. The recoverable service amount is the higher of the asset's value in use or fair value less costs to sell. Any impairment loss is recognised immediately in surplus or loss.

2. SUMMARY OF GENERAL ACCOUNTING POLICIES

If in a future period there is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased, the Group will perform an assessment of the recoverable service amount of that asset. If the Group determines that there has been a change in the estimates used to determine the assets recoverable service amount, the assets carrying amount is increased to its recoverable service amount and the reversal of the impairment loss recorded directly in surplus or deficit. The reversal is limited so that the carrying amount does not exceed its recoverable service amount, nor exceed the carrying amount, net of depreciation that would have been determined, had no impairment loss been recognised for the asset in prior years.

2.13 Accounting standards issued not yet effective

The following are new, revised, or amended standards that are applicable to the Group which are in issue but are not yet required to be adopted for the year ended 31 March 2022:

(a) PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 establishes requirements for the recognition and measurement of financial instruments by Tier 1 and Tier 2 public benefit entities. When applied, PBE IPSAS 41 supersedes most of PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IPSAS 41 also supersedes PBE IFRS 9 Financial Instruments.

This standard is effective for reporting periods beginning on or after 1 January 2022. The Group will be required to adopt the standard in the year ending 31 March 2023.

PBE IFRS 9 is an interim standard, which introduced a number of changes to the recognition and measurement of financial instruments, including new classification and measurement requirements for financial assets, new hedging requirements and a new impairment model for financial assets. New Zealand Accounting Standards Board (NZASB) decided to develop PBE IPSAS 41 and withdraw PBE IFRS 9 to align the requirements in PBE standards with most recent IPSAS, equivalent NZ IFRS and allow entities to adopt an updated hedge account requirement which are closely aligned with entity risk management practices. PBE IPSAS 41 is substantially converged with PBE IFRS 9 except for specific modifications made by NZASB.

(b) PBE FRS 48 Service Performance Reporting

This standard establishes requirements for Tier 1 and Tier 2 public benefit entities to select and present service performance information that is useful for accountability and decision making purposes in general purpose financial report. Presentation of service performance information together with financial statements enables users to make assessments of the entity's performance.

This standard is effective for annual periods beginning on or after 1 January 2022. As a Tier 1 not for profit entity, the Group will be required to present service performance information for the first time in its financial statements for the year ending 31 March 2023.

3. REVENUE

	Consolidated	
	2022 \$'000	2021 \$'000
Revenue from exchange transactions		
Rental revenue	31,329	27,398
Amortisation of capitalised lease incentives	(587)	(518)
Hotel revenue	17,919	16,123
Fishing revenue	1,690	1,788
Dairy and livestock revenue	5,751	4,381
Other revenue	3,967	4,744
Sale of sections	-	6,653
Total revenue from exchange transactions	60,069	60,569
Revenue from non exchange transactions		
Government Grant - Carbon Credits	3,200	-
Government Grant - Ruakura Development	2,000	-
External funding for social investment projects	10,455	5,093
Wage Subsidy - Hamilton Riverview Hotel	975	1,857
Wage Subsidy - Tainui Group Holdings	-	306
Wage Subsidy - Waikato Raupatu Lands Trust	-	1,192
Total revenue from non exchange transactions	16,630	8,448
Other operating revenue		
Distributions from unlisted investments	595	674
Distributions from listed investments	1,102	1,295
Total other operating revenue	1,697	1,969
Total revenue	78,396	70,986

Recognition and measurement

Revenue from exchange transactions

Revenue from exchange transactions comprises the fair value of the sale of goods and services, net of Goods and Services Tax (GST), rebates and discounts and after eliminating sales within the Group entity. Exchange revenue is recognised as follows:

(a) Rental revenue

Rental revenue from investment properties is recognised on a straight line basis over the lease term. Where a lease provides for fixed rental increases over the term of the lease, they are amortised on a straight line basis over the non cancellable portion of the lease to which they relate.

(b) Hotel revenue

Revenue from hotels comprises of amounts earned in respect of services, facilities and goods supplied. Hotel revenue is recognised by reference to the stage of completion of the service. Any revenue not recognised, but received by the reporting date, is treated as deposits in advance and shown as a liability in the statement of financial position.

(c) Fishing revenue

The Group leases fishing quota. Revenue is recognised when control over the assets has been transferred to the customer. The revenue is measured at the transaction price agreed under the contract.

(d) Dairy and livestock revenue

The Group generates revenue from sale of dairy and livestock. Dairy and livestock revenue is recognised when the Group has transferred the significant risks and rewards of ownership of the goods sold.

3. REVENUE

(e) Other revenue

Other revenue is recognised when the Group has transferred the significant risks and rewards of ownership of the goods sold or when services have been rendered.

(f) Dividend and distribution revenue

The Group has shares in listed and unlisted companies, in which revenue is generated through dividend and distribution income. Revenue is recognised when the right to receive payment is established. The revenue is measured at the transaction price agreed under the contract.

(g) Sale of sections

For sale of sections of land, recognition is on the sale contract becoming unconditional. The revenue is measured at the transaction price agreed under the contract.

Revenue from non exchange transactions

In a non exchange transaction, the Group either receives value from another entity without directly giving approximately equal value in exchange. The Group's non exchange revenue transactions include Government Grants for the NZ COVID 19 wage subsidy and external funding for social investment projects. Non exchange revenue is recognised as follows:

(h) Government Grants

The Group received \$1.0m of wage subsidies for COVID 19 in 2022 (2021: \$3.4m). This includes 100% owned entities, including Hamilton Riverview Hotel.

The Group is also entitled to receive \$2.0m to date of Crown funding as part of its Crown Infrastructure Partners agreement.

Government grants received are recognised as revenue when they are received unless there is an obligation in substance to return the funds if conditions of the funding are not met. If there is such an obligation, the grants are initially recorded as income in advance and recognised as revenue when the conditions are satisfied.

Revenue from non exchange transactions are recognised in the consolidated statement of revenue and expense as the grant funding is released as this represents fulfilment of conditions attached to the grant. If the Group is entitled to receive a government grant as a result of past performance that satisfies the conditions for receipt of the grant, then the grant is recognised as non exchange revenue and recorded as an asset in the consolidated statement of financial position.

(i) External funding for social investment projects

External funding for social projects are recognised as revenue when they are received unless there is an obligation in substance to return the funds if conditions of the funding are not met. If there is such an obligation, the grants are initially recorded as income in advance and recognised as revenue when the conditions are satisfied.

4. EXPENSES

	Note	Consolidated	
		2022 \$'000	2021 \$'000
Amortisation	15	438	311
Audit fees paid to trust auditors		620	421
Other fees paid to auditor		31	93
Additional audit fees in relation to prior year audit			25
Bad debt written off		1	68
Consultancy fees	16	3,506	1,943
Depreciation		4,159	4,012
Direct costs from hotel operations		5,470	5,243
Doubtful debt provision		119	(346)
Director and trustee fees		1,280	1,347
Employee benefits		20,455	20,326
(Impairment reversal) / impairment		20,634	(1,684)
Rates		4,082	3,128
Repairs and maintenance		4,231	2,863

PwC carries out other services for the Group in the areas of tax compliance and tax consulting of \$7.2k and financial forecast modelling of \$19.5k and the provision of training materials of \$0.0k. In the prior year, PwC carried out other services for the Group in the areas of tax compliance and tax consulting \$22.4k, real estate advisory services of \$84.3k and other services of \$8.6k related to remuneration benchmarking and training.

Employee benefits

Liabilities are recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave where it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities in respect of employee benefits expected to be settled within 12 months, are measured at the amount expected to be paid.

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the achievements of agreed key performance indicators, including the achievement of financial budget targets. The Group recognises a provision where

5. OTHER GAINS - NET

	Note	Consolidated	
		2022 \$'000	2021 \$'000
Investment property - fair value gains	17	259,933	45,213
Gain on sale of joint venture		-	9,711
Te Wherowhero title properties - fair value gains	18	32,071	6,765
Interest rate swaps - fair value gains		5,775	1,662
Forestry assets - fair value gains	12	998	1,388
Livestock - fair value gains	12	394	165
Shares in listed companies - fair value (losses)/gains	14	(2,688)	17,209
Property, plant and equipment losses on disposal		(74)	(20)
Investment in funds - fair value (losses)/gains	14	(5,664)	34,373
Shares in unlisted company AFL - fair value gain	14	1,600	-
Co management fund - fair value gain		206	181
Property, plant and equipment fair value (losses)/gain		(4,646)	-
Total other gains - net		287,905	116,647

6. SOCIAL INVESTMENT

	2022 \$'000	2021 \$'000
Social investment during the year comprised of the following:		
Ngaa Tohu Kaupapa		
• Marae Asset Development	2,355	750
• Marae Connection	-	155
- Tribal Engagement	500	-
• Mahi Tupuna	500	567
• Iwi Taonga	-	20
- Te Reo and Tikanga	1,272	1,188
- Heritage and Identity Grants	753	-
- College	360	360
Ngaa Tohu Hapori		
Tribal Member Wellbeing	4,385	946
Education	135	100
Claims and Settlements	400	451
Employment and Pathways	565	645
Housing	423	233
Tertiary Education Grants	843	665
Kaumaatua Medical Grants	4,275	1,386
Kaumaatua Travel Grants	193	152
Ngaa Tohu Taiao		
Improve Wai and Whenua	146	785
Mana Whakahaere	245	638
Claims and Settlements	154	-
Taiao Grant	439	1,051
Ngaa Tohu Whai Rawa		
Strategic Procurement	24	272
Annual Marae Distribution	3,000	3,000
Special Marae Distribution	-	20,000
Branding and Identity	40	35
Claims and Settlements	1,787	299
Group Investment	204	-
Mahi Tonu		
Tribal Centre	338	360
Kiingitanga Grant	2,500	2,500
Tribal Engagement	1,631	-
Digital Systems and Tools	723	196
Governance and Administration	300	774
Externally funded project	7,483	2,819
	35,973	40,347

Recognition and measurement

Social investment includes grant expenses provided by the Trust or funded by external parties, and are recognised in the consolidated statement of comprehensive revenue and expense immediately once approved. Grants are measured at the amount paid or expected to be paid.

7. INCOME TAX EXPENSE

Due to the charitable status of entities within the Group the surplus subject to income tax is lower than profit before tax in the consolidated statement of comprehensive revenue and expense. The taxable members of the Group have a tax expense of \$0.1m for the year ended 31 March 2022 (2021: nil).

The taxable members of the group have losses of \$0.7m (2021: \$0.7m) to carry forward to meet any potential income tax liability. No deferred tax asset has been recognised for these unused tax losses. They can be carried forward indefinitely.

8. RESERVES AND RETAINED EARNINGS

	Consolidated	
	2022 \$'000	2021 \$'000
(a) Reserves		
Hotel, farm, tribal properties and owner occupied properties revaluation reserve	68,453	39,323
Carbon credits	24,300	7,108
	92,753	46,431

	Note	Consolidated	
		2022 \$'000	2021 \$'000
(i) Hotel, farm, tribal properties and owner occupied properties revaluation reserve			
Balance at the beginning of the year		39,323	35,779
Revaluation gain during the year	16	29,130	3,544
Balance at the end of the year		68,453	39,323
(iii) Carbon credits			
Balance at the beginning of the year		7,108	2,949
Revaluation gain/(loss) during the year	15	17,192	4,159
Balance at the end of the year		24,300	7,108

(i) Revaluation reserve (hotel, farm and other owner occupied properties)

Hotel, farm and owner occupied properties reserves recognises the change in fair value of properties held in this category.

(ii) Carbon credits revaluation reserve

Carbon credits revaluation reserve recognises the change in fair value of Emission Trading Scheme (ETS) New Zealand Units (NZU) held in this category.

8. RESERVES AND RETAINED EARNINGS

(b) Retained earnings

Movements in retained earnings were as follows:

	Consolidated	
	2022	2021
	\$'000	\$'000
Balance at the beginning of the year	1,281,374	1,172,329
Net surplus for the year	311,060	108,822
Other	-	223
Balance at the end of the year	1,592,434	1,281,374

9. CASH AND CASH EQUIVALENTS

	Consolidated	
	2022	2021
	\$'000	\$'000
Cash at bank and in hand	73,263	9,137
Deposits at call	28,408	214,197
Term deposits	-	23,000
Total cash and cash equivalents	101,671	246,334

As at 31 March 2022, no cash or cash equivalents are pledged as security or restricted (2021: nil).

10. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2022 \$'000	2021 \$'000
Trade and other receivables	85,043	26,475
Less provision for doubtful receivables	(157)	(104)
Prepayments	1,315	1,072
GST	1,115	-
Total trade and other receivables	87,316	27,443

	Consolidated	
	2022 \$'000	2021 \$'000
WRRT co management receivable	5,833	6,833
Seismic receivable	3,500	-
Total other receivables	9,333	6,833

Recognition and measurement

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against other expenses in the consolidated statement of comprehensive revenue and expense.

11. INVENTORIES

	Consolidated	
	2022 \$'000	2021 \$'000
Land	8,483	4,884
Other inventories	196	349
Total inventory	8,679	5,233

Recognition and measurement

Inventories are stated at the lower of cost and net realisable value. Cost of inventory is comprised of land section costs and other direct costs using the weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

12. BIOLOGICAL ASSETS

	Note	Consolidated	
		2022 \$'000	2021 \$'000
Current - livestock			
Balance at beginning of year		4,634	4,469
Additions		177	372
Decreases due to sales		(177)	(372)
Changes in fair value	5	394	165
Balance at the end of the year		5,028	4,634
Non current - forestry assets			
Balance at beginning of year		17,733	15,950
Additions		506	395
Harvesting		(510)	
Changes in fair value	5	998	1,388
Balance at the end of the year		18,727	17,733

As at 31 March 2022, livestock comprised of 3,317 cattle and 4,167 sheep (2021: 3,351 cattle and 4,351 sheep) which are held for dairy and drystock farming. PGG Wrightson determined the fair value of sheep, cattle and cows at 31 March 2022. (2021: M Gaustad from NZ Farmers Livestock). The valuation is based on reference to market evidence of current market prices less point of sale costs.

The forestry assets are comprised of Pinus Radiata forest planted from 1996 to 1997, Pinus Radiata forest planted from 2001 to 2002 and Californian Coast Redwoods planted from 2005 to 2012. It is expected that the rotation age for the Pinus Radiata crop will be 27 years and Californian Coast Redwoods, 35 years, at which time the crop will be harvested.

The trees are valued using the Discounted Cash Flow (DCF) method except for Onewhero and Rotowaro forest. Stands aged under five years are valued by the replacement cost method. Stands aged five to fourteen inclusive are derived by merging replacement costs (cost compounded) and discounted net cash flow. The non current biological assets are held for investment. All non current biological assets were valued by Woodlands Pacific Consulting Limited as at 31 March 2022 and 31 March 2021.

Harvesting for the Kawarua forest comprised of Pinus Radiata planted between 1996 and 1997 commenced during the year ended 31 March 2022. At year end 15 hectares had been harvested with the remainder of the forest expected to be harvested over the next 4 years. The forest will be replanted as harvesting is completed.

All valuers are independent registered valuers not related to the Group. All valuers hold recognised and relevant professional qualifications and have recent experience in the categories of biological assets they have valued.

Recognition and measurement

Biological assets are initially measured at cost and subsequently measured at fair value less estimated point of sale costs, with any change therein recognised in the consolidated statement of comprehensive revenue and expense.

13. RELATED PARTY TRANSACTIONS

	2022 \$'000	2021 \$'000
(a) Key management personnel compensation		
Class 1 Key management personnel - Senior management		
Total remuneration	5,676	4,646
Class 2 Key management personnel - Directors and representatives		
Tainui Group Holdings Limited:		
H Raumati Tu'ua* (appointed chair May 2021, previously Director)	96	45
T Morgan	50	-
R Thomas	50	-
M Allen	-	53
T J R Simpson	50	45
D Bracewell	54	45
M Petersen	50	48
H van der Heyden (Chair) (Retired April 2021)	8	92
L Te Aho* (Retired March 2021)	-	45
Te Arataura:		
T Morgan (Chair) (appointed April 2022)	48	90
N Simmonds (Deputy Chair) (appointed January 2021)	80	15
H Raumati Tu'ua*	48	49
J Colliar	48	50
D Turner	48	49
H Matatahi	52	12
T Ngataki	52	12
M Graham	48	11
R Wilson	50	11
V Clark	48	9
L Te Aho (retired as Chair April 2022)	120	70
R Schaafhausen (Chair) (retired January 2021)		124
P Te Ao (Deputy Chair) (retired January 2021)	7	68
H W Rau		41
H Chong		40
T H Rangiawha		39
A Te Kanawa	-	40
K Wilson	-	50
B Takiari Brame**	6	11
G Carter**	25	25
M Butcher**	4	46
T Nicholas	-	35
Te Whakakitenga o Waikato Officers		
P McLean (Chair)	60	60
T Tamaki Takarei (Deputy Chair) (appointed January 2021)	42	8
T T A S Mahuta (Deputy Chair) (retired)	-	32
Te Whakakitenga O Waikato Inc representatives		
	174	101
Whaanau members of key management personnel		
Total remuneration	98	77
Total key management personnel compensation	7,158	6,113

Kaahui Ariki Representative: N Simmonds

Whaanau members of key management personnel are spouses, children, children of spouses, or other dependents as defined by PBE IPSAS 20 Related Party Disclosures.

13. RELATED PARTY TRANSACTIONS

	2022	2021
Number of persons recognised as:		
Class 1 Senior management	16	13
Class 2 Directors and representatives	135	137

* Directors and trustees who are represented on both TGH and Te Whakakitenga O Waikato Incorporated.

** Independent sub committee members

Te Whakakitenga o Waikato representatives are made up of two elected members from 66 Marae. Te Whakakitenga o Waikato is the tribal authority that represents the people of Waikato Tainui.

b) Related parties transactions

The Waikato Raupatu Lands Trust is the controlling entity. Te Whakakitenga o Waikato Incorporated is the ultimate controlling party.

The following table provides the total amount of transactions that have been entered into with related parties. The transactions have taken place on an arm's length basis in accordance with internal policy.

	Purchases from related parties \$000	Sale of services to related parties \$000	Amounts owed to related parties \$000	Amounts owed by related parties \$000
Joint Ventures				
2022	47	1,994	-	-
2021	45	2,282	-	-

14. OTHER FINANCIAL ASSETS

	Listed companies \$'000	Investments in funds \$'000	Unlisted company AFL income shares \$'000	Interest rate swaps \$'000	TOTALS \$'000
Opening net book amount 1 April 2020	49,066	210,918	11,200	-	271,184
Gains / (losses) recognised in surplus and loss	17,209	34,373	-	-	51,582
Purchases	42,967	90,337	-	-	133,304
Sales	(57,009)	(151,096)	-	-	(208,105)
Dividends	(1,073)	-	-	-	(1,073)
Closing net book amount 31 March 2021	51,160	184,532	11,200	-	246,892

	Listed companies \$'000	Investments in funds \$'000	Unlisted company AFL income shares \$'000	Interest rate swaps \$'000	TOTALS \$'000
Opening net book amount 1 April 2021	51,160	184,532	11,200	-	246,892
Gains / (losses) recognised in surplus and loss	(2,688)	(5,664)	1,600	4,029	(2,723)
Purchases	11,346	311,037	-	-	322,383
Sales	(56,308)	(166,514)	-	-	(222,822)
Other	1,592	19	-	-	(1,573)
Closing net book amount 31 March 2022	1,918	323,410	12,800	4,029	342,157

The notional amount of interest rate swaps is \$127.0m with maturity dates that range from 1 7 years (2021: Nil).

These investments are financial assets designated at fair value through surplus or deficit at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Trust's documented investment strategy.

14. OTHER FINANCIAL ASSETS

Current and non current allocation of other financial assets are as follows:

	Consolidated	
	2022 \$'000	2021 \$'000
Current other financial assets		
Listed companies	-	48,120
Investments in funds	301,362	139,905
Total current other financial assets	301,362	188,025
Non current other financial assets		
Listed companies	1,918	3,040
Investments in funds	22,048	44,627
Interest rate swaps	4,029	-
Unlisted company AFL income shares	12,800	11,200
Total non current other financial assets	40,795	58,867

(a) Listed companies

The shares in listed companies comprise of investment portfolios managed by Salt Funds Management, Harbour Asset Management and other investments. The fair value is based on the market close prices at reporting date. The gain for fair value recorded through the consolidated statement of comprehensive revenue and expense for listed companies was \$39.8m (2021: \$17.2m).

(b) Investment in funds

The fair value of investment in funds is represented by the investment in Pioneer Capital Partners Fund I, II and III, Waterman Fund 3 LP and Mercer International Shares Fund. The valuation of the investment is based on the Group's share of the net assets in Pioneer Capital Partners LP and Waterman Fund 3 LP. The valuation of the investment in Mercer International Shares Fund is based on the redemption price provided by the Manager of the Fund. The fair value of the Group's investment in Pioneer Capital Partners LP and Waterman Fund 3 LP is determined using common valuation methods such as discounted cash flow and comparable trading multiple methods as set out in the International Private Equity and Venture Capital Valuation Guidelines. During the year the Group divested from the AMP NZ Short Duration Fund and invested in Mercer International Shares Fund. The loss for fair value for investment in funds, recorded through the statement of comprehensive revenue and expense, was \$7.2m (2021: gain \$34.4m).

(c) Unlisted companies Aotearoa Fisheries Limited (AFL) income shares

The fair value of the AFL income shares is based on a valuation undertaken by Ernst & Young Transaction Advisory Services Limited. The valuation methodology considers past and present performance with reference to comparable listed companies. Ernst & Young Transaction Advisory Services Limited is not related to the Group and holds recognised and relevant professional qualifications having had recent experience and knowledge in the assets they have valued.

15. INTANGIBLE ASSETS

	Note	Computer software \$'000	Fishing Quota \$'000	Carbon Credits \$'000	TOTAL \$'000
Consolidated					
Year ended 31 March 2021					
Opening net book amount		937	20,340	7,507	28,784
Additions		554	-	-	554
Amortisation	4	(311)	-	-	(311)
Fair value gains	8	-	-	4,159	4,159
Closing net book amount		1,180	20,340	11,666	33,186
At 31 March 2021					
Cost and revaluation reserve		4,244	20,340	11,666	36,250
Accumulated amortisation		(3,064)	-	-	(3,064)
Net book amount		1,180	20,340	11,666	33,186

	Note	Computer software \$'000	Fishing Quota \$'000	Carbon Credits \$'000	TOTAL \$'000
Consolidated					
Year ended 31 March 2022					
Opening net book amount		1,180	20,340	11,666	33,186
Additions		174	-	3,200	3,374
Amortisation	4	(438)	-	-	(438)
Fair value gains	8	-	-	17,192	17,192
Closing net book amount		916	20,340	32,058	53,314
At 31 March 2022					
Cost and revaluation reserve		4,418	20,340	32,058	56,816
Accumulated amortisation		(3,502)	-	-	(3,502)
Net book amount		916	20,340	32,058	53,314

The Group is deemed a participant in the New Zealand Emission Trading Scheme (ETS) as it is an owner of fishing quota and forestry land.

Fishing Quota

Quota Management Systems Limited were contracted as an independent valuer to perform an impairment assessment of the quota assets. Fair value has been assessed with reference to individual fish stock, the valuer's knowledge of the market and the Ministry of Fisheries Quota Monitoring System reports.

Quota benefits are expected to be received in perpetuity, therefore the useful life has been assessed as indefinite.

Carbon Credits

(i) Carbon credits on Fishing Quota

Carbon credits for 2022 and 2021 relate to 4,286 NZ units that were allocated by the Ministry for the Environment as part of the fisheries allocation for quota owned. The units in 2022 were valued at \$76.00 per unit (2021: \$36.90) resulting in a fair value gain of \$0.1m to the Group (2021: fair value gain of \$0.1m).

15. INTANGIBLE ASSETS

(ii) Carbon credits on Forestry Land

Carbon credits for 2022 and 2021 relate to 375,336 NZ units that were allocated by the Ministry for the Environment to the pre 1990 and post 1989 forests owned by the Group. The units in 2022 were valued at \$76.00 per unit (2021: \$36.90) resulting in a fair value gain of \$17.1m to the Group (2021: fair value gain of \$4.1m).

Recognition and measurement

(a) Computer software

Separately acquired computer software and licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific asset. These costs are amortised on a straight line basis over their estimated useful lives of up to ten years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

(b) Fishing Quota

Separately acquired fishing quota has an indefinite useful life and therefore is recorded as non current. Fishing quota is tested annually for impairment and is carried at cost less accumulated impairment. The useful life is assessed annually to determine whether the indefinite useful life assessment continues to be supportable.

(c) Carbon credits

Intangible assets include carbon credits acquired by way of a Government grant. Carbon Credits held are treated as intangible assets, and initially recorded at fair value at the date of acquisition. Fair value is initial market value in the case of government granted units. Following initial recognition, these intangible assets are carried at fair value and revalued annually.

Revaluation movements using the revaluation model are recognised through other comprehensive income in a revaluation reserve where the revaluation is above initial market value. Revaluation decreases below initial market value are recognised in the income statement and reversals are recognised in the income statement until the valuation equals initial market value.

16. PROPERTY, PLANT AND EQUIPMENT

	Farm & owner occupied properties	Work in progress	Tribal properties	Plant & equipment	Motor vehicles	Computer, office equipment, furniture & fittings	Land & buildings (Hotels)	TOTAL
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 March 2021								
Opening net book value	50,685	12,382	52,244	586	1,126	11,629	47,490	176,142
Transfer	-	(13,200)	-	-	-	4,448	8,769	17
Additions	2,481	1,012	1,546	19	116	277	-	5,451
Disposals	-	-	-	-	-	(13)	-	(13)
Net revaluation gain/(loss) through other comprehensive income	8 (1,462)	-	-	-	-	-	5,006	3,544
Depreciation	4 (268)	-	(433)	(52)	(215)	(1,583)	(1,461)	(4,012)
Closing net book value	51,436	194	53,357	553	1,027	14,758	59,804	181,129
At 31 March 2021								
Cost and revaluation reserve	51,507	194	62,649	1,446	2,504	28,712	61,265	208,277
Accumulated depreciation	(71)	-	(9,292)	(893)	(1,477)	(13,954)	(1,461)	(27,148)
Closing net book value	51,436	194	53,357	553	1,027	14,758	59,804	181,129

	Farm & owner occupied properties	Work in progress	Tribal properties	Plant & equipment	Motor vehicles	Computer, office equipment, furniture & fittings	Land & buildings (Hotels)	TOTAL
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 March 2022								
Opening net book value	51,436	194	53,357	553	1,027	14,758	59,804	181,129
Transfer	334	(194)	629	-	-	(292)	190	-
Additions	2,491	-	400	176	1,334	1,420	665	6,486
Disposals	(13)	-	(120)	-	(354)	-	-	(487)
Net revaluation gain/(loss) through other comprehensive income	8 5,850	-	23,333	-	-	-	(53)	29,130
Net revaluation gain/(loss) through profit or loss	-	-	(4,646)	-	-	-	-	(4,646)
Transfer to investment properties	17	-	(234)	-	-	-	-	(234)
Depreciation	4 (309)	-	(432)	(54)	(239)	(1,761)	(1,364)	(4,159)
Other	-	-	1	-	-	-	-	1
Closing net book value	59,121	-	72,288	675	1,768	14,126	59,242	207,220
At 31 March 2022								
Cost and revaluation reserve	59,207	-	72,904	1,622	3,039	29,844	62,066	228,682
Accumulated depreciation	(86)	-	(616)	(947)	(1,271)	(15,718)	(2,824)	(21,462)
Closing net book value	59,121	-	72,288	675	1,768	14,126	59,242	207,220

16. PROPERTY, PLANT AND EQUIPMENT

Valuation of hotel, farm and owner occupied properties

Telfer Young (Waikato) Limited, Arotahi Agribusiness and CBRE were contracted as independent valuers to value hotels, farms and owner occupied properties. Fair value has been assessed as the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.

The significant methods and assumptions applied in estimating the fair value were:

- the direct comparison approach (based on analysis of sales of vacant property. This analysis includes determination of land value, other improvements and residual value for principal improvements);
- the traditional capitalisation approach (focusing on the net maintainable revenue and the level of investment return);
- the discounted cash flow approach (based on establishing a cash flow budget for the property having particular regard to the length of lease term and nature of the leasehold interest and the following factors; discount rate, land inflation and rental rates);
- comparing market evidence of transaction prices for similar properties;

SIGNIFICANT INPUT	DESCRIPTION	FAIR VALUE MEASUREMENT SENSITIVITY TO SIGNIFICANT:		VALUATION METHOD
		Increase in input	Decrease in input	
<i>Discount rate</i>	The discount rate is applied to future cash flows of a hotel to provide a net present value equivalent. The discount rate adopted takes into account recent comparable market transactions, prospective rates of return for alternative investments and apparent risk.	Decrease in property values	Increase in property values	Discounted cash flow
<i>Average daily rate</i>	The average charge paid by hotel guests on a per room per night basis. It is expressed net of GST and other direct taxes and is calculated by dividing the total rooms revenue by the rooms occupied over a given period.	Increase in property values	Decrease in property values	Discounted cash flow
<i>Occupancy rate</i>	Ratio of rooms occupied to rooms available over a given period.	Increase in property values	Decrease in property values	Discounted cash flow
<i>Market capitalisation rate</i>	The capitalisation rate applied to the market income to assess an investment property's value. The capitalisation rate is derived from detailed analysis of factors such as comparable sales evidence and leasing transactions in the open market taking into account location, tenant covenants – lease term and conditions, size and quality of the investment property.	Decrease in farm values	Increase in farm values	Capitalisation
<i>Price per square metre</i>	The price applied to site area for comparable sales. This enables comparison with comparable sales in the open market.	Increase in farm values	Decrease in farm values	Market Comparison

16. PROPERTY, PLANT AND EQUIPMENT

As at 31 March 2022	Discount rate	Average daily rate	Occupancy rate
Hotels	10.00% -13.00%	\$185	48.0%
As at 31 March 2022	Market capitalisation rate	Price per square metre	
Farm	1.80% -4.41%	\$0.65 -\$4.51	
As at 31 March 2021	Discount rate	Average daily rate	Occupancy rate
Hotels	10.25% -13.5%	\$177.31	52.7%
As at 31 March 2021	Market capitalisation rate	Price per square metre	
Farm	Not applicable	\$0.44 -\$5.80	

The total value of hotels valued by CBRE Limited at 31 March 2022 for the Group is \$71.0m (2021: \$72.5m) and is spread across furniture and fittings \$11.5m (2021: \$12.3m) and land and buildings \$58.8m (2021: \$60.2m).

The total value of farm properties valued by Telfer Young (Waikato) Limited at 31 March 2022 for the Group is \$27.1m (2021: \$24.5m) and by Arotahi Agribusiness for the Group at 31 March 2022 is \$20.5m (2021: nil). CBRE did not value any farm properties at 31 March 2022 (2021: \$16.6m).

The total value of owner occupied properties valued by Telfer Young (Waikato) Limited for the Group at 31 March 2022 is \$11.2m (2021: \$9.7m).

All valuers are independent registered valuers not related to the Trust. All valuers hold recognised and relevant professional qualifications and have recent experience in the locations and categories of farm owner occupied properties they have valued.

Tribal properties

Tribal properties comprise of land and buildings located at Hopuhopu, reserve lands and a residential property located at Pukawa.

These properties are revalued every 3 years but tested annually for impairment. Impairment losses are included in the consolidated statement of comprehensive revenue and expense.

Valuation of Tribal properties

Hopuhopu Building Valuation

Hopuhopu buildings have a fair value of \$6.5m on 31 March 2022 (31 March 2021: Nil) using the depreciated replacement method.

Endowed College, Hopuhopu

M Silverton and J Alexander from Silverton Alexander Limited valued the buildings at the Endowed College based in Hopuhopu at fair value of \$18.7m on 31 March 2022 (31 March 2021: Nil) using the costs approach. The cost approach provides an indication of value using the principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

Maramarua Whenua

Scott Carter from Arotahi Agribusiness valued tribal properties at fair value of \$13.9m (31 March 2021: Nil) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

Other Tribal properties

Doug Saunders and Jeremy McKeefry from Telfer Young (Waikato) Limited valued tribal properties at fair value of \$5.4m (31 March 2021: Nil) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches and has been assessed as the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.

16. PROPERTY, PLANT AND EQUIPMENT

Matt Tooman and Dipesh Patel from Aim Valuation (Auckland) valued tribal properties at fair value of \$9.0m (31 March 2021: Nil) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

Included in Tribal properties is \$7.9m (2021: \$7.9m) of land held at cost on the basis that they are not cash generating and there are no plans for development and will not be sold.

Land and buildings (Hotels) pledged as security

The Syndicated facility with Westpac New Zealand, Bank of New Zealand and The Industrial and Commercial Bank of China (New Zealand) Limited has security agreements over the assets owned by the HRH Limited Partnership refer to note 19.

Recognition and measurement

Hotels are comprised of land, buildings and plant held at the hotels. Hotels are valued by an external independent valuer and are shown at fair value less subsequent depreciation. Current accounting policy requires this to occur on a triennial basis with a valuation being completed for the year ended 31 March 2022. Due to impacts of COVID 19, an external valuer was engaged in the current year to ensure the value presented in these financial statements reflects the current environment.

Farm and owner occupied properties are comprised of land, buildings and plant held on the farms as well as buildings occupied by the Trust and TGH. These are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Tribal properties, vehicles, equipment, fixtures and fittings are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Tribal properties comprise of buildings located at Hopuhopu, reserve lands and a residential property in Pukawa. These properties are revalued every 3 years but tested annually for impairment. Impairment losses are included in the consolidated statement of comprehensive revenue and expense.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset (as appropriate), only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive revenue and expense during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of hotel, farm and owner occupied properties are credited to the revaluation reserve in equity. To the extent that the increase reverses a revaluation decrease previously recognised in the consolidated statement of comprehensive revenue and expense, the increase is first recognised in the consolidated statement of comprehensive revenue and expense. Decreases that reverse previous increases are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the same class of asset; all other decreases are charged to the consolidated statement of comprehensive revenue and expense.

Class of asset depreciated	Estimated useful life
Computers	2 - 10 years
Farm buildings	50 years
Hotels (buildings)	50 - 100 years
Hotels (other assets)	3 - 33 years
Office equipment, furniture and fittings	1 - 17 years
Other buildings	100 years
Plant and equipment	1 - 14 years
Vehicles	2 - 11 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive revenue and expense. When revalued assets are sold, it is the Trust's policy to transfer the amounts included in revaluation reserves in respect of those assets to retained earnings.

17. INVESTMENT PROPERTIES

	Note	Consolidated	
		2022 \$'000	2021 \$'000
Balance at beginning of year		570,958	497,022
Development costs		77,654	28,723
Acquisitions		21,400	-
Net gain from fair value adjustment	5	259,993	45,213
Transfer to inventory	14	(1,400)	-
Balance at end of year		928,545	570,958

Included within investment property is \$881.3m (2021: \$560.1m) of land and buildings held at fair value and \$60.2m (2021: \$10.9m) of commenced developments held at cost.

Developments held as cost include the ACC Development on Collingwood Street in Hamilton and WIP for buildings at Ruakura. These developments are held at cost because fair value cannot be determined reliably. The developments are expected to be completed towards the end of FY23 however this may be extended due to extension of time claims, for example COVID 19 related delays.

(a) Recognition and measurement

Investment properties include properties held to earn rental revenue, and/or for capital appreciation, as well as investment properties under construction. A property is also classified as an investment property if it does not have an operating lease in place but is held with the intention of attaining an operating lease.

Investment properties are initially recognised at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, representing open market value determined annually by external valuers.

For properties under construction they are fair valued based on the net cashflow discounted back to present day at an appropriate rate of return. Where fair value can't be measured reliably for investment properties under construction the cost model has been used.

Changes in fair value are recorded in the statement of comprehensive revenue and expense.

Amounts recognised in surplus or loss

During 2022, investment property expenses from income generating property were \$0.8m and \$0.1m from vacant property.

The significant methods and assumptions applied in estimating the fair value were:

- the direct comparison approach (based on analysis of sales of vacant property. This analysis includes determination of land value, other improvements and residual value for principal improvements);
- the traditional capitalisation approach (focusing on the net maintainable revenue and the level of investment return);
- the discounted cash flow approach (based on establishing a cash flow budget for the property having particular regard to the length of lease term and nature of the leasehold interest and the following factors; discount rate, land inflation and rental rates);
- comparing market evidence of transaction prices for similar properties.

17. INVESTMENT PROPERTIES

The key inputs used to measure fair value of investment properties and Te Wherowhero properties (note 19), along with their sensitivity to significant increase or decrease, are as follows:

SIGNIFICANT INPUT	DESCRIPTION	FAIR VALUE MEASUREMENT SENSITIVITY TO SIGNIFICANT:		VALUATION METHOD
		Increase in input	Decrease in input	
<i>Market capitalisation rate</i>	The capitalisation rate applied to the market income to assess an investment property's value. The capitalisation rate is derived from detailed analysis of factors such as comparable sales evidence and leasing transactions in the open market taking into account location, tenant covenants – lease term and conditions, size and quality of the investment property.	Decrease in property values	Increase in property values	Capitalisation
<i>Discount rate</i>	The discount rate is applied to future cash flows of an investment property to provide a net present value equivalent. The discount rate adopted takes into account recent comparable market transactions, prospective rates of return for alternative investments and apparent risk.	Decrease in property values	Increase in property values	Discounted cash flow
<i>Price per square metre</i>	The price applied to site area for comparable sales. This enables comparison with comparable sales in the open market.	Increase in property values	Decrease in property values	Market Comparison

As at 31 March 2022

Investment Properties and Te Wherowhero title properties

Market capitalisation rate

1.90% - 8.15%

Discount rate

6.50% - 9.00%

Price per square metre

\$120 to \$4,081

As at 31 March 2021

Investment Properties and Te Wherowhero title properties

Market capitalisation rate

2.05% - 6.30%

Discount rate

5.00% - 8.00%

Price per square metre

\$93 to \$7,673

17. INVESTMENT PROPERTIES

Investment property valuations were completed as follows:

Ruakura

S Millar and J Williams from CBRE Limited valued property at Ruakura at fair value of \$413.9m (2021: \$193.4m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches. The valuation also deducts future planned construction and earthwork costs related to the development of the Ruakura inland port, other future developments at Ruakura and an allowance for profit and risk. The Group has appointed an independent expert, Rider Levett Bucknall (RLB), to assist with estimating the cost to complete the inland port. The valuers have included additional profit and risk allowances of 5%–20% for future development expenditure related to the various development zones of the Ruakura inland port.

The New Zealand Government has agreed to provide certain grants to the Group for the development of the Ruakura inland port as agreed development milestones are met. For the purposes of the valuation these grants reduce the future development cost and therefore increase the fair value of the asset. The Group is required to hand over certain roads constructed during the development of the inland port to the Hamilton City Council for nil consideration at the conclusion of the project.

The Base and Centre Place

D Winfield, L Rooney and P Hewitson from Jones Lang LaSalle, Valuation & Advisory valued properties related to The Base at fair value of \$396.0m on 31 March 2022, \$198.0m being 50% group share (31 March 2021: Timothy Arnott and Anisha Segar from CBRE Limited valued properties related to The Base at fair value of \$375.0m on 31 March 2021, \$187.5m being 50% group share) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

On 1 April 2021, the Group entered into a joint arrangement with Kiwi Property Limited (KPL) known as the Centre Place Joint Venture (the Joint Operation), which has been accounted for as a joint operation in the Group financial statements (see note 26). KPL has contributed properties amounting to \$42.6m at fair value to the joint operation. The Group has contributed properties amounting to \$25.7m at fair value to the joint operation. In order to compensate KPL for the difference in relative values between the properties contributed, the Group has transferred \$8.4m to KPL, as a contribution to the joint operation.

The overall outcome of this investment results in the Group acquiring 50% of all the leasehold interests in Centre Place North, 65 Bryce Street and 100% of the freehold whenua below the multi story carpark. The existing ground lease is extinguished and replaced by a 100 year prepaid ground lease over all the whenua including the two corner properties along Victoria Street.

D Winfield and L Rooney from Jones Lang LaSalle, Valuation & Advisory valued properties related to the Centre Place Joint Venture at fair value of \$72.2m on 31 March 2022, \$36.1m being 50% group share using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

In relation to capital expenditure, the valuers for The Base have made deductions for seismic strengthening works. The valuer of Centre Place has assessed the seismic risk of the asset in the capitalisation rate of the valuation. The Group has provided the valuers with the estimated cost of works for each asset. In some instances the valuer has assessed additional costs for potential works to buildings which have not been subject to a Detailed Seismic Assessment (DSA) and/or made additional allowances for escalation and profit and risk. The timing of the cash outflow for these costs has been spread over the likely remediation period and the overall value deduction reflects the present value of costs over the adopted time horizon.

Other investment properties

D Saunders, R Smithers, D McDavitt, A McAnulty and A Don from Telfer Young (Waikato) Limited (31 March 2021: D Saunders) valued properties at fair value of \$117.0m on 31 March 2022 (31 March 2021: \$110.5m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

C McCashin and M Snelgrove from Colliers International NZ Limited valued properties at fair value of \$22.6m on 31 March 2022 (31 March 2021: \$18.3m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flows approaches.

M Silverton and J Alexander from Silverton Alexander Limited valued properties at fair value of \$80.8m on 31 March 2022 (31 March 2021: \$29.7m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

17. INVESTMENT PROPERTIES

P.A. Curnow from Curnow Tizard Limited valued properties at fair value of \$7.1m on 31 March 2022 (31 March 2021: \$51.5m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

L Rooney from Jones Lang LaSalle, Valuation & Advisory valued properties at fair value of \$22.8m (2021: nil) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

P Schellekens and S Carter from Arotahi Agribusiness Limited valued properties at fair value of \$1.6m (2021: nil) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

All valuers are independent registered valuers not related to the Trust. All valuers hold recognised and relevant professional qualifications and have recent experience in the locations and categories of the investment property they have valued.

Impact of the COVID 19 global pandemic

As at 31 March 2022 the real estate markets to which the Group's investment properties belong, continue to be impacted by market uncertainty caused by the COVID 19 outbreak.

The market uncertainty has affected key inputs, assumptions and processes used in the valuation of the Group's investment properties, being:

- estimating the net income that a property can produce (income uncertainty), and
- converting that income to value by applying investment rates of return which are derived from analysis of recent market transactions (investment uncertainty).

Income uncertainty

The pandemic has impacted the income earning potential of the Group's properties during the financial period. The Group leases commercial accommodation to a range of businesses from where they conduct their operations. Restrictions imposed by the Government to combat the pandemic prevented certain businesses from operating out of their premises in the usual manner. In response, the Group is working through a cost sharing programme with affected tenants whereby the Group has forgiven or will forgive a portion of the rent payable by the tenant. The percentage of rent forgiven and the duration of the forgiveness period, is subject to negotiation between the Group and the tenant. This programme had a negative impact on the Group's income for the year ended 31 March 2022. Future income may also be impacted as:

- the underlying activity and profitability of many of the Group's tenants may be affected by further restrictions which prevent the population from socialising or accessing goods and services to the extent they could before the pandemic. However, the combination of the Government's pandemic management protocols and widespread take up of the vaccination is expected to reduce the need for long term restrictions in the future and therefore the need for further cost sharing measures of the same scale. Nevertheless, risk remains that a more severe variant of Covid 19 may transpire in the future.
- border restrictions into New Zealand mean businesses that rely on travel and tourism continue to be negatively impacted, although restrictions are proposed to be lifted on a staged basis with normal visa processing to resume for all visa categories from August 2022.

Investment uncertainty

Investment uncertainty arising from COVID 19 has decreased during the financial period relative to the prior period, although some uncertainty still remains, generally for larger (above \$100 million) retail and retail dominated mixed use properties. During the financial period, investment market participants were restricted in conducting normal business activities during Alert Levels 3 and 4 as well as during red traffic light settings. Additionally, many large investors are domiciled offshore and travel restrictions prevented them from physically inspecting assets and undertaking typical due diligence. However, there has been varying levels of transactional evidence across all core real estate sectors during the financial period, providing evidence of current market pricing. The exception is for larger retail assets above \$100 million in value for which the inputs and metrics used to reliably estimate fair value are derived with reference to sub \$100 million retail asset sales, a robust level of larger Australian transactional evidence, and local market metrics from before the pandemic began.

17. INVESTMENT PROPERTIES

Valuation uncertainty

There is no reference to material valuation uncertainty in any of the valuations of the Group's investment properties at 31 March 2022 (31 March 2021: Material valuation uncertainty was present for The Base).

More recently, there has been increased transactional activity across some property sectors. This has enabled valuers of properties within these sectors to conclude valuations with a greater degree of certainty and consequently remove the Material Valuation Uncertainty clauses from the valuations for these assets. Notwithstanding, these valuations still include downgraded statements pertaining to market volatility, elevated risk and uncertainty suggesting that a higher degree of caution should still be exercised when relying upon the valuations.

While valuation uncertainty relating to COVID 19 is reducing, general macroeconomic trends have evolved over the latter part of the financial year which is creating a heightened sense of uncertainty as at balance date. These trends include rising interest rates on the back of the highest levels of consumer price inflation observed since the early 1990's. High levels of inflation and the increasing cost of living is expected to adversely impact consumer spending in the short to medium term, which creates a more uncertain outlook. Higher interest rates have narrowed the spread between yields and cost of debt which adds to the level of valuation uncertainty as at balance date and, all else equal, creates a risk that capitalisation rates may increase in the short term.

The Group is in the process of identifying the impact of climate change on the business and assets. The valuers made no explicit adjustments in respect of climate change matters. However, the Group and its valuers anticipate that climate change could have a greater influence on valuations in the future as investment markets place a greater emphasis on this topic.

Seismic uncertainty – The Base & Centre Place

In relation to capital expenditure, the valuers for The Base have made deductions for seismic strengthening works. The valuer of Centre Place has assessed the seismic risk of the asset in the capitalisation rate of the valuation. The Group has provided the valuers with the estimated cost of works for each asset. In some instances the valuer has assessed additional costs for potential works to buildings which have not been subject to a Detailed Seismic Assessment (DSA) and/or made additional allowances for escalation and profit and risk. The timing of the cash outflow for these costs has been spread over the likely remediation period and the overall value deduction reflects the present value of costs over the adopted time horizon.

18. TE WHEROWHERO TITLE PROPERTIES

	Note	Consolidated	
		2022 \$'000	2021 \$'000
Balance at beginning of the year		117,724	110,959
Net gain/(loss) from fair value adjustments	5	32,071	6,765
Transfer from PPE	18	234	-
Balance at end of year		150,029	117,724

(a) Recognition and measurement

Te Wherowhero title is the mechanism set up to protect the title of lands in the tribal estate. The benefits and the land in Te Wherowhero title are for all Waikato Tainui and the land cannot be succeeded to, sold, alienated, mortgaged or gifted without adherence to a process to obtain the mandate of the voting beneficiaries or their representatives and unanimous consent of the Custodial Trustees.

Te Wherowhero investment properties are carried at fair value, representing open market value determined by external valuers. Changes in fair value are recorded in the consolidated statement of comprehensive revenue and expense.

Te Wherowhero property that is not investment land is not leased and is recorded at historical cost as at 31 March 2022 of \$1.7m (2021: \$1.7m).

As at 31 March 2022 and 31 March 2021, the title is protected by the Custodial Trustee Kiingi Tuheitia.

The custodians of Te Wherowhero title are the Head of the Kaahui Ariki and two successors who are yet to be elected.

(b) Valuation of Te Wherowhero title properties

Te Wherowhero title properties comprise of land and properties located at Kawhia, Onewhero, 192 The Terrace in Wellington, Hopuhopu, The Base and the University of Waikato, Hamilton. Te Wherowhero investment properties are held at fair value amounting to \$150.0m (2021: \$117.7m).

The significant methods and assumptions applied in estimating the fair value were:

- the direct comparison approach (based on analysis of sales of vacant property. This analysis includes determination of land value, other improvements and residual value for principal improvements);
- the traditional capitalisation approach (focusing on the net maintainable revenue and the level of investment return); and
- the discounted cash flow approach (based on establishing a cash flow budget for the property having particular regard to the length of lease term and nature of the leasehold interest and the following factors; discount rate, land inflation and rental rates);
- comparing market evidence of transaction prices for similar properties.

18. TE WHEROWHERO TITLE PROPERTIES

The key inputs used to measure fair value of investment properties (note 18) and Te Wherowhero title properties, along with their sensitivity to significant increase or decrease, are as follows:

SIGNIFICANT INPUT	DESCRIPTION	FAIR VALUE MEASUREMENT SENSITIVITY TO SIGNIFICANT:		VALUATION METHOD
		Increase in input	Decrease in input	
<i>Market capitalisation rate</i>	The capitalisation rate applied to the market income to assess an investment property's value. The capitalisation rate is derived from detailed analysis of factors such as comparable sales evidence and leasing transactions in the open market taking into account location, tenant covenants – lease term and conditions, size and quality of the investment property.	Decrease in property values	Increase in property values	Capitalisation
<i>Discount rate</i>	The discount rate is applied to future cash flows of an investment property to provide a net present value equivalent. The discount rate adopted takes into account recent comparable market transactions, prospective rates of return for alternative investments and apparent risk.	Decrease in property values	Increase in property values	Discounted cash flow
<i>Price per square metre</i>	The price applied to site area for comparable sales. This enables comparison with comparable sales in the open market.	Increase in property values	Decrease in property values	Market Comparison

As at 31 March 2022 **Market capitalisation rate** **Discount rate** **Price per square metre**

Investment Properties and Te Wherowhero title properties 1.90% - 8.15% 6.50% - 9.00% \$120 to \$4,081

As at 31 March 2021 **Market capitalisation rate** **Discount rate** **Price per square metre**

Investment Properties and Te Wherowhero title properties 2.05% - 6.30% 5.00% - 8.00% \$93 to \$7,673

Te Wherowhero title properties valuations were completed as follows:

C McCashin and M Snelgrove from Colliers International NZ Limited valued properties at fair value of \$78.1m on 31 March 2022 (31 March 2021: K Sweetman and M Snelgrove \$46.6m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flows approaches.

P Schellekens (previously CBRE in 2021) and S Carter from Arotahi Agribusiness valued properties at fair value of \$5.7m on 31 March 2022 (31 March 2021: nil) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flows approaches.

Chris Barnsley from Telfer Young (Waikato) Limited valued properties at \$1.3m on 31 March 2022 (31 March 2021: \$1.3m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

P Schellekens from CBRE Limited did not value any Te Wherowhero title properties at 31 March 2022 (31 March 2021: \$5.1m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flows approaches.

\$63.0m (2021: \$63.0m) of The Base is classified as Te Wherowhero title properties, being the ground lease.

All valuers are independent registered valuers not related to the Trust. All valuers hold recognised and relevant professional qualifications and have recent experience in the locations and categories of the investment property they have valued.

19. INTEREST BEARING LIABILITIES

	Consolidated	
	2022 \$'000	2021 \$'000
Secured		
Bank loans		100,00
Total secured current interest bearing borrowings		100,00
Secured		
Bank loans	215,025	30,762
Total non current interest bearing liabilities	215,025	30,762
Total interest bearing liabilities	215,025	130,762

On 5 November 2021 TGH Property Ltd established a new debt facility of \$450m. The Syndicated facility agreement is held with Westpac New Zealand for \$165.0m (being the facility agent), Bank of New Zealand for \$205.0m and The Industrial and Commercial Bank of China (New Zealand) Limited for \$80.0m. The new facilities refinanced previous debt facilities (HRH \$40.0m, The Base \$100.0m, and TGH nil). Further to this TGH Property Ltd established an overdraft facility of \$15m with the Bank of New Zealand as a part of the Syndicated facility agreement. Borrowings of \$211.0m of the available facilities had been drawn at balance date. Westpac New Zealand, the Bank of New Zealand and The Industrial and Commercial Bank of China (New Zealand) Limited have shared pari passu security arrangements over a diversified pool of property assets. The Syndicated facility agreement is an evergreen facility with the current maturity date, being the 5th of November 2024.

On 3 December 2021 TGH Natural Resources Ltd established a Senior Facility Agreement of \$4.0m and an overdraft facility of \$1.0m with ASB Bank Limited. The facilities include a term loan facility with ASB Bank Limited of \$4.0m which matures on 3 December 2024, and an overdraft facility with ASB Bank Limited for \$1.0m which matures on 3 December 2024. Borrowings of \$3.5m of the available facilities had been drawn at balance date. ASB Bank Limited holds a first and preferential security interest over all property owned by TGH Natural Resources Ltd and TGH Farms and Forestry Limited.

Recognition and measurement

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive revenue and expense over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

20. OTHER FINANCIAL LIABILITIES

	Consolidated	
	2022 \$'000	2021 \$'000
Categorised as at fair value through surplus or deficit		
Interest rate swaps	187	1,402
	187	1,402
Total current other financial liabilities		
Interest rate swaps	178	702
	178	702
Total non current other financial liabilities	365	2,104

The notional amount of interest rate swaps is \$23.0m with maturity dates that range from 1-7 years, (2021: \$49.0m, maturing between 1-5 years).

21. TRADE AND OTHER PAYABLES

	Consolidated	
	2022 \$'000	2021 \$'000
Trade payables	1,161	598
Income received in advance	12,953	546
Accrued expenses	22,876	19,818
Grants payable	8,905	16,553
Employee entitlements	1,457	949
Other payables	65	32
GST payable	-	(348)
Total trade and other payables	47,417	38,148

Recognition and measurement

Trade and other accounts payable are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method.

22. CONTINGENCIES

22.1 Contingent liabilities

The Trust has no contingent liabilities or guarantees at 31 March 2022 (2021: Nil).

22.2 Contingent assets

There is a contingent asset at balance date in respect of the Relativity Settlement mechanism. The mechanism was triggered in 2012 and an amount of \$70.0m was received in December 2013 upon the first claim being made under the relativity clause. Further to this in the year ended 31 March 2015 an amount of \$12.5m was received as a result of the arbitration process which followed the first claim.

The second relativity settlement claim was received in December 2017 for \$189.6m and as a result of the arbitration process \$16.8m followed in April 2018.

The Trust is still in an ongoing dispute in relation to the first relativity claim made in 2012. The dispute relates to interpretations of specific clauses in Deed of Settlement and valuation of Total Redress Amounts. The final amount of the disputed receivable is contingent on agreement being reached and cannot be reliably measured.

The next relativity discussions are due to commence in October 2022, with settlement expected in December 2022. Whilst all care and attention is provided at these discussions it does not diminish the responsibility of Waikato Tainui to pursue further redress for settlement and/or disputes.

23. CAPITAL COMMITMENTS

Expenditure contracted for at the reporting date but not recognised as liabilities are as follows:

	Consolidated	
	2022	2021
	\$'000	\$'000
Investment property	135,329	62,359
Other	19,514	20,004
Total capital commitments	154,843	82,363

Other commitments include the capital call commitment for investment in Pioneer Capital Partners Fund II and fund III for \$2.7m (2021: \$4.8m), Waterman Fund 3 LP \$3.2m (2021: \$3.2m) and a commitment to contribute capital to the joint venture Tainui Auckland Airport Hotel 2 LP of \$13.6m (2021: \$12.0m) upon a capital call notice.

24. LEASES

(a) Accrued revenue

Expenditure contracted for at the reporting date but not recognised as liabilities are as follows:

	Consolidated	
	2022	2021
	\$'000	\$'000
Within one year	263	263
Later than one year	29,662	29,925
	29,925	30,188

Revenue was received in advance in 2017 for the operating lease that exists between the Trust and The Base for land owned by the Trust for The Base and is amortised over a 120 year term using the straight line method.

24. LEASES

(b) Operating leases as lessee

Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:

	Consolidated	
	2022 \$'000	2021 \$'000
Within one year	93	130
Later than one year	55	66
Total non cancellable operating leases	148	196

There are no 'options to purchase' attached to any lease agreements.

The operating lease that exists between the Trust and TGH for land owned by the Trust for University of Waikato is rent free until the first rent review date which is in 2022.

(c) Group as lessor

The Group enters into property leases with tenants on its investment properties, including The Base and University of Waikato. The Group has determined that it retains all significant risks and rewards of ownership of these properties and has therefore classified the leases as operating leases.

Commitments for minimum lease receipts in relation to 'after non cancellable' operating leases are receivable as follows:

	Consolidated	
	2022 \$'000	2021 \$'000
Within one year	31,692	26,678
Between one and five years	81,483	68,402
Later than five years	74,174	77,984
Total non cancellable operating leases	187,349	173,064

The majority of lease agreements are renewable at the end of the lease period at market rates. There are no options 'to purchase' attached to any lease agreements.

Recognition and measurement

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive revenue and expense on a straight line basis over the period of the lease.

25. TRUST STRUCTURE

During the year changes were made in TGH's subsidiary structure to align with the asset classes directly managed by TGH under Puna Whakatupu Tangata (PWT), specifically Real Estate, Natural Resources and Infrastructure. PWT is the new investment framework and highest level of Waikato Tainui's investment strategy. TGH is in a two year transition to take the business to being capable of executing to the frameworks of PWT.

25. TRUST STRUCTURE

(a) Controlled entities:

The Trust controls the following entities, which form the Economic entity. All controlled entities have a March balance date.

Control & voting interest

	Charitable Status	Principal Activity	2022	2021
TGH Natural Resources Limited (formerly TGH Primary Industries Limited)	Yes	Primary	100%	100%
TGH Farms and Forestry Limited	Yes	Primary	100%	100%
TGH Forestry Limited	Yes	Primary	100%	-%
TGH Private Equities Limited (formerly TGH Direct Investments Limited)	Yes	Direct Investments	100%	100%
TDL No. 2 Limited	Yes	Direct Investments	100%	100%
TDL No. 3 Limited	Yes	Direct Investments	100%	100%
TGH Equities Limited	No	Equities	100%	100%
TGH Property Limited	Yes	Property	100%	100%
TGH Investment Property Limited	Yes	Property	100%	-%
TGH Hotels Investment Limited (formerly TGH Hotels Limited)	Yes	Hotel	100%	100%
TDL No. 1 Limited	Yes	Hotel	100%	100%
HRH Limited Partnership	No	Hotel	100%	100%
HRH GP Limited	No	Hotel	100%	100%
TGH Crown Investment Ltd (formerly TGH Fixed Income Limited)	Yes	Property	100%	100%
TGH Retail Investment Limited	Yes	Property	100%	-%
The Base Limited	Yes	Property	100%	100%
TGH Centre Place Limited	Yes	Property	100%	-%
TGH Residential Investment Limited	Yes	Property	100%	-%
TGH Industrial Investment Limited	Yes	Property	100%	-%
TGH Commercial Investment Limited	Yes	Property	100%	-%
TGH Development Property Limited	Yes	Property	100%	%
TGH Retail Development Limited	Yes	Property	100%	%
TGH Hotels Development Ltd	Yes	Property	100%	100%
TGH Residential Development Limited (formerly Tainui Development Limited)	Yes	Property	100%	%
TGH Industrial Development Limited	Yes	Property	100%	%
TGH Commercial Development Limited	Yes	Property	100%	%
TGH Crown Development Limited	Yes	Property	100%	%
TGH Ruakura Development Limited	Yes	Property	100%	%
TGH Ruakura Residential Development Limited	Yes	Property	100%	%
TGH Ruakura Industrial Development Limited	Yes	Property	100%	%
TGH Ruakura Retail Development Limited	Yes	Property	100%	%
TGH Ruakura Commercial Limited	Yes	Property	100%	%
TGH Infrastructure Limited	Yes	Infrastructure	100%	%
Ruakura Limited	Yes	Property	100%	100%
Ruakura Whenua Holdings LP	Yes	Property	100%	100%
Ruakura Port LP	Yes	Property	100%	100%
TGH Ruakura Port Holdco Limited	Yes	Property	100%	%
Ruakura Operations GP Limited	Yes	Property	100%	%
Ruakura Port Limited	Yes	Infrastructure	100%	%
TGH Ruakura Port Holdco Limited	Yes	Infrastructure	100%	%
Ruakura Operations GP Limited	Yes	Infrastructure	100%	%
Waikato Tainui Distributions Limited	No	Investment	100%	100%
Waikato Tainui Fisheries Limited	No	Fishing	100%	100%
Waikato Tainui Koiora Collective LP	No	Investment	100%	100%
Waikato Tainui Koiora Limited	No	Investment	100%	100%
Waikato Tainui Tribal Authority LP	No	Investment	100%	100%
Waikato Raupatu River Trust	No	Investment	100%	100%

25. TRUST STRUCTURE

Recognition and measurement

Controlled entities are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Controlled entities are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between the Trust's companies are eliminated. Unrealised losses are also eliminated. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Trust.

(b) Joint operations

The Group has interests in the following Joint Operations

	Principal activity	Ownership and voting interest	
		2022 \$'000	2021 \$'000
The Base Te Awa Limited	Property	50%	50%
Ruakura Inland Port LP	Infrastructure	50%	50%
Centre Place Joint Venture	Property	50%	-

Recognition and measurement

A joint operation is where the parties have joint control of an arrangement and have rights to the assets and obligations to the liabilities of the arrangement. The Group recognises assets, liabilities, revenues and expenses relating to its interest in the joint operation, including its share held jointly.

(c) Joint venture partnership (investment accounted for using the equity method)

The Trust has interests in joint venture partnerships, which are all resident in New Zealand.

The interests in the joint venture partnerships are accounted for in the financial statements using the equity method of accounting. Information and the effect the joint venture interest had on the Trust's financial statements is set out below.

	Principal activity	2022	2021	Consolidated	
				2022 \$'000	2021 \$'000
Rotokauri Development Limited	Property	70%	70%	11,038	10,943
Waikato Milking Systems Limited Partnership	Direct investment	32%	32%	10,541	4,684
Tainui Auckland Airport Hotel LP	Hotel	50%	50%	24,324	24,046
Tainui Auckland Airport Hotel 2 LP	Hotel	50%	50%	19,997	31,235
				65,900	70,908

25. TRUST STRUCTURE

Movements in joint venture partnerships is set out below:

	Note	Consolidated	
		2022	2021
		\$'000	\$'000
Movements in carrying amounts			
Carrying value at the beginning of the year		70,908	54,575
Share of surplus after income tax		7,081	6,736
Elimination of profits on transactions with joint ventures	8	(2)	(49)
Disposal			(1,450)
Contribution		13,047	14,214
Impairment reversal / (impairment)		(20,634)	1,684
Dividends received		(4,500)	(4,802)
Carrying amount at the end of the financial year		65,900	70,908

Summary financial information of Joint Venture assets and liabilities are:

31 March 2022

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Group share of net assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rotokauri Development Limited	20,899	-	664	-	20,235	14,165
Tainui Auckland Airport Hotel LP	5,220	59,690	52,857	9,668	2,385	1,193
Tainui Auckland Airport Hotel 2 LP	1,353	90,210	-	-	91,563	45,782
Waikato Milking Systems Limited Partnership	31,479	31,824	12,592	20,534	30,177	10,049
Goodwill on acquisition						23,152
Accumulated impairment						(25,784)
Other adjustments						(2,657)
Investments in joint ventures - Total						65,900

31 March 2021

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Group share of net assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rotokauri Development Limited	20,846	-	748	-	20,098	14,068
Tainui Auckland Airport Hotel LP	5,565	59,189	52,711	10,213	1,830	914
Tainui Auckland Airport Hotel 2 LP	943	65,527	-	-	65,470	32,735
Waikato Milking Systems Limited Partnership	24,183	31,861	11,706	21,786	22,552	7,510
Goodwill on acquisition						23,152
Accumulated impairment						(4,123)
Other adjustments						(3,348)
Investments in joint ventures - Total						70,908

25. TRUST STRUCTURE

The jointly controlled entities revenue and expenses accounted for using equity accounting was:

31 March 2022

	Revenue \$'000	Surplus/ (deficit) \$'000	Other comp. revenue/ (expense) \$'000	Total comp. revenue/ (expense) \$'000	Group share of surplus/ (deficit) \$'000
Rotokauri Development Limited	5	137	-	137	96
Tainui Auckland Airport Hotel LP	22,692	9,557	-	9,557	4,778
Tainui Auckland Airport Hotel 2 LP	-	-	-	-	-
Waikato Milking Systems Limited Partnership	70,832	6,813	812	7,625	2,541
Other adjustments					(335)
Investments in joint ventures - Total					7,081

The jointly controlled entities revenue and expenses accounted for using equity accounting was:

31 March 2021

	Revenue \$'000	Surplus/ (deficit) \$'000	Other comp. revenue/ (expense) \$'000	Total comp. revenue/ (expense) \$'000	Group share of surplus/ (deficit) \$'000
Rotokauri Development Limited	3,611	157	-	157	110
Tainui Auckland Airport Hotel LP	25,908	9,837	-	9,837	4,918
Tainui Auckland Airport Hotel 2 LP	-	-	-	-	-
Waikato Milking Systems Limited Partnership	57,399	2,097	(1,045)	1,052	698
Go Bus	14,841	3,800	-	3,800	1,267
Other adjustments					(257)
Investments in joint ventures - Total					6,736

Recognition and measurement

Investments in joint ventures are classified as either jointly controlled assets, joint operations or jointly controlled entities depending on the contractual rights and obligations of each investor. The Trust has assessed the nature of its joint ventures and determined them to be jointly controlled entities. Jointly controlled entities are accounted for using the equity method.

Under equity method of accounting, interests in jointly controlled entities are initially recognised at cost and adjusted thereafter to recognise the Trust's share of the post acquisition profits or losses and movements in other comprehensive revenue and expense. When the Trust's share of losses in jointly controlled entities equals or exceeds its interest in the jointly controlled entity (which includes any long term interests that, in substance, form part of the Trust's net investment in the jointly controlled entity), the Trust does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

Unrealised gains or transactions between the Trust and its jointly controlled entities are eliminated to the extent of the Trust's interest in the jointly controlled entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. The joint ventures do not prepare PBE Standard financial statements as preparation on that basis would be impracticable or cause undue cost. The basis on which the summarised financial information has been prepared is the New Zealand equivalent to International Financial Reporting Standards.

25. TRUST STRUCTURE

Tainui Auckland Airport Hotel 2 LP Impairment

As at 31 March 2022, the Group identified impairment indicators and assessed its investment in Tainui Auckland Airport Hotel 2 LP (TAAH 2) for impairment. The Principal asset held by the joint venture is the Te Arikiniui Pullman Hotel ("the hotel"), which is currently under development.

S Jackson and S Doyle from Jones Lang LaSalle, Valuation & Advisory were engaged to assess the market and fair value of the Leashold interest of the hotel on an 'As Is' basis as at 31 March 2022. This assessment was based on the Residual Approach and inputs comprised of the following:

- A completed 'gross realisation/development value';
- An allowance for disposal costs;
- An allowance for profit and risk; and
- Deduction of the Costs to Complete

This has resulted in an impairment loss of \$24.3m (2021: \$1.5m). As a result of the COVID 19 pandemic the construction of the hotel has been delayed and broken down into two phases:

- Phase one, involving the completion of the structure and full exterior so that the building is weathertight and warranties and relevant consents are retained, is complete.
- Phase two involves the complete fit out of the hotel, and is yet to be commenced.

The Group has appointed an independent expert, Rider Levett Bucknall (RLB), to assist with estimating the cost to complete. This estimate has increased significantly due to high levels of inflation in construction costs over the course of the year ended 31 March 2022, and is the primary driver of the impairment loss recorded.

In addition, high levels of market uncertainty, driven by the COVID 19 pandemic, continue to adversely impact valuation metrics. The closure of New Zealand international borders has seen a significant decline in international arrivals and it is uncertain when tourism levels will recover to pre COVID 19 levels. Occupancy rates therefore have deteriorated, a key metric in valuation of the hotel. With increased uncertainty, valuation metrics are more difficult to forecast accurately. As a result, the valuation was reported on the basis of material valuation uncertainty given the unknown impact that COVID 19 is having on the real estate market and the tourism industry, which underpins some of the assumptions utilised in the valuations.

The valuation of TAAH2 will be kept under frequent review by the Group.

26. FINANCIAL INSTRUMENTS

Financial risk factors

Exposure to credit, market (currency, price and interest) and liquidity risks arise in the normal due course of the Group's business. The Group has various financial instruments with off balance sheet risk.

Senior management are required to identify and report major risks affecting the business and develop strategies to mitigate these risks. The Board reviews and approves overall risk management strategies covering specific areas.

(a) Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, causing the Group to incur a loss. The Group does not have any significant concentrations of credit risk, other than the relativity settlement receivable and the co management settlement receivable expected from the Crown. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as shown in the statement of financial position. The Group does not require any collateral or security to support financial instruments as it only deposits with, or lends to, banks and other financial institutions with high credit ratings except for funds lent to a related party and an external entity for which the Group has appropriate security and guarantees. The Group further minimises credit exposure by limiting the amount of surplus funds placed with any one financial institution. The cash and cash equivalents of \$101.7m (2021: \$246.3m) are held with bank and financial institution counterparties, which are rated BBB to A+, based on Standards and Poor ratings. The Group does not expect non performance of any obligations at balance date. There are no material financial assets held by the Group at balance date which are past due but not impaired.

(b) Market risk

(i) Currency

The Trust has no material exposure to currency risk at balance date.

(ii) Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group that are classified at fair value through profit or loss.

Sensitivity analysis

As at 31 March 2022, if the market close prices on quoted investments had been 10% higher/(lower), with all other variables held constant, the Group's surplus/(deficit) for the year and the equity would have been \$4.8m (2021: \$5.3m) higher/(lower).

As at 31 March 2022, if the net assets of the unlisted investments had been 10% higher/(lower), with all other variables held constant, the Group's surplus/(deficit) for the year and the equity would have been \$33.3m (2021: \$17.6m) higher/(lower).

Sensitivity risk in relation to Aotearoa Fisheries Limited (AFL) income shares

A movement in the enterprise value of 10% would result in a surplus/(deficit) in the Groups equity interest in AFL income shares of \$1.1m (2021: \$1.1m) and a movement in the EBIT multiple of 1.0 would result in a surplus/(deficit) in the Groups equity interest in AFL income shares of \$1.2m (2021: \$1.2m).

(iii) Interest rate risk

The Group's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk.

The Group adopts a policy of ensuring that between 40 and 90 per cent of its exposure to changes in interest rates on borrowings is on a fixed rate basis.

The Group manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed contract and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows at reporting date and the credit risk inherent in the contract and are disclosed below. The average interest rate is based on the outstanding balances at the start of the financial year.

26. FINANCIAL INSTRUMENTS

Sensitivity analysis

As at 31 March 2022, if the 90 day bank bill rate had been 50 basis points higher/(lower), with all other variables held constant, the Trust's surplus/(deficit) for the year and the equity would have been \$1.6m (2021: \$0.6m) higher or lower. This movement is attributable to the increase of outstanding loans from \$130.8m to \$215.0m.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Group's financial liabilities that will be settled based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities and net settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Consolidated - At 31 March 2021		Note	Less than	Between	Between	Over	Total	Carrying
			1 year	1-2 years	2-5 years	5 years	contractual cash flows	amount liabilities
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables			20,994	-	-	-	20,994	20,994
Borrowings	19		112,133	2,169	55,490	-	169,792	130,762
Total non derivatives			133,127	2,169	55,490	-	190,786	151,756
Derivative financial instruments (outflows)	20		1,402	555	147	-	2,104	2,104
Total derivatives			1,402	555	147	-	2,104	2,104

Consolidated - At 31 March 2022			Less than	Between	Between	Over	Total	Carrying
			1 year	1-2 years	2-5 years	5 years	contractual cash flows	amount liabilities
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables			30,214	-	-	-	30,214	30,214
Borrowings	19		15,564	19,064	227,090	-	261,718	215,025
Total non derivatives			45,778	19,064	227,090	-	291,932	245,239
Derivative financial instruments (outflows)	20		626	712	2,429	1,020	4,787	4,787
Total derivatives			626	712	2,429	1,020	4,787	4,787

(d) Fair value estimation

The fair value of financial assets traded in active markets is based on quoted market close prices at balance date.

The carrying value less impairment provision of trade receivables and payables approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

There are no financial liabilities with a carrying value different to their fair value.

26. FINANCIAL INSTRUMENTS

Disclosure of fair value measurements is made by the level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Consolidated - as at March 2021

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	TOTAL BALANCE \$'000
Financial assets				
Financial assets at fair value through surplus or deficit	-	-	-	-
- Investments in listed companies	51,160	-	-	51,160
- Investments in investment equity funds	-	-	49,066	49,066
- Investment in fixed interest fund (AMP)	-	139,490	-	139,904
- Investments in unlisted company (AFL income shares)	-	-	11,200	11,200
Total financial assets	51,160	139,490	60,266	251,330
Financial liabilities				
- Interest rate swaps	-	(2,104)	-	(2,104)
Net financial assets	51,160	137,800	60,266	249,226
Total gains or losses for the period included in surplus or deficit for assets held at the end of the reporting period	17,209	5,254	29,119	51,582

Consolidated - as at March 2022

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	TOTAL BALANCE \$'000
Financial assets				
Financial assets at fair value through surplus or deficit				
- Investments in listed companies	1,918	-	-	1,918
- Investments in investment equity funds	-	301,362	22,048	323,410
- Investments in unlisted company (AFL income shares)	-	-	12,800	12,800
- Interest rate swaps	-	4,037	-	4,037
Total financial assets	1,918	305,399	34,848	342,165
Financial liabilities				
- Interest rate swaps	-	(365)	-	(365)
Net financial assets / (liabilities)	1,918	305,034	34,848	341,800
Total gains or losses for the period included in surplus or deficit for assets held at the end of the reporting period	(1,122)	(5,162)	3,561	(2,723)

26. FINANCIAL INSTRUMENTS

(e) Financial instrument by category

Financial assets as per consolidated statement of financial position

Consolidated - At 31 March 2021	Assets at fair value through surplus or deficit	Assets at amortised cost	TOTAL BALANCE
	\$'000	\$'000	\$'000
Investment in listed equities and unlisted investment funds	246,892	-	246,892
Trade and other receivables	-	26,475	26,475
Cash and cash equivalents	-	246,334	246,334
	246,892	272,809	519,701

Consolidated - At 31 March 2022	Assets at fair value through surplus or deficit	Assets at amortised cost	TOTAL BALANCE
	\$'000	\$'000	\$'000
Investment in listed equities and unlisted investment funds	338,128	-	338,128
Trade and other receivables	-	85,043	85,043
Cash and cash equivalents	-	101,671	101,671
Interest rate swaps	4,029	-	4,029
	342,157	186,714	528,871

Reconciliation of level 3 fair values

The tables below show a reconciliation between the opening to closing balances of level 3 financial instruments

(i) Private equity funds

	Consolidated	
	2022	2021
	\$'000	\$'000
Balance at the beginning of the year	44,627	29,678
Purchases	1,835	2,820
Disposals	(26,375)	(17,272)
Gains and losses recognised in other comprehensive revenue and expense	1,961	29,119
Other	-	282
Balance at the end of the year	22,048	44,627

(ii) AFL income shares

	Consolidated	
	2022	2021
	\$'000	\$'000
Balance at the beginning of the year	11,200	11,200
Gains and losses recognised in other comprehensive revenue and expense	1,600	-
Balance at the end of the year	12,800	11,200

26. FINANCIAL INSTRUMENTS

Financial liabilities as per consolidated statement of financial position

Consolidated - At 31 March 2021

	Liabilities at fair value through surplus or deficit \$'000	Liabilities at amortised cost \$'000	TOTAL BALANCE \$'000
Borrowings	-	130,762	130,762
Derivative financial instruments	2,104	-	2,104
Trade and other payables	-	20,994	20,994
	2,104	151,756	153,860

Consolidated - At 31 March 2022

	Liabilities at fair value through surplus or deficit \$'000	Liabilities at amortised cost \$'000	TOTAL BALANCE \$'000
Borrowings	-	215,025	215,025
Derivative financial instruments	365	-	365
Trade and other payables	-	37,055	37,055
	365	252,080	252,445

(f) Capital risk management

The Group's capital is its equity (comprised of retained earnings and reserves) plus its debt. Equity is represented by net assets. The Group is subject to the financial management and accountability provisions of the Charities Act 2005, Waikato Raupatu Claims Settlement Act 1995 and the Waikato Tainui Raupatu Claims (Waikato River) Settlement Act 2010. The Group manages its revenues, expenses, assets, liabilities, investments and general financial dealings prudently. The Group's equity is largely managed as a by product of managing revenues, expenses, assets, liabilities, investments and general financial dealings. The objective of managing the Group's equity is to ensure the Group effectively achieves its objectives and purpose, whilst remaining a going concern in order to provide returns for the Trust and to maintain an optimal capital structure to reduce the cost of capital.

The Group has not breached any bank covenants as required by the Bank of New Zealand, Westpac New Zealand Limited, Industrial and Commercial Bank of China (New Zealand) Limited and ASB Bank during the reporting period (see note 19) (2021: no breach). There are no externally imposed capital requirements at balance date (2021: nil).

	Consolidated	
	2022 \$'000	2021 \$'000
Total borrowings	215,025	130,762
Less: cash and cash equivalents	(101,671)	(246,334)
Net debt	113,354	(115,572)
Total equity	1,685,187	1,327,805
Total capital	1,798,541	1,212,233
Net debt to equity ratio	6%	(10)%

27. EVENTS OCCURRING AFTER THE BALANCE DATE

There are no events that occurred after the balance date.



There is a well-known poohutukawa in Kaawhia, important to all iwi of Tainui waka descent, recognised for being the very tree that Tainui Waka was tied to when it first moored at Kaawhia.

This ancient and significant tree is remembered as Te Papa-o-Kaarewa.

This raakau, Te Papa-o-Kaarewa, is featured on the cover page of this annual report, alongside tribal members (from left to right) Kataraina Berryman (Waahi Paa) Maioha Panapa (Te Koopua Marae), Tutahanga Kaa (Tuurangawaewae Marae) and Jack Cunningham (Waipapa Marae).

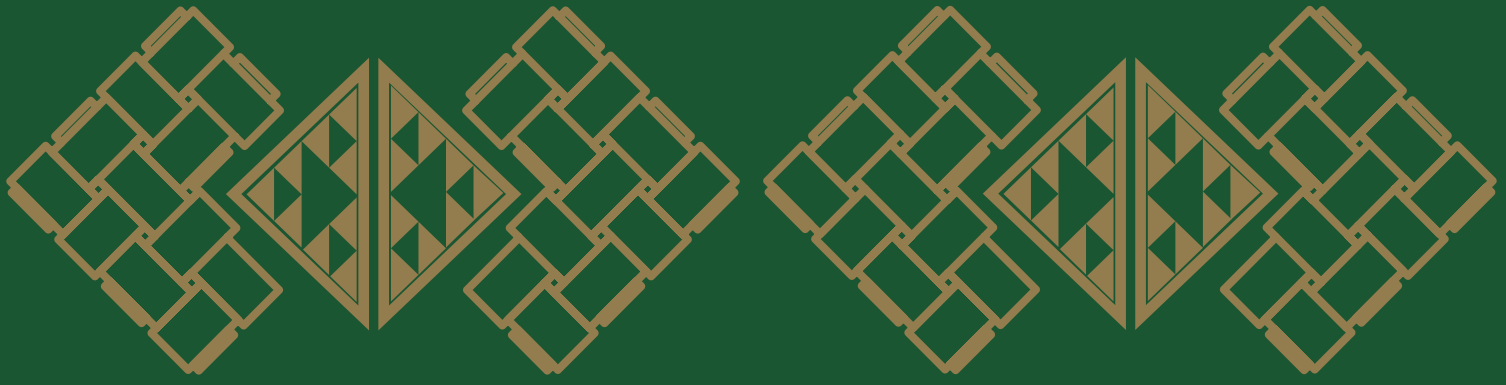
The tangata whenua, Ngaati Hikairo, staunchly protective of the raakau, and it's close neighbour Tangi-te-Korowhiti, uphold their role as kaitiaki of the raakau on behalf of all of Tainui.

The tree has been there for almost 1000 years. A major part of it has fallen down, it has lost limbs, and has been damaged by the elements and by vandals. Yet despite this it continues to grow, with offshoots growing tall and resilient, as it clings to the cliff face, defiant of the lapping waves, and endless southerlies and westerlies. It is a symbol of resilience, of hope, of growth, of a next generation of strong willed, determined and courageous leaders whose legacy shall remain for the many centuries to come.



Pictured opposite:
Arna-Rose Solomon Banks *Tuurangawaewae Marae*
Ratau Turner *Tauhei Marae*
Te Tira Hoe o Waikato 2022





4, o Te Tiriti o Bryce,
Pouaka Taapeta 648,
Kirikiriroa 3204, Aotearoa

