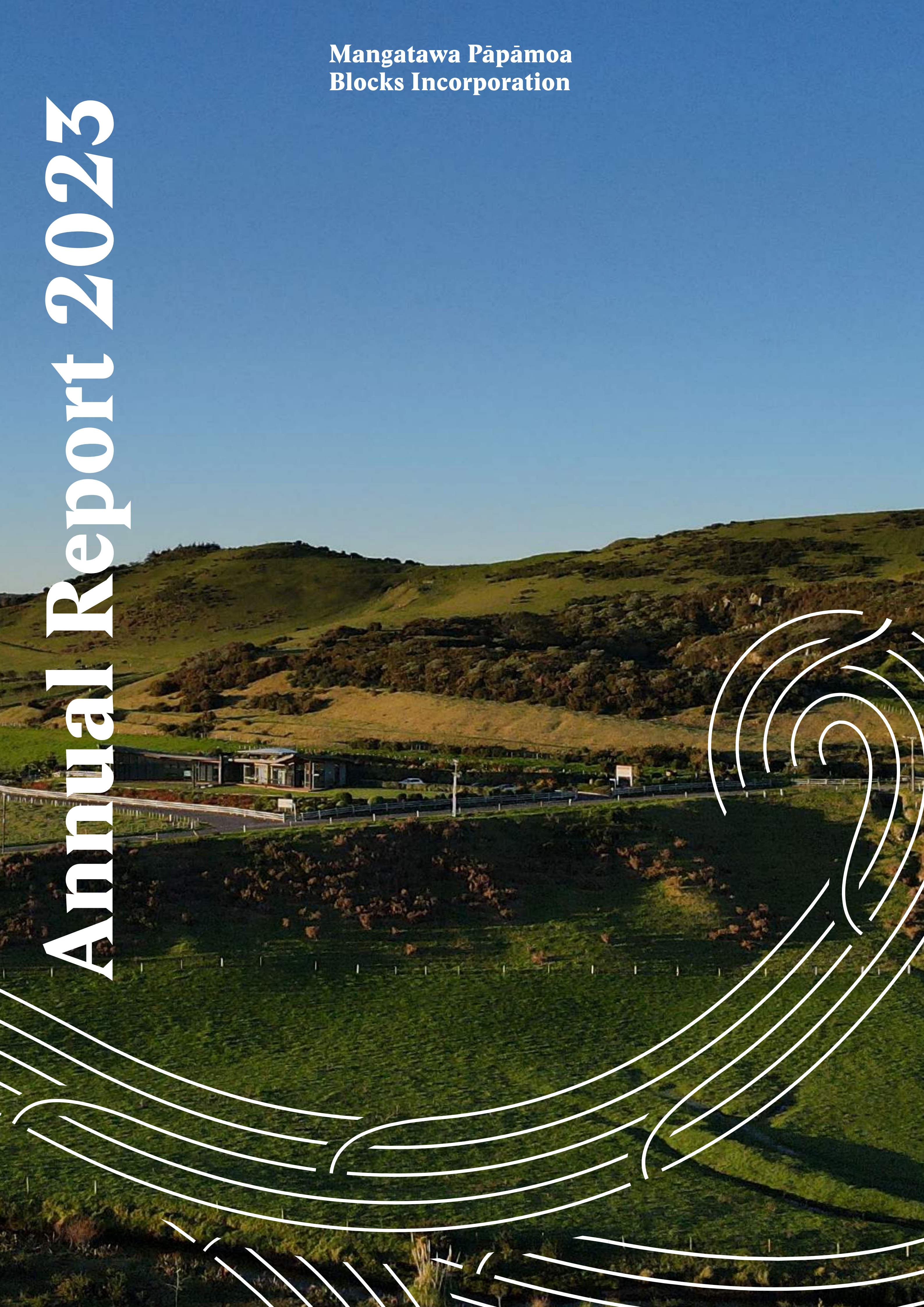
Mangatawa Pāpāmoa
Blocks Incorporation

Annual Report 2023




TAMAPAHORE

Contents

He tirohanga whānui

Our Journey

1900 — 2023

1900

Land Titles

1295 acres of Mangatawa land partitioned into 11 blocks with 103 owners.

1957

Mangatawa Pāpāmoa Blocks Inc.

Established to better protect our whenua and urupā from quarrying.

1957

Kiwifruit Orchards

Established with help from Māori Affairs, our orchards create jobs and raise revenues from our whenua.

1976

Quarrying Ends

For more than 50-years the Mangatawa hills had been quarried to lay the foundation for Tauranga and its service infrastructure.

1989

Avocado Orchards

Established to diversify our revenue streams.

1995

Plant Nursery

Raising seedlings to rejuvenate our wetlands, and supply local community projects.

1995

Pacific Coast

Unit sales start at Pacific Coast, our first retirement village joint venture developed on Mangatawa land.

2013

SunGold Kiwifruit

Development of high-returning SunGold orchards, with further plantings in 2016.

2014

Industrial Leases

Tui Products is the first industrial lease on Mangatawa land.

2020

Mainfreight Lease

Industrial leases to Mainfreight and Mcleod Cranes, followed by Mt Engineering in 2021.

2022

Brown Road, Te Puke, and RubyRed

Purchased orchard on Brown Road, Te Puke, and 6 hectares of RubyRed licence.

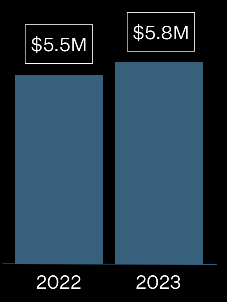
Snapshot of 2023

$11.3M Total Operating Revenue

Kiwifruit Orchards

↑ 6%

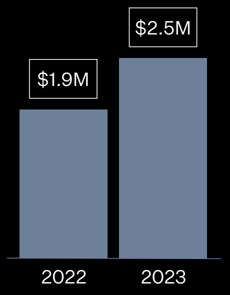
$322 increase from Brown Road orchard.



Retirement Village Joint Ventures

↑ 29%

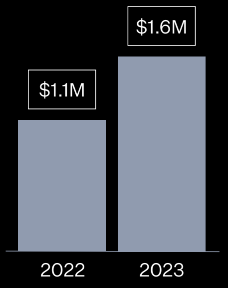
$553K increase in joint venture income from Lakes Development (non cash).



Commercial Property

↑ 47%

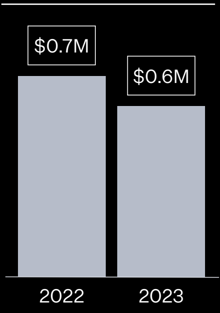
$498K increase in rentals from new commercial tenancies.



Papakāinga Housing

↓ 14%

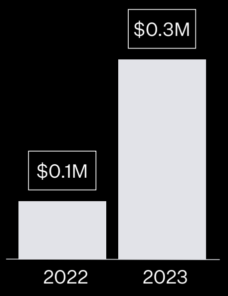
$101K decrease in housing rentals from a reduction in subsidies.



Farm Land

↑ 168%

$206K increase from higher livestock sales.

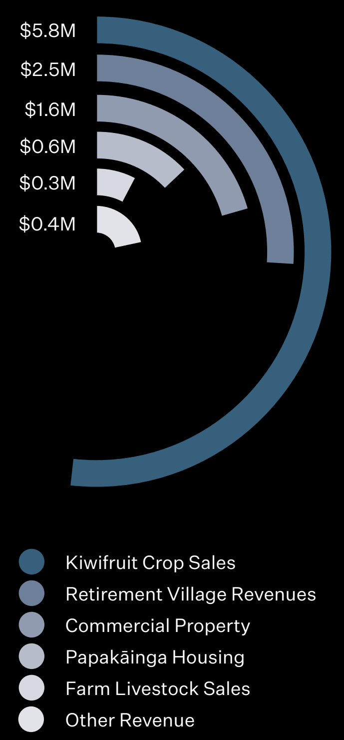


↑ 11% from 2022

Where we generate our income.

We use revenue to fund our business activities, support our social services and pay distributions to Mangatawa shareholders.

Revenue Comparison



$226M Total Assets

Kiwifruit Orchards

$29M

Value of our productive kiwifruit orchards. The 40 hectares of mature SunGold and Hayward orchards have been our main source of revenue, with new investments underway in RubyRed kiwifruit production.

Commercial Property

$65M

Value of Mangatawa land used to generate revenues from commercial rentals with the balance held for future development.

Papakāinga Housing

$15M

Invested in providing social housing for our whānau.

Farm Land

$2M

Value of Mangatawa land used to raise Livestock.

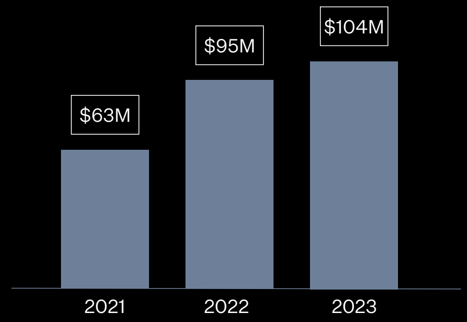
Retirement Village Joint Ventures

$104M

Value of our two JV investments. The long term value of our JVs has increased by $41M since 2021 with unit resales starting to generate higher revenues.

Retirement Village Joint Ventures Overview

↑ 9%

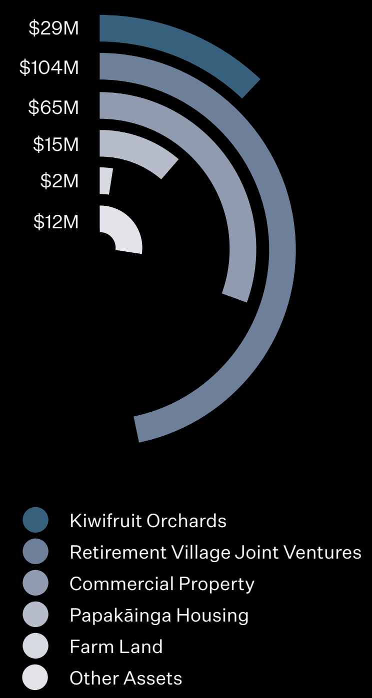


↑ 4% from 2022

Where we invest our resources to grow.

Our revenues and deliver long-term benefits to our whānau. With only $17M borrowed from bank funders, Mangatawa shareholders own $204M of net assets, which is $5,267 per share.

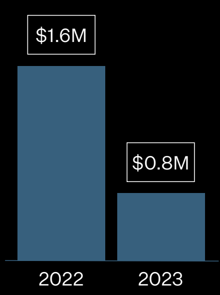
Assets Comparison



$2.6M of Operating Earnings — EBITDA*

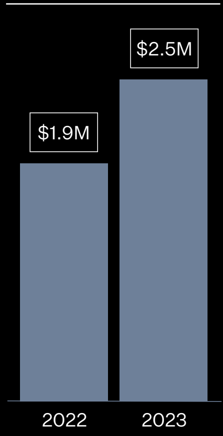
Kiwifruit Orchards

↓ 51%



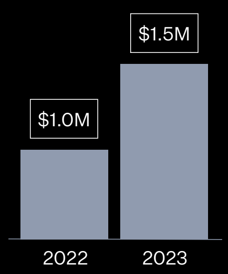
Retirement Villages

↑ 29%



Commercial Property

↑ 59%



Working to realise the full earnings potential of our whenua. Our whenua is a valuable resource.

By investing in kiwifruit orchards, retirement village developments, and commercial property rentals, Mangatawa is growing the earnings to support our whānau and pay dividends to shareholders.

***Note:**

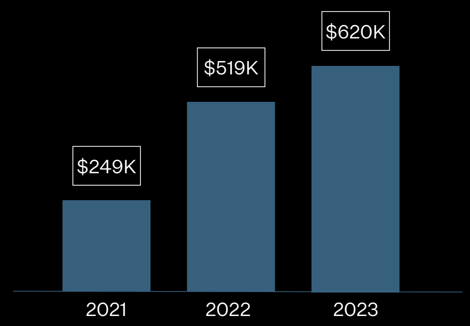
1. Operating earnings before interest, tax, depreciation and amortisation (EBITDA) is an indicator of profitability and measure of financial performance.
2. Sums may not add due to rounding, percentages based on total values in the financial statements.
3. Retirement village revenues and earnings in this development phase are currently non-cash.

- Kiwifruit Crop Sales
- Retirement Village Revenues
- Commercial Property

$713,362 of Distributions

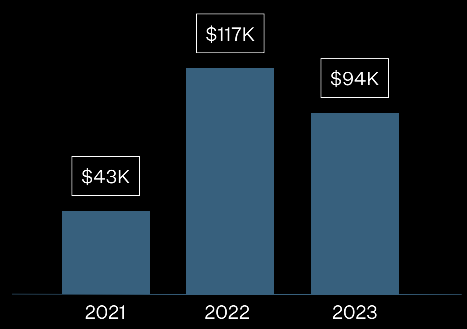
↑ 12% from 2022

Our direct payments to Mangatawa shareholders and the support we provide to help our people realise their potential.



$619,797

Paid to shareholders, up 19%
(in the current financial year)



$93,565

Paid in grants, down 20%
(in the current financial year)

Chairman's Report

**Tū ana au i te tihi o Mauao
Ka mātai te titiro ki ōku
whenua taurikura,
ki ngā wai tukukiri
Ka huri tāku mata ki te
tāhuna o Rangataua
He paruparu te kai,
he taniwha ngā tāngata!
Ka mihia e au ngā pae
maunga o te takiwā
Ko Kōpukairoa me
Mangatawa
Ngā pā whakairinga kōrero
Ngā taumata tohorā
e arahi nei i a tātou
Tihei Mauriora!**

It is with pleasure that I submit my report to you, our shareholders, our whānau.

This year saw the departure of our long serving Chair, Kevin Haua. Along with Kevin's departure we saw the incoming of a new Trustee Pirihira McMath. I am very pleased to advise whānau that the transition of the new Committee of Management is settled and functioning at an optimal level. In earlier pānui, you would have seen the introduction of sub-committees. These committees focus on different parts of the incorporation and are reported back to the Committee of Management every month. I would like to make mention of the Joint Venture sub-committee whose responsibility it is to ensure Mangatawa's best interests are maintained. This they have done to an exceptional level. They are now at the point where the Partnership Agreement is under review. The focus of your Committee is to ensure that the partnership is equitable, and decisions are made to the benefit of our shareholders. Your representatives on the Joint Venture are Pirihira, Victoria and Paula. They are ably assisted by Scott Wikohika and Stuart McKinstry.

This year has seen a downturn in the mainstay of our operations — Kiwifruit. For years we have enjoyed exceptional returns from our kiwifruit portfolio, and it is no surprise that at some stage this was going to equalise. We have had a year of hail, too much rain, low yields, high winds and fruit in market being sub-standard. This has led to Zespri restating forecasts and lowering returns back to growers. We are trying to understand what we have seen in the last two years, as this year we are looking at a more normalised season and hoping this will convert to higher yields and increased returns.

A really important piece of work is currently underway. The Committee of Management is looking at amending our constitution. As you are aware we have held a number of hui with you to hear your views on how we operate and function administratively going forward. Whānau views have been critical and welcomed. We are looking to embed those amendments as soon as possible.

With the new Committee of Management in place this year we have been at pains to ensure that we have the right drivers in place to ensure we are "fit for purpose". This year we have had two strategy sessions. The first focused on the high-level long-term strategies and the second, drilled down into the detail. Kia Mangatawa Te Tū (developing a long-term strategy) will be rolled out in coming months. We are very excited knowing that this will take us all on a journey together with your feedback and support.

No report would be complete without an acknowledgment of key people in your wonderful organisation. First and foremost, to you our whānau, our shareholders. We have held many hui in the hope that we achieve a relationship built on trust and mutual respect. Thank you so much for the support this year. Our people are our lifeblood and without you we are kore.

To our wonderful staff who are valued beyond recognition. You are the unsung heroes and the strength we as Commitee of Management draw on to assist with our role as governors and decision makers. Ka mau te wehi.

To Scott, Tim and the Executive Leadership team. My thanks and appreciation on a job well done. The word formidable is apt in describing the mahi you have achieved this year.

Lastly to my fellow Committee of Management members. I have enjoyed every meeting, every interaction and every debate. I do believe we are well balanced with a good cross-section of skills. Thank you for your support this year.

Even though we are only in September, I do wish you all the very best come Christmas. I look forward to seeing many of you prior to the year closing.

Heoi anō, e kare mā.
E mihi nui ana i runga i ngā āhuatanga o te wā.
Tēnā koutou, tēnā koutou, kia ora anō tātou katoa.
Ki te hoe!

— Neil Te Kani, Chairman

Chief Executive Officer's Report

**Kei ngā maunga whakahī
Kei ngā wai whakatere taniwha
Kei āku nui, kei āku rahi
Tēnā koutou katoa**

As CEO of Mangatawa Pāpāmoa Blocks Incorporation it is my privilege to present the annual report for the financial year ending 31 March 2023.

The MPBI Group has returned a net profit after tax of $2.69M. Our total comprehensive income for year ending 31 March 2023 was a $633K loss, which when compared to the 2022 figure of $34.6M, clearly demonstrates the impact the volatile land and asset valuation process can have on our profit and loss position each year.

It is important to note that the real value of our whenua, however does not lie in a monetary figure, but in the way we manage and care for it to deliver our vision of:

**Toitū te whenua, toiora te tāngata.
Retaining our lands for our people to thrive.**

Acknowledgements

I want to acknowledge our CFO Stuart McKinstry and Company Accountant Julie Blackwell for the massive task of converting our financial reporting framework to NZ IFRS, a framework that requires us to comply with New Zealand equivalents to international financial reporting standards, international accounting standards, and international interpretations. With the assistance of our Accounting Manager and former external Accountants Cookson Forbes, Stuart and Julie have completed a very complex conversion that has resulted in a number of changes to the preparation and presentation of our financial statements. This will now be the status quo for our financial statements. We will provide ample opportunity for shareholders to ask questions on these changes.

Strategic Priorities

As we navigate through this rapidly changing world, we are challenged to adapt, evolve and respond accordingly. In the context of the current climate, it is timely that we develop a long-term strategy that is forward facing, future focused and places our whānau at the epicentre of our decision-making processes. This presents a unique opportunity to engage with our wider Mangatawa Pāpāmoa Blocks whānau and connect on a level that is unprecedented in our history.

Mā te reo o te whānau tātou e ārahi
Let the voices of our whānau guide us

Placing our whānau at the epicentre means the development of this strategy should reflect their voices, their views, their dreams. Extensive consultation with whānau through a suite of options including 1 – 1 interviews, focus groups and wānanga to collate kōrero will be conducted to inform how we proceed. Once gathered, we will extrapolate the core strategic themes that appear, and use these to help develop and enhance our long-term strategy.

Whiria te muka tāngata
Collaboration and inclusion are key

While Mangatawa Pāpāmoa Blocks Incorporation serves its shareholders, beneficiaries and whānau to drive prosperity from a cultural, social and economic perspective, we recognise the value of our external relationships. Nurturing interactions with our iwi, hapū and marae is therefore fundamental to the growth and health of our ecology.

Working in collaboration with key stakeholders and being transparent with our whānau in the way we conduct ourselves encourages and builds trust, confidence and buy-in. This is pertinent to fulfilling our strategic priorities, giving us every opportunity to achieve a successful implementation.

Hei whakarato
In service

We recognise our shareholders and their beneficiaries range from kaumātua to pēpi. Our whānau have different needs and we endeavour to understand what their aspirations look like. With our strategy placing an emphasis on the voices of our whānau, this will enable us to adequately respond to the desires of our people at all stages of their lives.

Our relationships are pertinent to the social, cultural and economic success of our organisation. Taking a considered approach to the way we manaaki our social, commercial and cultural partnerships will assist in helping us to better serve our Mangatawa Pāpāmoa Blocks community.

Poipoia kia puāwai
Grow our people; grow our culture

We are interested in building a strong culture internally and externally, creating opportunities and progressive pathways for advancement. We are actively thinking about our future and what succession planning looks like. We want our whānau to engage wholeheartedly with our story and aspire to become Mangatawa agents of change.

People

Our whānau continue to be at the centre of our hearts and minds when decisions are made. We are committed to executing our strategic priorities in our 2053 Strategic plan and these will be given the energy, resource and investment required to see an uplift in the Incorporation's ability to deliver on its social, cultural, and environmental objectives. We are more than just a developer of lands. It is our commitment to improving the lives of our whānau, that is and will always be one of our key drivers.

Climate Change Response

The government's regulatory response to the impacts of climate change will have significant impact on the way we run our businesses. The work our team is undertaking to develop a kaitiakitanga strategy and climate change strategy will be critical pieces of work that increase our understanding of any future changes and how best to mitigate risk to our businesses and our people.

Retirement Villages

The MPBI directors on the two partnership boards, supported by MPBI management, have been working on developing a clear strategy for these assets. The sector is facing a number of challenges and it is critical that MPBI understands these and its shareholders' aspirations for these assets, the risk environment, and how to take advantage of any future opportunities. MPBI and Generus have been working to refresh the partnership agreements in light of these considerations and what the future may or may not hold. This is important work and will be on-going over the coming months.

Balance of the Asher Block

We continue to work alongside our technical advisors to complete master planning on the balance of the Asher block towards realising our aspirations to complete a quality, sustainable residential housing development in the near future. This is critical work and will assist our thinking on how we ensure our development is fit for purpose and any infrastructure is future proofed for what is an ever-changing environment.

Constitutional Reforms

After a series of wānanga with shareholders and in-depth discussions amongst the leadership at MPBI we are proposing a number of amendments to our constitution. These amendments are a reflection of the voices of our shareholders and also an attempt to finally amend our legal framework to enable a more efficient, modern and progressive Incorporation while retaining the important protections for our shareholders.

Engagement

A key focus for the leadership here at MPBI is to continue to strengthen the connection between MPBI and its wider whānau of shareholders and beneficiaries.

The voices of our whānau must be heard, with the differing perspectives and viewpoints shared, so we can steer our collective waka in the right direction, in accordance with our collective values.

Later this year our communications team led ably by our Chief Communications Officer Ria Hall and assisted by our Communications Coordinator Reremoana Wall will work on developing a social media strategy for MPBI including the social media platforms Facebook, Linkedin, Instagram and Tik Tok.

I want to thank all our kaimahi for their efforts during another challenging year. All those who work for MPBI, on our whenua, in our investments and on our behalf have responded with professionalism and determination to keep us moving forward. Finally, I want to thank our whānau, our shareholders for their ongoing support to the MPBI Committee of Management and Management team and I thank you for your contribution to and care for, your Incorporation.

— Scott Wikohika, Chief Executive Officer

General Manager's Report

E pari ana ngā tai o mihi ki a tātou ngā uri ō Mangatawa, otirā ngā tohorā e toru. Kei ngā mate kua whetūrangitia, haere, haere, whakangaro atu rā. Ki a koutou e mau ana i ngā kākahu taratara i tēnei wā, nei rā te reo aroha ki a koutou e noho nei i raro ngā kapua pōuri. Hoki mai ki a tātou ngā kanohi ora, ngā uri o rātou mā. Nōku te waimarie kia nohotahi i waenganui i tōku whānau i te tau kua pahure ake.

Team

The growing demands of our activities have meant the addition of new team members over the past few years. While there is absolute merit in being lean, Mangatawa has maintained a model that promotes employment, something which we should be proud. The impact of providing employment, particularly for our own, is wide reaching and has a genuine multiplier effect.

It takes a concerted effort to balance the activities and aspirations of our people, our business, our taiao and our culture. To get this right, we need to ensure that we are supporting and developing our team. We need to build a culture that captures our own unique identity and balances morale and workplace satisfaction alongside performance and productivity. Ensuring we have clarity with our roles and responsibilities, which includes individual learning and development plans.

I would like to acknowledge the awesome work our team does in their respective areas. I couldn't be prouder to work alongside you all. E hikaka ana ahau mō ngā hua pai i te tau e heke iho nei. Nāu te rourou, nāku te rourou, ka ora ai e te iwi.

Operations

Over the past year, we have uncovered several areas of improvement to optimise the performance of our business. These range from things like minor process and policy amendments to larger wholesale change. The addition of our internal finance team will equip our business to run robust budgets across each of our operations. Change also takes form in the way we think and apply different methodologies. For example, we are giving additional thought to our on-orchard practices — learning to manage the risk of increasingly inconsistent and extreme weather patterns. We have diversified our kiwifruit portfolio to include the new red variety and we have seen the recent addition of our Brown Road, Te Puke property. We also need to keep challenging the status quo. Alternative land use options, which also include retiring areas of our whenua into native or back into wetland are options that will be given due consideration.

We are active landowners, operating both business interests and housing our people. We need to ensure that our infrastructure is fit for purpose and climate resilient — to safeguard both our people and assets. It's also not just about the physical bricks and mortar of a whare, it's the things we do to support our whānau in terms of building a community to thrive in.

Health and safety is an absolute priority. We have kept an above acceptable scorecard over the past year. Nonetheless, we remain committed to making improvements and implementing initiatives to maintain a safe and healthy working environment.

Environment

Of equal importance is our role as kaitiaki. It has been rewarding to involve shareholders, whānau members and our staff in the thinking of our environment strategy, alongside the practical nature of surveying and data collection.

There is no better place for our people to connect with the Incorporation than being able to practice mahinga kai, or simply setting foot on our whenua. We run the real risk of not being able to afford these opportunities if we don't play an active role in enhancing our environment.

Culture and Who We Are

Then there is the importance of understanding who we are. Being a Māori organisation is our advantage in the wider economy and closer to home it's our obligation to ensure that our organisation is a reflection of our whakapapa, our tikanga and our reo. Strengthening our connection to our Iwi, Hapu and Marae alongside supporting kaupapa and initiatives that are important to us as Māori are important.

In closing, there is a lot to admire about the Incorporation we see today. Yet, it is the vision of where our Incorporation is heading that excites me. Under the leadership of our Committee of Management and Chief Executive Officer we are seeing a real clarity of purpose for us to pursue. We look forward to the challenge of weaving everything together to ultimately benefit our people and for you all to be proud owners in Mangatawa Pāpāmoa Blocks Incorporation.

Nō reira, ngā mihi nui ki a koutou katoa.

— Tim O'Brien, General Manager

Our People

Committee of Management

Neil Te Kani
Chairman

Paula Werohia
Deputy Chair

Sarah Rameka
Secretary

Wakata Kingi

Pirihira McMath

Victoria Werohia

Executive Leadership

Scott Wikohika
Chief Executive Officer

Stuart McKinstry
Chief Finance Officer

Tim O'Brien
General Manager

Ria Hall
Chief Communications Officer

Management

Julie Te Amo
Housing Manager

Cilla Nepia
Office Manager

Pam Fraser
Accounts Manager

Julie Blackwell
Company Accounts

Administration

Shayla Taite
Administration Assistant

April Walker
Reception

Taiao

Rangimarie Elvin
Project Manager

Communications

Reremoana Wall
Communications Co-Ordinator

Social

Lovey Ahomiro
Tauwhiro

Jay Kiwi
Kaitiaki Hapori

Ngaire Dinsdale
Housing Support

Charisse Billing
Housing Support

Maurice Walker
Social Support

Farm

John Walker
Farm Manager

Michael Walker
Farm Assistant

Orchards

Rodney Toa
Orchard Maintenance

Haukore Kingi
Orchard Cadet

Maintenance

Galvin Kiwi
Property Maintenance Manager

Halen Dickson

Richard Whatarau

Fred Harawira

Edward Taite

Housing & Whakapakari Whānau

The growth of our housing team reflects the increasing workload and commitment towards providing healthy whare and healthy whānau within our papakāinga. A lot of work has taken place over the past year and this will ramp up further as we meet the compliance standards for the government's healthy homes criteria. The new standards introduce both minimum and specific standards for heating, ventilation, insulation, moisture and drainage and draft stopping within rental properties.

106

whānau

69 adults and 37 tamariki

6 License to Occupy owner occupied homes	**35** Total rental properties managed by MPBI
9 Rental properties managed by MPBI on behalf of Ranginui No.12 Trust	**3** Rental properties managed by MPBI on behalf of Pukekohatu Whānau Trust

Some of our highlights include:

- Three school holiday programmes held over the reporting year
- Each programme we hosted between 50 – 70 tamariki (5 – 15 years of age)
- Dedicated social support worker employed to assist whānau
- Dedicated team employed to look at whānau hauora and leadership initiatives
- Sports field reinstated — new drainage, sideline seating, covered BBQ area and lighting completed
- Driver Licensing — collaboration with EmployNZ to assist whānau attain licensing at no charge
- Addition of our own Mangatawa Kaumātua van. Van is used frequently to support whānau to attend tangihanga and approved kaupapa
- Papakāinga Christmas Day

We are a proud Registered Community Housing Provider and also hold memberships with a number of forums including:

- Te Matapihi He Tirohanga o Te Iwi Trust — A national voice for Māori housing providers
- Community Housing Aotearoa — Mainstream voice for registered housing providers
- Ara Rau Tangata Incorporation — Whose purpose is to support Māori Land owners / trusts to utililse their whenua effectively

Solar Power

- Installed at 35 papakāinga whare. Successful funding was achieved to undertake this first phase
- Next phase: Installation of community battery, an innovative approach to providing energy resilience and further cost savings for whānau
- Further work is being undertaken to look at extending support beyond the 35 papakāinga households

Taiao (Ngā Hua o te Kōwharawhara)

- Environment strategy drafted and peer reviewed; this strategy is underpinned by a combination of whānau input, mātauranga Māori and working alongside relevant external consultants such as ecologists
- Baseline data collection across water and wetland areas complete
- Requirement to be compliant with local and national policy standards

2023 Taiao Survey Highlights

- 86 plant species observed (72% exotic species)
- Approx 3.1ha of coastal turf — a critically endangered ecosystem type
- High diversity of native bird species including 13 indigenous species
- 4 indigenous species currently classified at risk of extinction (little black shag, NZ dotterel, red-billed gull and South Island pied oystercatcher)
- Threats of mice, hedgehogs, rats, rabbit, possum and Canada geese

Tiakina te whenua o ō tūpuna kia ora ai te iwi

Te toto o te tangata, he kai. Te oranga o te tangata, he whenua

Kiwifruit Orchard Report 2023

Kiwifruit History

Our relationship with our post-harvest company Seeka goes back to at least 2009, after Seeka's acquisition of Huka Pak. At the time Mangatawa's orchard was an established orchard called O.T.H. Mangatawa. It consisted of 22.51 hectares of Hayward, producing 10,656 trays per hectare in its first year with Seeka (industry average was 7,660 trays per hectare). The total crop of 237,000 trays of fruit provided an attractive orchard gate return of $1.03M.

2010 – 2015

In 2011, 0.53 hectares of Hayward were cutover into the G9 (The old Gold variety) which unfortunately succumbed to PSA. The G9 variety was quickly replaced by SunGold in the winter of 2011.

2014 saw the first harvest of the new SunGold variety block. At the time the orchard produced 5,529 trays per hectare of G3 and 10,168 trays per hectare of Hayward. With renewed confidence in the industry from the success of the new SunGold variety. The trust invested in more licence and developed a further 3.39 hectares of land occupied at that time by avocados. This re-investment increased the orchard footprint from a total of 22.51 to 26.43 hectares. With SunGold performance now outstripping Hayward the Incorporation developed an additional 5.14 hectares of bare land, further expanding on the old avocado block development as well as unutilised, fertile land between the old avocado and unutilised blocks. This development increased the SunGold footprint to a total of 9.05 hectares increasing the orchard's total domain to 31.82 hectares.

2016 – 2020

In 2019 more SunGold areas came on-line increasing the productive area to 8.98.

In 2020 Mangatawa production came into full swing with all 12.68 hectares of SunGold producing. This milestone amplified production to a total 314,243 trays with the young SunGold blocks still to reach full production.

2021 – 2023

2021 saw total production reach over 400,000 trays off the back of a couple of a dry growing seasons.

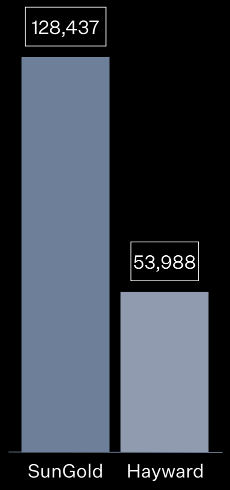
2022 provided more reasons to celebrate with Mangatawa's acquisition of an Orchard on Brown Road in Te Puke. The orchard was rebranded as Mangatawa Brown Road and further increased Mangatawa Pāpāmoa Blocks Inc's domain beyond its home and into the equally rich whenua of rural Te Puke. The orchard purchase included 0.50 hectares of RubyRed licence, 0.25 hectares of which was due for first year production in 2023. The purchase of Mangatawa Brown Road consolidated into a total of 40.47 hectares producing over 477,000 trays of Class I fruit. As well as the advantage of access to a new Kiwifruit variety in the RubyRed.

The purchase of Mangatawa Brown Road consolidated into a total of 40.47 hectares producing over 477,000 trays of Class I fruit. As well as the advantage of access to a new Kiwifruit variety in the RubyRed.

2023 Kiwifruit yields were weekend by a string of weather events across the growing season starting with a warm winter. The seasons conditions also included a frost, a cyclone and a lot of rain. Added to this was a localised wind event that damaged the hail netting over the covered SunGold blocks.

Highlights

Kiwistart



185,425

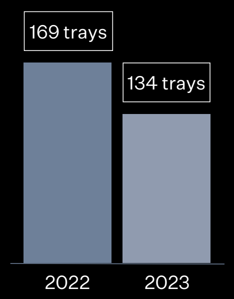
Total trays of fruit achieved at Kiwistart; 128,437 trays of SunGold and 53,988 trays of Hayward.

RubyRed

409

Total trays — our first crop harvested

Industry Production



Trays of Fruit

20.1%

Lower than 2022

355,444

Trays of fruit harvested

2023 — Lead Up to Harvest

The lead into harvest was one of the more challenging in recent times. A multitude of challenges were thrown at growers across the country. As an industry, we faced the following:

- Warm winter 2022: Fewer buds despite more cane being tied down
- Rain & high winds: Through the entire growing season — poor bud burst, pollination, flower & fruit development
- Frost in October
- Cyclone Gabrielle mid-February
- Hail event (Te Puke)
- Entire crops lost: Hawke's Bay, Gisborne, Ōpōtiki and Te Puke

At Mangatawa, we experienced significant impact on our orchards because of the above challenges. Additionally, we received damage to our overhead shelter by a small tornado event, impacting not only the physical structures, but also a portion of our gold fruit canopy (this was subsequently cut out and is expected to bounce back within the next few seasons).

Current and Future Developments

Clear focus for Orchard Management is to improve volume and overall fruit quality. We will be refining our performance measures to ensure we meet and exceed relevant targets and benchmarks. Most importantly, we need to ensure that we are setting our orchard up to produce consistent results year on year.

Development to convert 2 hectares of Hayward to Red is underway. A further 4 hectares of new plantings are planned for 2024. That will bring the total of Red to 6 hectares. There is also excellent potential for future gold expansion, in particular at Brown Road, Te Puke.

We are working alongside Orchard Management to finalise long-term budgets that capture all necessary repair and maintenance jobs to larger capital expenses. This will give us the ability to plan out our cash-flow requirements beyond 5-years. Some of these costs include: road, access and load-out areas being repaired, structural repairs, drainage, shelter improvements and water management. All on-orchard budgets are approved annually.

A big mihi to our partners at Seeka, in particular our Orchard Managers Josh and Rishi, who have done a great job managing our orchards in a challenging growing season.

Hayward Harvest 2023

Trays Harvested

198,424

14.3% Brown Road, 85.7% Mangatawa

Trays Per Hectare

8,563

28% above industry average (6,670 trays / Ha)

Indicative TZG

0.69

Reject Rate

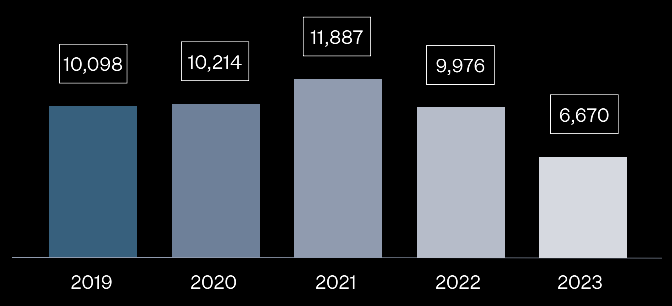
9.0%

2022 reject rate — 10.6%

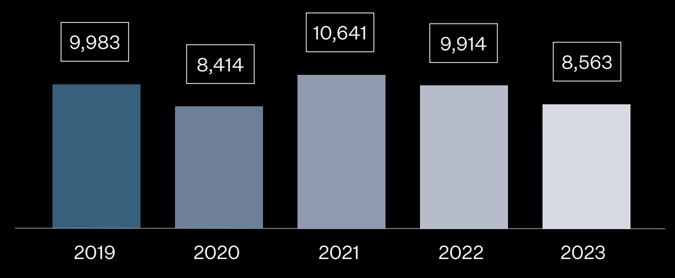
Average Count Size

29.1

Industry Average (trays per hectare)



Hayward — MPBI (trays per hectare)



SunGold Harvest 2023

Trays Harvested

157,020

21.6% Brown Road, 78.4% Mangatawa

Trays Per Hectare

10,998

10% above industry average (10,037 trays / Ha)

Indicative TZG

0.65

Reject Rate

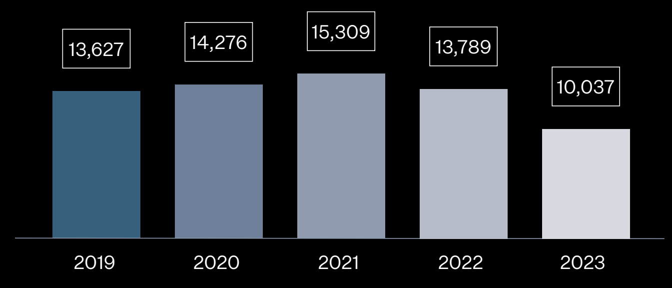
11.1%

2022 reject rate — 20.8%

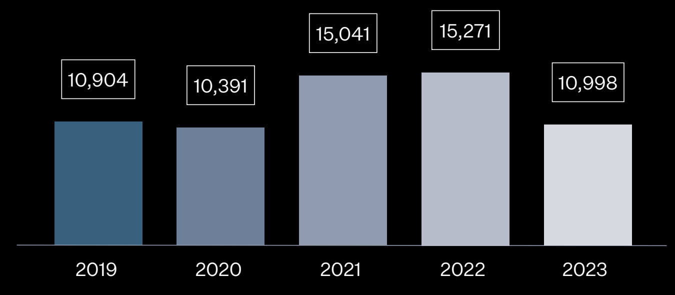
Average Count Size

20.2

Industry Average (trays per hectare)



SunGold — MPBI (trays per hectare)



Mangatawa Development Limited

Boffa Miskell Limited has been appointed by Mangatawa Pāpāmoa Blocks Incorporated to develop a preliminary concept masterplan for a proposed new mixed-commercial and industrial development located on Truman Lane. The site is situated at Truman Lane, with the area identified for investigation and potential development being an approximate 13.5 hectares (more or less) portion.

The report covers:

1. **Masterplanning progress on Lot 1 DP 65413 and next steps regarding the 13ha of vacant land to the south east of the existing industrial development**
2. **McLeod Cranes construction and progress lot 1**
3. **Power Farming construction and progress on lot 2**
4. **Lots 1 – 8 OPEX fund and the progress with the setup of the formal civil maintenance schedule and committee**

1. Masterplanning

Management at MPBI have commenced a masterplanning process focused on the remaining 13 hectares (approximately) of land on Truman Lane.

The objective of the masterplan is to establish a highest and best use for the land that is driven by various internal and external parameters that overlay the site and surrounding area. Any options that are put forward will need to consider at a high level:

- The proximity of the adjoining Mangatawa papakāinga
- The cultural sensitivity of the adjoining land
- The underlying land use, or zone
- The serviceability of the land

The site is located on, and adjoining, sensitive cultural and ecological areas, hence the process is initially focused on ecology and wet land mapping. The objective here is to help establish how much land could be developed, referred to as the yield. The process is underpinned by the National Policy Statement (NPS) for Freshwater 2020 which provides local authorities with direction on how they should manage freshwater and sensitive coastal areas under the Resource Management Act 1991. Boffa Miskell have established themselves as one of the leading development consultants in this area. Supporting Boffa Miskell is Craig Bachelor from Cogito Consulting. Craig was previously the Principal Partner in Boffa Miskell leading the planning team. Craig Bachelor's experience in establishing a planning strategy and planning pathway will be important when it comes time to navigate the RMA and Tauranga City Council's district plan.

The masterplan process for this project has been broken into three phases.

Phase 1:

Site visit, wetland mapping and opportunity and constraint identification (completed by Boffa Miskell). The objective here is to establish how much land can be yielded out as developable land. For this reason, a stop / go has been inserted. If it appears that the land is too sensitive under the new NPS Freshwater protocol and the yield is low MPBI may decide to pause the process and limit any further cost.

Phase 2:

Initiated after stop / go is confirmed; Prepare an initial planning overview (completed by Cogito), complete initial options that include spatial plans, workshop 1, and final layouts. The objective within phase 2 is to establish urban design framework and site orientation.

Phase 3:

Complete draft masterplan within the second workshop and establish the preferred masterplan. The objective here is relatively self-explanatory. The final design can then be presented to Committee of Management and shareholders for approval as well as used as a baseline to support a property business case.

2. McLeod Cranes

Lot 1 being 10,080m² was leased to McLeod Cranes on the 1st of June 2022, with the first rental payment due on or before the 1st of June 2024.

Earth works were completed on the site in 2022. The building consent for the McLeods Cranes Head Office was approved by TCC in March 2023 with construction due to start September 2023 and open for business September 2025.

3. Power Farming

Lot 2 being 9,923m² was leased to Power Farming on the 1st of June 2022, with the first rental payment due on or before the 1st of June 2024.

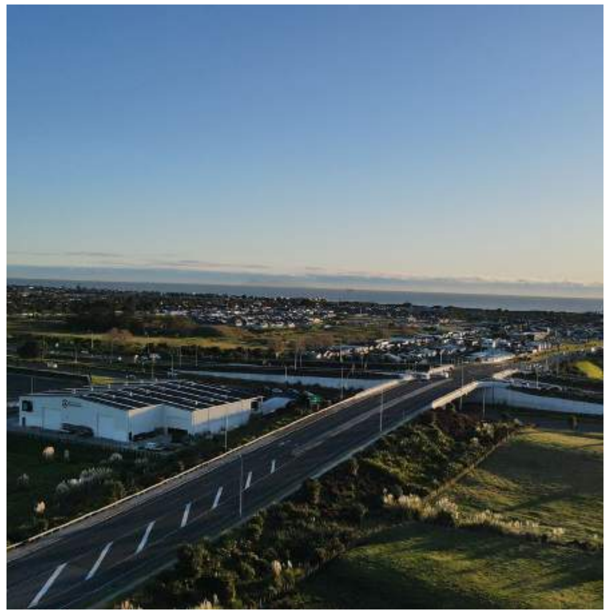
The building consent for the Power Farming was approved by TCC in November 2022. Construction commenced in early 2023. The building will be closed in mid-August 2023 and at this stage they are looking to open early December 2023. As per the lease the rent commences either at: opening date or two years from commencement whichever is the earliest.

4. Lots 1 – 8 OPEX Fund

All tenants have paid into the civil OPEX fund as set out in the terms and conditions of their leases. Lysaght Consultants have been engaged by MPBI to review all civil structural warranties, guarantees and maintenance requirements as set out at the time of execution.

Once reviewed by Lysaght's, a service and maintenance plan will be established and presented to the OPEX committee. The committee is to be made up with representatives of the various tenants and MPBI personal.

The land in question is currently zoned as Industrial under the active Tauranga City Plan. There are a number of existing industrial activities and associated businesses present on the wider site, to the north of the area identified for the masterplan.



The objective of the concept masterplan is to investigate the feasibility of the site for potential development through on-site survey and desktop analysis of various data sets and generate an overall Opportunities and Constraints Map for the site. If a sufficient amount of the parcel is identified as being suitable for development, then the subsequent tasks would be to undertake further consenting and design investigation and testing of different activity options, in particular the three following scenarios:

- Industrial Development
- Mixed Commercial and Industrial Development
- Commercial Precinct / Innovation Park Development

Boffa Miskell have carried out a preliminary Geographical Information System (GIS) based analysis for the site, which includes mapping of key items for consideration in the development of the overall concept master plan. Key contextual site elements for consideration which have been mapped include:

- Cadastral boundaries
- Land Use Zoning
- Topography
- Existing Services and Utilities
- Site Hydrology and Flood Hazard
- Cultural and Heritage Site Mapping

Ecological Investigation

As a response to the high water table and proximity to the harbour edge, in addition to the GIS analysis mapping Boffa Miskell also undertook a high-level survey of the site to ascertain any areas within it that had a ‘likelihood’ of being classified as ‘Natural Inland Wetland’ in accordance with the NPS-FM (2020) Definition.

Determining Developable Area

Boffa Miskell critically reviewed the various GIS analysis map layers and preliminary high level wetland delineation survey outcomes in order to determine the area available and suitable for potential development. This considered the balance between ensuring there is sufficient land to develop to be viable while working to minimise any major impact on the existing ecological and cultural features present on the site.

Consideration and minimising of coastal inundation and flood hazard risks was another major influence to identifying the location and extent of the area noted for potential development.

Our Villages

Pacific Coast Village

The financial statements for the year end 31 March 2023 for Pacific Coast Village, show a decrease of $5.2M of the fair value of investment property. This is a reflection by the valuer of the reducing sales values currently being achieved in the residential housing market.

You may recall that previously large accounting profits were reported as they were largely based on expected future increases in property values. Those profits did not affect any cash balances and neither does the loss this year; it is simply paper profits and losses. The Partnerships equity position remains extremely strong at $117M.

316
Homes

396
Residents

105
Employees

222
Villas
Independent Living

36
Hikurangi Apartments
Assisted Living

58
Te Manaaki
Care Centre Beds

Te Manaaki Care Centre — Opened June 2023

In June of this year, we celebrated the completion of Pacific Coast Care Centre — Te Manaaki. Te Manaaki has 58 care suites offering rest home and hospital level care, including palliative and end of life care. This $25 million care centre is truly a best-in-class facility. Those residents in villas and apartment residents that require a higher level of care in the future can take comfort knowing that the care centre is now in full operation.

The feedback we have received to date has been overwhelmingly positive, and the initial uptake of Care Suites by both villages (and external parties) has shown how important such an amenity is to provide a pathway to care. We are currently converting a portion of Te Manaaki to cater for dementia care, given the need in the community. This is an interim solution until plans for a standalone facility are worked through.

The name Te Manaaki, loosely translates to mean care and support. It also acknowledges the Generus Living Group's partnership with Mangatawa Pāpāmoa Blocks Incorporation (MPBI) in the development of both villages — Pacific Coast and Pacific Lakes and whose taonga tuku iho (ancestral land) the villages are built on.

The new building is 3,000 square metres and seamlessly integrates with the Pacific Coast's architecturally designed Beach House. Te Manaaki presents a modern facility with highly appointed care suites over two levels. The extended living spaces and amenity are substantial and have been carefully considered to present as highly residential, providing residents with choice of environment and a sense of home.

Pacific Coast continues to innovate and position itself as an employer of choice within a challenging employment market. With nursing shortages across the country, we have been innovative in our recruitment approach resulting in over 1000 applications for our recent recruitment drive for Te Manaaki — seeking 60 positions. MPBI stakeholders were actively invited to explore unique career opportunities within Te Manaaki Care Centre and we are delighted to have members of Mangatawa on the team.

Pacific Lakes Village

The volume of units under construction at any given time has been reduced this past year, reflecting the softened housing market. That said, 179 villas and townhouses are now complete, with ongoing development on the eastern side of the lakes progressing well.

Construction of the Pavilion has been steady, with the ground works now largely complete and the above ground works due to start imminently. The Pavilion will be built in two stages, with the first stage comprising the reception, bar & restaurant, library, activities and multi-use area. The pool and gym will be completed as part of a second stage.

The Lake House and Bowling Green continue to be well utilised by a good number of residents, and these have been complemented this year with the opening of the Village Common. The Village Common is likely to increase in amenity as the landscaping also grows.

260

Residents

11

Employees

179

Units / Completed

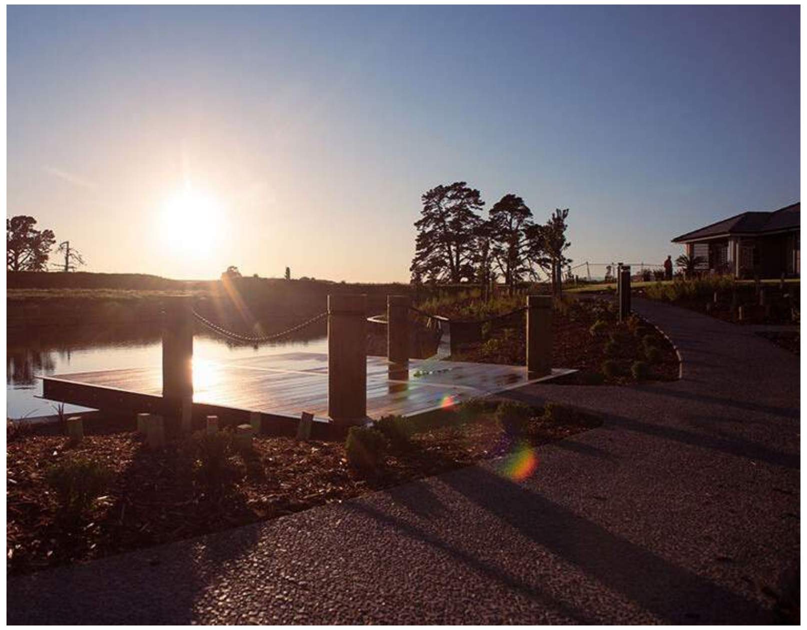
Villa or town house

249

Units / Masterplan

Pacific Coast and Pacific Lakes Village have been leading the way in the industry from the approach to waste minimisation, working with nature, water conservation to active education.

Engaging in conversation across all stakeholder groups (residents, team, suppliers, partners) has been a critical element in our approach. A 'Sustainable Retirement Living' video was produced with the inclusion of MPBI Stakeholders. Sustainability Initiatives this year include the following:



Community

Village residents and team rallied together to support the Wairoa community after the devastating floods. A team member Tewira Tipoki-Lawton from the marae of Pūtahi in Wairoa, mounted a mercy mission to take a collection of supplies donated by our residents to that ravaged area. We received a letter of thanks from those people and a specific point of connection was mentioned and recognised — kaumātua giving to kaumātua .

Waste Minimisation

Pacific Coast have been working closely working with their suppliers and looking at ways to eliminate waste from the supply chain. One of the big challenges was the amount of milk bottles used per week. Kaipaki Dairies were recently engaged to install a milk tap in the cafe. Now 10kg milk pails are used instead of individual milk bottles. After use, the pails get cleaned, refilled, and then are reused. The installation of a tap has immediately enabled us to avoid a staggering 3,120 two litre bottles per year (based on calculations before the new Care Centre opening). At the same time, the cost of milk per litre has remained the same, the café bins have to be emptied less frequently, and there is less milk waste.

Pacific Coast and Pacific Lakes Village have achieved the Tauranga Resource Wise Business Programmes highest Stage-5 GREEN status following their recent annual waste audits — based on the SWAP survey standards (Solid Waste Analysis Protocol) a nationally recognised method of waste auditing in New Zealand. Pacific Coast Village have made impressive steps towards minimising waste to landfill and achieved impressive 90% diversion rate from landfill from its operational waste.

Pāpāmoa Beach Conservation

It is recognised that the Pāpāmoa Beach is an important recreational area for the local community and an important conservation area with its unique dunes and fragile coastal ecosystem. The 'Generus Living Bay of Plenty Pāpāmoa Beach Conservation Project' was recently nominated as a finalist at the RVA Sustainability Awards 2023 in the Operator-led Sustainability Award category.

For the past two years the Pacific Coast and Pacific Lakes Village have taken an active role in Pāpāmoa Beach conservation. The villages have established an annual programme providing the residents and team opportunities to participate and make a difference. A new addition to the village conservation calendar this year was Dune Planting with over 20 residents and team members taking part. A total of 400 spinifex plants were planted by a dedicated group on the Pāpāmoa sand dunes.

The Beach Clean Event has been held two years in the row. This year well over 40 residents from Pacific Coast and Pacific Lakes Villages participated, and removed two large garden collection sacks of waste (approximately 100kg in total) from the beach. Initiatives like this make a significant difference and inspire residents and staff to make a positive impact.

An Innovative Approach to Aquatic Eco Systems

The lakes at Pacific Lakes Village form an integral part of the village life providing much enjoyment for the residents — recreational use for residents such as model boating and providing a serene living environment. Additionally, the Lakes form part of the village rain and storm water management system and assist in the management of stormwater runoff from nearby areas. The Grenada Street area was historically prone to surface flooding, and the lakes have helped to address this issue.

Pacific Lakes has always prioritised the use of natural fertilisers and natural weed control as much as possible. However, the invasive aquatic weeds, curly pond weed (Potamogeton crispus) and oxygen weed (Egeria densa) became established in the lakes, adversely affecting their function and aesthetic value. The village researched for an effective and environmentally friendly solution to deal with weeds. Most aquatic weed control methods, such as the use of herbicides and mechanical removal of weeds, result in rotting vegetation and degradation of habitat and disturbance of sediments. To manage the invasive weeds, Pacific Lakes partnered with Waterways Restoration NZ who provide waterway management and restoration services to enhance the health of freshwater environments to come up with a sustainable and effective solution.

After consultation, 55 grass carp fish were released into two of the village lakes in September 2022 and a further 20 into the third lake on 21 January 2023. Grass carp are herbivorous species of fish known as White Amur (Ctenopharyngodon idella) and in the right conditions are perfect for the eradication and sustainable management of aquatic pest weed species. By end of February 2023, the grass carp at Pacific Lakes had largely controlled the invasive plants within the village lakes. As the ecosystem in the lakes has become established, birds such as herons, swallow, swift, pied shags are often sighted. These wetland birds also help to control the lake frog and other fish (eel) populations, preventing overpopulation and maintaining a balanced ecosystem.

Education Spotlight 2023

Mangatawa Pāpāmoa Blocks Incorporation and Māori Education Trust

Name	Level of Study	Institution	Qualification	Partner Contribution	Tripartite	MET Contribution	Total Scholarship
Maimoa Finau	NCEA Level 3	Manukura Sports Academy of Sports Boarding School	NCEA	$500		$200	**$700**
Jessica McLeod	Certificate Levels 3,5,7	Soloman Group, Private Institute	NZ Certificate Health and Wellbeing	$200		$100	**$300**
Charmaine McLeod	Individual Paper Credit	University of Waikato	Certificate	$200		$100	**$300**
Jamie Ransfield	Certificate	Bella Beauty College (Australia)	Certificate	$200		$100	**$300**
Puawai Gardiner	Diploma Level 5	Aspire2 Business Management Programmes Cornerstone Education Ltd	Diploma Business Leadership & Management	$300		$100	**$400**
Innocence Quinn	Diploma Level 6	Queenstown Resort College	Diploma in Hospitality Management	$400		$150	**$550**
Sarah Rameka	Diploma	University of Waikato	Diploma in Law	$300		$100	**$400**
Jules Walker	Bachelor Level 5	Te Waananga o Aotearoa	Bachelor of Bicultural Social Work	$600		$250	**$850**
Peata Billing	Bachelor Level 7	Anamata Education and Training	Bachelor of Applied Counselling	$600		$250	**$850**
Maia-Rose Reremoana	Bachelor	University of Otago	Bachelor of Health Science	$600		$250	**$850**
Ngawati Cook	Bachelor Level 3	University of Waikato	Bachelor of Business	$600		$250	**$850**
Te Aniwa Cook	Bachelor Level 7	Te Whare Waananga o Awanuiarangi	Bachelor of Health Science Māori Nursing	$600		$250	**$850**
Isobel Thompson	Bachelor	University of Otago	Bachelor of Science Major in Anatomy	$600		$250	**$850**
Sian Kuka	Bachelor	Victoria University of Wellington	Bachelor of Arts	$600	$600	$250	**$1,450**
Cheynes Kuka	Bachelor	University of Auckland	Bachelor of Science Major in Biomedical Science	$600		$250	**$850**
Matagi Vitolio	Bachelor	Victoria University of Wellington	Bachelor of Arts	$600	$600	$250	**$1,450**
Maia Harpur	Bachelor	University of Auckland	Bachelor of Commerce	$600		$250	**$850**
Hadley Tamati	Bachelor	University of Otago	Bachelor of Health Science	$600		$250	**$850**
Miria Bluett	Bachelor	University of Waikato	Bachelor of Laws	$600		$250	**$850**
Daynah Olliver	Bachelor Level 7	Bethlehem Tertiary Institute	Bachelor Social Work	$500		$200	**$700**
Matthew Lloyd	Bachelor	Victoria University of Wellington	Bachelor of Architecture	$600	$600	$300	**$1,500**
Pareraututu Waaka	Bachelor Level 7	Massey University, Wellington	Bachelor of Design with Honours	$600	$500	$300	**$1,400**
William Aitkin	Bachelor	University of Waikato	Bachelor of Te Reo and Indiginous Studies	$600		$250	**$850**
Julia Haira	Bachelor	Massey University, Wellington	Bachelor of Arts Psychology	$600	$500	$300	**$1,400**
Te Waireka Walker	Postgrad	University of Canterbury (distant learning)	Postgraduate Certificate of Proficiency Arts (Masters Degree)	$700		$300	**$1,000**
Gabrielle Tarau	Postgrad	University of Auckland	Postgraduate Diploma in Health Science	$800		$300	**$1,100**
Marama Cook	Masters (full-time)	Te Whare Waananga o Awanuiarangi	Master of Indiginous Studies	$2,000		$800	**$2,800**
Haley Smith	Masters (Part-time)	Massey University	Masters of Nursing Practitioner Internship	$1,500	$500	$500	**$2,500**
Karamea Tukukino	Masters (full-time)	Te Whare Waananga o Awanuiarangi	Master of Indiginous Studies Thesis	$2,000		$800	**$2,800**
Keita Durie	Masters (full-time)	Massey University	Doctor of Philosophy (PhD Māori Studies)	$2,000	$500	$800	**$3,300**
Jocelyn Purewa	Masters (full-time)	Te Whare Waananga o Awanuiarangi	Masters in Māori Studies	$2,000		$800	**$2,800**
				$23,200	**$3,800**	**$9,500**	**$36,500**

Victoria University Taihonoa Scholarship Recipients

Name	Level of Study	Institution	Qualification	Partner Contribution	Tripartite	MET Contribution	Total Scholarship
Sian Kuka	Bachelor	Victoria University of Wellington	Bachelor of Arts	$600	$600	$250	**$1,450**
Matagi Vitolio	Bachelor	Victoria University of Wellington	Bachelor of Arts	$600	$600	$250	**$1,450**
Matthew Lloyd	Bachelor	Victoria University of Wellington	Bachelor of Architecture	$600	$600	$300	**$1,500**

Ebba Te Tua Scholarship Recipient

Name	Level of Study	Institution	Qualification	The Mangatawa and Generus Partnership	Total Scholarship
Tui Papuni	Masters (Part-time)	University of Waikato	Masters in Education	$4615.40	**$4615.40**

Ebba Te Tua Scholarship: Tui Pāpuni

This year's recipient, Tui Pāpuni, has been granted the scholarship to support her Master of Education Studies at the University of Waikato. Completing her Bachelor of Teaching in 2014, Tui has continued with postgraduate study. In 2021 she completed a Postgraduate Certificate in Educational Leadership and is now undertaking her Master of Education.

Tui is very passionate about education and is strongly set on the journey to revitalise and normalise the use of te reo Māori.

"I am committed to being part of making a positive change for our tamariki [children], mokopuna [grandchildren] and rangatahi [youth]. Educational success is paramount in order to achieve goals in life as a leader, a teacher and a student. Being able to enrich our community in ways that bring about a greater sense of who we are is important to me" says Tui.

The Generus and Mangatawa Partnership established the scholarship in honour of respected teacher and Kuia Ebba Te Tua who taught at Arataki School in Mount Maunganui for nearly 30 years. The annual scholarship supports the professional and educational development of Mangatawa uri (descendants) who have chosen to pursue a career in education and in particular are committed to the revitalisation of te reo Māori.

Education Profile: Hayley Smith

Mangatawa has supported me on my journey from an undergraduate nursing student in 2010 to completing my Masters in Nursing in 2022 which provided me with the opportunity to apply to be a candidate for the 2023 Nurse Practitioner Training Programme where I successfully secured a place.

I have spent my career working in Primary Healthcare in VLCA (very low-cost access) clinics and have been the Māori health lead for a number of years focusing on reducing health inequities for our Māori population up in Tāmaki Makaurau. I have faced significant challenges in this journey with a limited high school education but with Mangatawa's support, I was able to engage with tutors for further educational assistance in my academic journey bringing me from a C grade average in my undergraduate degree to receiving a personal letter from Massey University in 2022 acknowledging and congratulating me on my academic progress placing me in a small group of students within the university achieving excelling outcome A grade results. Despite the academic challenges I have had notable achievements across my career such as being nominated for the New Zealand Young Nurse of the Year Award and receiving an award from the current Prime Minister for my role in establishing our COVID response team within the community I work in.

This is the final year in my academic journey and it has been the most challenging yet as a Nurse Practitioner Intern but it will be the most rewarding year as I will move up from a Registered Nurse to a Nurse Practitioner which enables me to complete advanced assessment, diagnosis and prescribe. As a Nurse Practitioner I will continue to work in Primary Healthcare working similarly to the role of a General Practitioner, within this role it provides more access for our population to engage with healthcare services. As a Nurse Practitioner Intern, I am involved in leading various projects and am involved in local governance committees to achieve optimal health and well-being outcomes as well as social support for Māori and Pasifika population in Tāmaki Makaurau. Leadership did not come easy for me as a very shy and reserved person although being passionate about addressing health inequities has given me that voice to advocate for our people. I am working at a clinic in the heart of South Auckland with some of Aotearoa's top professors in Primary health with this mentorship it will provide me with the knowledge and experience to become a skilled Nurse Practitioner with the future goal of returning to Tauranga to help our people that have helped me through this academic and career journey.

Financials 2023

Group Financial Statements

For the year ended 31 March 2023

Statement of Profit or Loss

For the year ended 31 March 2023 - Audited

New Zealand dollars	Notes	2023	2022 Restated
Revenue			
Revenue from sales	2	8,327,563	7,539,464
Total Revenue		8,327,563	7,539,464
Less cost of goods sold	3	6,065,892	4,115,980
Gross Profit		2,261,671	3,423,484
Other Income and Expenses			
Other income	2	459,219	675,110
Share of trading profit from joint ventures	21	2,471,130	1,917,903
Less			
Administration expenses	3	2,517,054	1,969,993
Grants and distributions	3	93,565	116,501
Earnings before interest, tax, depreciation and amortisation (EBITDA)		2,581,401	3,930,003
Amortisation of intangible assets	10	(213,394)	(65,904)
Depreciation - fixed assets	8	(364,974)	(329,699)
Depreciation - right of use assets	12	(22,875)	-
Loss on disposal of assets		(2,768)	(3,729)
Revaluation on investment in shares - Loss		(53,028)	-
Revaluation on land and buildings - Loss		(971,491)	-
Unrealised net loss in value of investment properties	9	(2,744,324)	-
Unrealised net gain in value of investment properties held in Joint Ventures	21	6,562,782	30,404,733
Earnings before interest and tax (EBIT)		4,771,329	33,935,404
Finance costs		(1,052,065)	(351,481)
Lease interest expense		(4,101)	-
Net profit before tax (NPBT)		3,715,163	33,583,923
Income tax charge for the year	5	-	-
Deferred tax charge	6	(1,024,573)	(372,151)
Total tax charge		(1,024,573)	(372,151)
Net profit after tax (NPAT)		2,690,590	33,211,772

Statement of Comprehensive Income

For the year ended 31 March 2023 - Audited

New Zealand dollars	2023	2022 Restated
Other comprehensive income		
Net profit for the year	2,690,590	33,211,772
Items that will not be later reclassified to profit or loss		
(Loss) / gain on revaluation of property, plant and equipment	(1,739,463)	28,281
(Loss) / gain on revaluation of investment in shares	(1,584,891)	1,436,064
Total comprehensive income	(3,324,354)	1,464,345
Total comprehensive income for the year attributable to equity holders	(633,764)	34,676,117

The accompanying notes form an integral part of these financial statements

Statement of Changes in Equity

For the year ended 31 March 2023 - Audited

New Zealand dollars	Capital	Realised capital reserve	Land and buildings revaluation reserve	Share revaluation reserve	Retained earnings	Total equity
2022 financial year restated						
Equity at 1 April 2021	36,816	5,078,660	22,579,645	5,189,311	138,623,585	171,508,017
Net profit	-	-	-		33,211,772	33,211,772
Other comprehensive income	-	-	28,281	1,436,064	-	1,464,345
Total comprehensive income for the year	-	-	28,281	1,436,064	33,211,772	34,676,117
Transactions with owners						
Distributions to owners	-	-	-	-	(518,890)	(518,890)
Balance at 31 March 2022	36,816	5,078,660	22,607,926	6,625,375	171,316,467	205,665,244
Equity at 1 April 2022	36,816	5,078,660	22,607,926	6,625,375	171,316,467	205,665,244
Net profit	-	-	-	-	2,690,590	2,690,590
Other comprehensive income	-	-	(1,739,463)	(1,584,891)	-	(3,324,354)
Total comprehensive income for the year	-	-	(1,739,463)	(1,584,891)	2,690,590	(633,764)
Transactions with owners						
Distributions to owners	-	-	-	-	(619,797)	(619,797)
Balance at 31 March 2023	36,816	5,078,660	20,868,463	5,040,484	173,387,260	204,411,683

The accompanying notes form an integral part of these financial statements

Statement of Financial Position

As at 31 March 2023 - Audited

New Zealand dollars	Notes	2023	2022 Restated
Assets			
Current assets			
Cash and cash equivalents		939,796	1,492,641
Trade and other receivables	13	855,666	637,861
Biological assets - livestock	11	172,445	728,730
Biological assets - crop	11	2,283,054	2,610,650
Income tax		115,916	44,574
GST		62,071	17,912
Total current assets		4,428,948	5,532,368
Non-current assets			
Investment in shares	19	5,825,939	7,463,857
Investment in joint ventures	21	103,656,256	94,822,344
Intangible assets	10	3,301,462	1,054,391
Right of use lease assets	12	141,383	-
Property, plant & equipment	8	28,533,764	25,720,847
Investment property	9	80,262,900	82,036,976
Total non-current assets		221,721,704	211,098,415
Total assets		226,150,652	216,630,783
Liabilities			
Current liabilities			
Trade and other payables	14	1,155,869	494,914
Unclaimed dividends	14	498,031	413,714
Income in advance		178,908	23,425
Interest bearing term loans	15	2,391,996	44,619
Lease liabilities	12	55,392	-
Total current liabilities		4,280,196	976,672
Non-current liabilities			
Lease liabilities	12	89,719	-
Interest bearing term loans	15	14,354,380	7,524,267
Deferred Tax	6	3,014,674	2,464,600
Total current liabilities		17,458,773	9,988,867
Total liabilities		21,738,969	10,965,539
Total net assets		204,411,683	205,665,244
Represented by			
Capital	16	36,816	36,816
Realised capital reserve	17	5,078,660	5,078,660
Land and buildings revaluation reserve	17	20,868,463	22,607,926
Share revaluation reserve	17	5,040,484	6,625,375
Retained Earnings	17	173,387,260	171,316,467
Total equity		204,411,683	205,665,244

Signed for and on behalf of the Committee of Management who authorised these financial statements for issue on 17 August 2023.

N Te Kani
Chairperson

V Werohia
Committee Member

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows

As at 31 March 2023 - Audited

New Zealand dollars	Notes	2023	2022 Restated
Operating activities			
Cash was provided from:			
Receipts from customers		8,183,559	7,184,962
Interest and dividends received		425,399	679,587
Cash was disbursed to:			
Payments to suppliers and employees		(7,131,675)	(5,465,992)
Interest paid		(1,052,065)	(351,481)
Lease interest paid		(4,101)	-
Net cash flows from operating activities	4	421,117	2,047,076
Investing activities			
Cash was provided from:			
Proceeds from sale of property, plant and equipment		24,313	-
Proceeds from capital distributions received		200,000	200,000
Proceeds from sale of shares		53,027	8,818
Cash was disbursed to:			
Purchase of property, plant, equipment and intangible assets		(6,443,419)	(87,046)
Purchase of investment property		(970,248)	(544,159)
Purchase of intangible assets		(2,460,500)	-
Net cash flows from investing activities		(9,596,827)	(422,387)
Financing activities			
Cash was provided from:			
Proceeds from current bank borrowings		1,602,126	200,000
Proceeds from non-current term bank borrowings		8,879,998	-
Cash was disbursed to:			
Principal lease payments		(19,147)	-
Repayment of current bank borrowings		(800,000)	-
Repayment of non-current bank borrowings		(504,634)	(43,569)
Shareholder dividends paid		(535,478)	(432,584)
Net cash flows from financing activities		8,622,865	(276,153)
Net cash flows		(552,845)	1,348,536
Cash and cash equivalents			
Cash and cash equivalents at beginning of period		1,492,641	144,105
Net change in cash for period		(552,845)	1,348,536
Cash and cash equivalents at end of period		939,796	1,492,641

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

For the year ended 31 March 2023 - Audited

This section contains the notes to the consolidated financial statements (financial statements) for Mangatawa Papamoa Blocks Incorporated, its subsidiaries, associates and jointly controlled entities. To give stakeholders a clear insight into how Mangatawa organises its business, the note disclosures are grouped into seven sections.

Basis of preparation

This section sets out the Group's accounting policies that apply to the full set of financial statements. Accounting policies which are limited to a specific note are described in that note.

Reporting entity and statutory base

Mangatawa Papamoa Blocks Incorporated is a is a profit-orientated Māori Incorporation constituted pursuant to Te Ture Whenua Māori Act 1993 New Zealand - Aotearoa.

The financial statements presented are those of the consolidated Mangatawa Group. Mangatawa Papamoa Blocks Incorporated is referred to as Mangatawa or the Incorporation. The group is referred to as the Group, or Mangatawa Group.

The consolidated financial statements of the Mangatawa Group comprise the parent and its subsidiaries (together referred to as "the Group") and the Group's interest in associates and jointly controlled entities. Refer to the Directory and notes 20 and 21 for further details on the Group's investments.

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with the New Zealand Equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ('NZ IFRS RDR') and other applicable Financial Reporting Standards, as appropriate for Tier 2 for-profit entities.

The Mangatawa Group is eligible to report under Tier 2 For-Profit Accounting Standards on the basis that it does not have public accountability.

Nature of the operations

Mangatawa is a diverse business with operations in kiwifruit and avocado horticulture, livestock farming, Papakainga housing, commercial land and retirement village investments located in the Tauranga region of the Bay of Plenty, New Zealand-Aotearoa.

Application of NZ IFRS 1 RDR

First Time Adoption of New Zealand equivalents to International Reporting Standards (NZ IFRS RDR)"

The financial statements for Mangatawa Group for reporting periods up to 31 March 2022 had been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by the Chartered Accountants Australia and New Zealand. Those financial statements had been specifically prepared for the purposes of reporting to the owners and beneficiaries of the Incorporation, as well as meeting the Incorporation's income tax requirements and internal use.

The Special Purpose Framework differs in certain respects from NZ IFRS RDR. When preparing the Mangatawa Group financial statements for the year ended 31 March 2023, the incorporation amended certain accounting and valuation methods in the previous Special Purpose financial statements to comply with NZ IFRS RDR. The comparative figures were restated to reflect these adjustments so that they too comply with NZ IFRS RDR.

Basis of Transition to NZ IFRS RDR

The Group's financial statements for the period ended 31 March 2021 are the first financial statements that comply with NZ IFRS RDR. Reconciliations and description of the effect the transaction from previous Special Purpose accounts to NZ IFRS RDR on the Group's equity for the financial years ended 31 March 2021 and 31 March 2022 are given in note 22. Those financial statements have been prepared as described in the accounting policies set out in the notes to these accounts and in accordance with NZ IFRS RDR, and they are the entity's first NZ IFRS RDR financial statements.

Summary of significant accounting policies

Other than for the application of NZ IFRS RDR, the accounting policies have been applied consistently throughout the periods presented in the financial statements.

Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with the New Zealand Equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ('NZ IFRS RDR') and other applicable Financial Reporting Standards, as appropriate for Tier 2 for-profit entities.

The Mangatawa Group is eligible to report under Tier 2 For-Profit Accounting Standards on the basis that it does not have public accountability.

The financial statements are prepared on a historical cost basis, with the exception of:

- Land and buildings at fair value (note 8)
- Bearer plants at fair value (note 8)
- Investment property at fair value (note 9)
- Biological assets - crop at fair value (note 11)
- Biological assets - livestock at fair value (note 11)

The significant accounting policies applied in the preparation of the financial statements are set out below.

These financial statements were authorised for issue on 17 August 2023 by the Committee of Management. The Group's owners or other beneficiaries do not have the power to amend the financial statements after issue.

Basis of consolidation

Subsidiaries and associates

1. Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The controlled entities are consolidated applying the purchase method from the date on which control is transferred and are unconsolidated from the date that control ceases. In preparing the consolidated financial statements, all inter-entity balances and transactions, and unrealised gains and losses arising within the consolidated entity are eliminated in full. The accounting policies of the controlled entity are consistent with the policies adopted by the Group and have a 31 March reporting date.

2. Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). The parent financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group. Significant influence typically exists when the Group has between 20% and 50% of the ownership and voting power in an entity. The Group's share of other gains and losses of associates are recognised.

Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note		Area of estimation or judgement
8	Property plant and equipment	Valuation and impairment assessment
9	Investment property	Valuation and impairment assessment
10	Intangible assets	Impairment assessment
11	Biological assets - crop	Valuation
11	Biological assets - livestock	Valuation
12	Right-of-use lease assets and lease liabilities	Discount rate and lease term
19	Investments in shares	Timing, valuation and recognition of gain on sale
20	Investment in subsidiaries	Valuation
21	Investment in joint ventures	Valuation

Goods and services tax (GST)

The statement of profit and loss and statement of comprehensive income have been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

Functional and presentation currency

These financial statements are presented in New Zealand dollars ($), which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

Going concern assumption

The financial statements have been prepared on a going concern basis.

Impact of standards issued but not yet applied by the entity

There are no new standards, amendments or interpretations that have been issued and are effective that are expected to have a significant impact on the Group.

Employee benefits

Short-term employee benefit obligations, such as holiday pay, are measured on an undiscounted basis and is recognised as an expense when the commitment to the Group is recognised.

Finance expenses

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets (except for trade receivables) and losses on the disposal of available-for-sale financial assets. All borrowing costs are recognised in the Statement of Profit and Loss using the effective interest method.

Changes in accounting policies

There have been no changes to the Group's accounting policies during the year other than as a result of the conversion to NZ IFRS RDR.

Prior Period Misstatement in Livestock Valuation

Farm sector livestock misstatement

When preparing the 31 March 2023 financial statements management became aware of a misstatement in the livestock count and valuation undertaken in previous years. As a result, it is believed that previous livestock counts were overstated by up to 50%.

While MPBI is not able to precisely assess the misstatement, its is estimated to be in the region of $300,000 to $550,000. The impact of the misstatement is to overstate net profit before tax in the year ended 31 March 2022 and understate net profit before tax in the current financial year by between $300,000 and $550,000.

The 31 March 2022 financial statements have not been restated as it is impracticable for MPBI to determine the correct livestock count at 31 March 2022 based on the information available.

Performance

This section focuses on the Group's profit and loss and details the contributions from the individual operating segments.

1. Segment information

The Group's operating segments are entities that engage in business activities that earn revenues, incur expenses and are reported in a manner consistent with the internal reports provided to the chief decision makers, being the Committee of Management, who regularly evaluate the allocation of resources alongside operational outcomes, such as EBITDA and EBIT, and are responsible for setting strategic direction.

The Group has five operating segments all based in the Tauranga region of New Zealand - Aotearoa.

Direct segment revenues and operating costs are allocated to each segment. Administration costs, overheads, and other income from the sale of assets recorded in the statement of profit or loss are allocated to all other segments. Transactions between segments are conducted at arm's length and are eliminated on consolidation.

Reporting Segments

Orchard Operations

The group operates kiwifruit and avocado orchards on its properties located in Tauranga and Te Puke whereby the Group incurs growing and harvest costs and receives all orchard income from crop sales.

Farm Operations

The group operates a beef farm on its property located in Tauranga whereby the Group incurs operating costs and receives all farm income from livestock sales.

Papakainga Housing

The group owns and operates Papakainga housing on its properties located in Tauranga whereby the Group incurs housing ownership and maintenance costs and receives all rental income including Housing New Zealand social housing subsidies where applicable.

Commercial Property

The group owns and lease commercial land to tenants for terms of up to 99 years on its properties located in Tauranga whereby the Group incurs land ownership costs and receives all land rental income.

Retirement Villages

The group has entered into 50/50 joint venture arrangements to own and operate two retirement villages on its property located in Tauranga whereby the Group records it share of the joint venture income, costs, and net assets and liabilities, and receives cash distributions.

EBITDA and EBIT

EBITDA is earnings before interest, tax, depreciation, amortisation, impairments and revaluations. EBITDA is an indicator of profitability and reflects operating cash flow generation.

EBIT is earnings before interest and tax; an indicator of profitability that excludes interest and income tax expenses.

Non-GAAP financial information does not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The Board considers EBITDA and EBIT as useful measures of financial performance for both investors and management as they are indicators of the Group's operating profitability that remove the impact of tax and the interest expense associated with debt (EBIT), along with depreciation, amortisation and revaluation expenses associated with the Group's large investments in fixed assets (EBITDA).

New Zealand dollars	Orchards	Farm	Papakainga housing	Commercial property	Retirement villages	All other segments	Total Group
31 March 2023							
Income statement							
Gross segment revenue and other revenue	5,828,530	328,942	636,665	1,632,439	2,471,130	427,899	11,325,605
Eliminations	-	-	-	(67,693)	-	-	(67,693)
Total segment revenue	5,828,530	328,942	636,665	1,564,746	2,471,130	427,899	11,257,912
Operating expenses	(5,031,284)	(843,415)	(754,105)	(42,425)	(2,010)	(2,003,272)	(8,676,511)
EBITDA [1]	797,246	(514,473)	(117,440)	1,522,321	2,469,120	(1,575,373)	2,581,401
Depreciation expense [3]	(264,787)	(19,118)	(18,804)	-	-	(62,265)	(364,974)
Lease depreciation expense [4]	-	-	-	-	-	(22,875)	(22,875)
Loss on disposal of assets	(301)	(1)	(10)	-	-	(2,456)	(2,768)
Amortisation of intangible assets	(213,359)	-	-	-	-	(35)	(213,394)
Revaluation gains / (losses)	(971,491)	-	2,696,378	(5,440,702)	-	(53,028)	(3,768,843)
Revaluation gains - joint ventures	-	-	-	-	6,562,782	-	6,562,782
EBIT [2]	(652,692)	(533,592)	2,560,124	(3,918,381)	9,031,902	(1,716,032)	4,771,329
Lease interest expense [4]	-	-	-	-	-	(4,101)	(4,101)
Interest expense [5]	-	-	-	(398,367)	-	(653,698)	(1,052,065)
Deferred tax charge	-	-	-	(45,770)	(241,063)	(737,740)	(1,024,573)
Profit / (loss) after tax	(652,692)	(533,592)	2,560,124	(4,362,518)	8,790,839	(3,111,571)	2,690,590
Balance sheet							
Total segment assets	28,573,401	1,596,795	14,965,400	65,297,500	103,656,256	12,061,300	226,150,652
Total segment liabilities	10,863,610	-	423,640	6,178,908	-	4,272,811	21,738,969
2022 financial year restated 31 March 2022							
Income statement							
Gross segment revenue and other revenue	5,506,607	122,830	737,772	1,134,883	1,917,903	780,175	10,200,170
Eliminations				(67,693)			(67,693)
Total segment revenue	5,506,607	122,830	737,772	1,067,190	1,917,903	780,175	10,132,477
Operating expenses	(3,879,348)	(95,162)	(699,967)	(106,986)	(1,419)	(1,419,592)	(6,202,474)
EBITDA [1]	1,627,259	27,668	37,805	960,204	1,916,484	(639,417)	3,930,003
Depreciation expense [3]	(217,929)	(22,519)	(27,469)	-	-	(61,782)	(329,699)
Loss on disposal of assets	-	-	(3,729)	-	-	-	(3,729)
Amortisation of intangible assets	(65,869)	-	-	-	-	(35)	(65,904)
Revaluation gains - joint ventures	-	-	-	-	30,404,733	-	30,404,733
EBIT [2]	1,343,461	5,149	6,607	960,204	32,321,217	(701,234)	33,935,404
Interest expense [5]	-	-	-	(281,301)	-	(70,180)	(351,481)
Deferred tax charge	-	-	-	10,528	(234,736)	(147,943)	(372,151)
Profit / (loss) after tax	1,343,461	5,149	6,607	689,431	32,086,481	(919,357)	33,211,772
Balance sheet							
Total segment assets	24,103,197	2,586,480	8,672,000	73,364,976	94,822,344	13,081,786	216,630,783
Total segment liabilities	1,145,321	-	468,886	6,023,425	-	3,327,907	10,965,539

1. EBITDA, a non-GAAP measure, is earnings before interest, tax, depreciation, amortisation, impairments and revaluations.
2. EBIT, a non-GAAP measure, is earnings before interest and tax.
3. Depreciation includes the depreciation of fixed assets.
4. Lease interest and lease depreciation are as a result of *NZ IFRS 16 Leases*, see note 12.
5. Interest includes finance costs for borrowings. Unless a loan is attached to the assets of a subsidiary interest is treated as Group cost within "All Other Segments"

Farm sector livestock misstatement

When preparing the 31 March 2023 financial statements management became aware of a misstatement of historical livestock counts and valuations going back several years. It is believed that livestock counts were overstated in previous years.

While MPBI is not able to precisely assess the misstatement in previous years, the impact of the misstatement is to overstate net profit before tax in previous years and understate net profit before tax in the current financial year by between $300,000 and $550,000.

The 31 March 2022 financial statements have not been restated as it is impracticable for MPBI to determine the correct livestock count at 31 March 2022 and 31 March 2021 based on the information available.

2. Revenue and other income

New Zealand dollars	Notes	2023	2022 Restated
Revenue			
Orchard crop sales		5,828,530	5,506,607
Farm livestock sales		297,622	122,830
Papakainga housing rental income		269,680	314,458
Papakainga housing rental subsidy income		366,985	526,823
Commercial land rental		1,564,746	1,067,190
Other		-	1,556
Total revenue		8,327,563	7,539,464
Other income			
Interest		899	1
Dividends		424,500	641,870
Rebates		2,500	2,500
Realised capital gains - shares		-	30,739
Miscellaneous		31,320	-
Total other income		459,219	675,110
Total revenue and other income		8,786,782	8,214,574

Accounting policies

The Group's major revenue streams are orchard operations, farming, Papakainga housing, and commercial lease operations in accordance with NZ IFRS 15: Revenue from contracts with customers (NZ IFRS 15) along with income from interest and dividends.

Orchard operations

The Group enters into contracts for the sale of kiwifruit and Avocados.
For kiwifruit sales, the Group contracts with one customer (Zespri Growing Limited) for the sale of kiwifruit which generally involves one performance obligation. The Group has concluded that revenue from the sale of kiwifruit be recognised at the point in time when the kiwifruit is transferred to the customer, generally on delivery of the kiwifruit. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.
For avocado sales, the Group contracts with one customer (Avofresh) for the sale of avocados on consignment as the Group's Agent which generally involves one performance obligation. The Group has concluded that revenue from the sale of avocados be recognised when the sales proceeds are received from the customer or can be reliably measured, generally three months after delivery of the avocados. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

Farm livestock operations

The Group contracts with two customers (PGG Wrightson and Silver Fern Farms) for the sale of livestock on consignment as the Group's Agent which generally involves one performance obligation. The Group has concluded that revenue from the sale of livestock be recognised when the sales proceeds are received from the customer or can be reliably measured, generally two months after delivery of the livestock. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

Papakainga housing income

The Group enters into standard rental contracts or a licence to occupy with its Papakainga residents which generally involves one performance obligation. The Group has concluded that revenue from the rental of its housing units be recognised as the income is earned on a weekly basis aligned to the term of the occupancy. No revenue is recognised if there are significant uncertainties regarding recovery of the rental income due.

Commercial land rental

The Group enters into a standard commercial property lease contract or licence to occupy with its commercial land tenements which generally involves one performance obligation. The Group has concluded that rental income from investment property leased to clients under operating leases is recognised as income on a straight-line basis over the term of the lease to the extent that future rental increases are known with certainty. No revenue is recognised if there are significant uncertainties regarding recovery of the rental income due.

Interest and dividends

Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established.

3. Cost of sales and administration expenses

New Zealand dollars	Notes	2023	2022 Restated
Operating expenses			
Total operating expenses		4,592,044	3,275,152
Decrease in fair value of biological assets - crops	11	327,596	584,639
Decrease / (increase) in fair value of biological assets - livestock	11	556,285	(161,240)
Total orchard and farm operating expenses		5,475,925	3,698,551
Direct employee expenses		589,967	417,429
Total operating expenses		6,065,892	4,115,980
Administration expenses			
Audit fees paid to principal auditors		16,399	13,750
Tax compliance and consulting		71,934	66,933
General administrative expenses		1,294,841	952,833
Direct employee expenses		837,190	779,657
Total other employee benefits		23,130	6,847
Trustee fees and honorarium		134,152	112,929
Other governance costs and expenses		96,808	22,859
Meeting expenses		42,600	14,185
Total administration expenses		2,517,054	1,969,993
Grants and distributions			
Koha		16,726	19,599
Education grants		23,550	53,000
Kaumātua grants and subsidies		47,481	41,902
Sports grants		5,808	2,000
Total grants and distributions		93,565	116,501

Accounting policies

Operating expenses are recognised in the statement of profit or loss as incurred, except where future economic benefits arise and they are recorded as a prepayment.

Wages and salaries, annual leave and sick leave Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in other payables. The employee liabilities are measured at the amounts expected to be paid when settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

4. Reconciliation of net operating surplus after taxation with cash flows from operating activities

New Zealand dollars	Notes	2023	2022 Restated
Net operating surplus after taxation		2,690,590	33,211,772
Add / (less) non cash items:			
Depreciation		364,974	329,699
Lease depreciation		22,875	-
Revaluation on investment property - gain		53,028	-
Share of trading profit from joint ventures		(2,471,130)	(1,917,903)
Movement in deferred tax		1,024,573	343,871
Movement in fair value of biological assets - crop		883,881	636,590
Amortisation of intangible assets		213,394	65,904
Total non cash items		91,595	(541,839)
Less items not classified as an operating activity:			
Unrealised gain in the value of investment properties held in joint venture		(2,846,967)	(30,404,733)
Gain on sale of property, plant and equipment		2,768	3,729
Total operating expenses		(2,844,199)	(30,401,004)
(Increase) / decrease in working capital:			
Increase in accounts payable		660,954	126,180
(Increase) in accounts receivable/prepayments		(177,823)	(348,033)
		483,131	(221,853)
Net cash flow from operating activities		421,117	2,047,076

Accounting policies

Cash flow statements are prepared using the direct approach. Cash and cash equivalents are shown exclusive of GST.

5. Income tax expense

New Zealand dollars	Notes	2023	2022 Restated
a. Current tax expense			
Current year		-	-
Prior period adjustment		-	-
Total current tax expense		-	-
Deferred tax expense			
Origination and reversal of temporary differences		1,024,573	372,151
Prior period adjustment		-	-
Total deferred tax expense		1,024,573	372,151
Total income tax expense		1,024,573	372,151
b. Numerical reconciliation of income tax expense to prima facie tax payable			
Profit before income tax expense		3,715,163	33,583,923
Tax at the New Zealand tax rate of 17.5%		650,153	5,877,186
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		(467,102)	(5,268,569)
Benefit of tax credits		(102,837)	(249,616)
Deferred tax on capital expenditure		556,655	-
Other items		387,704	13,150
Income tax expense		1,024,573	372,151
c. Imputation credit account			
Imputation credits available for use in subsequent reporting periods		1,119,631	1,067,251

The above amounts represent the balance of the imputation account as at the end of the reporting period, adjusted for:

a. Imputation credits that will arise from the payment of the amount of the provision for income tax

b. Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date; and

c. Imputation credits that will arise from the receipts of dividends recognised as receivables at the reporting date.

Accounting policies

Income tax expense comprises both current and deferred tax and is recognised in the statement of profit or loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the tax losses of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination and that affects neither accounting or taxable profit. Differences relating to investments in subsidiaries and jointly controlled entities are not recognised to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at balance date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

6. Deferred tax

Deferred tax assets and liabilities are offset when there is a legally-enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The following table details the offset amounts.

New Zealand dollars	Notes	2023	2022 Restated
Net deferred tax liabilities:			
Opening balance		2,464,600	2,120,730
Charged to the statement of profit or loss		1,024,573	372,151
Charged to revaluation reserve		(474,499)	(28,281)
Closing balance at end of year		3,014,674	2,464,600
The balance comprises temporary differences attributable to:			
Non-current assets		4,305,575	3,416,664
Current assets		(1,696,408)	(873,744)
Current liabilities		405,507	(78,320)
Total deferred tax liability		3,014,674	2,464,600

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. No amounts were recognised at balance date and there were no unrecognised tax losses (March 2022 - Nil).

The deferred tax liability recognised in the financial statements does not represent the tax that would be payable on the disposal of the buildings; actual tax payable is limited to the reversal of tax depreciation claimed on that asset in prior period tax returns.

7. Events occurring after balance date

Capital commitment

At the year end there were no capital expenditure commitments (March 2022 - $1.07m).

At year end 2022, the Incorporation had tendered for Zespri Red kiwifruit licence before the 31 March 2022 balance date. The tender was for 2 hectares at $143,750 per hectare and 4 hectares at $195,500 per hectare. The tender was subsequently accepted and a 25 percent deposit was paid on 4 May 2022 with the balance being payable on 20 July 2022.

Events occurring after balance date

There were no significant events after balance date that required adjustment or disclosure in the financial statements.

At year end 31 March 2022, a conditional offer of $8,800,000 had been made on a 8.87 hectare kiwifruit orchard at 337 Brown Road, Te Puke in March 2022. The orchard included Zespri G3 kiwifruit licence, Green Hayward kiwifruit and Red kiwifruit licence. The property also included a dwelling and curtilage. The sale subsequently became unconditional and settlement was made on 29 April 2022.

Assets

This section focuses on the physical and intangible assets used by the Group to operate the business, deliver benefits to stakeholders, add new income streams and generate revenues. Assets include rural, residential and commercial land, kiwifruit and avocado orchards, and a livestock farm along with a 50% investment in two retirement villages.

The Group also has interests in Zespri plant variety licences for the Zespri SunGold G3 and Zespri RubyRed varieties.

8. Property, plant and equipment

New Zealand dollars	Land and buildings	Plant and equipment	Motor vehicles	Bearer plants	Total
2022 financial year restated					
At 1 April 2021					
Cost or valuation	15,910,186	2,781,888	253,781	9,431,598	28,377,453
Accumulated depreciation and impairment	(353,003)	(1,676,211)	(128,412)	(252,598)	(2,410,224)
Net book amount	15,557,183	1,105,677	125,369	9,179,000	25,967,229
Year ended 31 March 2022					
Opening net book amount	15,557,183	1,105,677	125,369	9,179,000	25,967,229
Additions	-	71,310	37,271	-	108,581
Depreciation	(45,223)	(125,418)	(27,295)	(131,763)	(329,699)
Disposals	-	(10,686)	(14,578)	-	(25,264)
Closing net book amount	15,511,960	1,040,883	120,767	9,047,237	25,720,847
At 1 April 2022					
Cost or valuation	15,910,186	2,842,512	276,474	9,431,598	28,460,770
Accumulated depreciation and impairment	(398,226)	(1,801,629)	(155,707)	(384,361)	(2,739,923)
Net book amount	15,511,960	1,040,883	120,767	9,047,237	25,720,847
Year ended 31 March 2023					
Opening net book amount	15,511,960	1,040,883	120,767	9,047,237	25,720,847
Additions	3,748,239	496,967	80,990	2,064,230	6,390,426
Depreciation	(42,009)	(147,333)	(17,847)	(157,785)	(364,974)
Disposals	-	(990)	(26,090)	-	(27,080)
Revaluation	(3,239,991)	-	-	54,536	(3,185,455)
Closing net book amount	15,978,199	1,389,527	157,820	11,008,218	28,533,764
At 31 March 2023					
Cost or valuation	16,373,211	3,801,456	351,239	11,418,602	31,944,507
Accumulated depreciation and impairment	(395,011)	(2,411,930)	(193,419)	(410,383)	(3,410,744)
Net book amount	15,978,199	1,389,527	157,820	11,008,218	28,533,764

Land and buildings are revalued to their estimated market value on a two-year rolling cycle, plus any subsequent additions at cost, less subsequent depreciation for buildings. The most recent valuation was undertaken by CBRE Limited t/a Telfer Young, independent registered valuer at 31 March 2023. PrestonRowePaterson, independent registered valuer undertook the previous valuation at 31 March 2021.

The valuers consider two different approaches in concert to arrive at a fair value;

1. Sales comparison - considers sales of other comparable properties.
2. Capitalisation of rentals - assumes a hypothetical lease of the property with a current market rental being established and capitalising this at an appropriate rate of return that would be expected by a prudent investor.

Accounting policies

Bearer plants

Bearer plants are the Group's investment in kiwifruit vines and avocado trees on Group-owned land. Bearer plants are shown at fair value, based on periodic, but at least biennial valuations by independent valuers, plus any subsequent improvements at cost, less depreciation.

Land and buildings

Land and buildings are shown at fair value, based on periodic, but at least biennial valuations by independent valuers, plus any subsequent improvements at cost, less depreciation. At each annual balance date, the fair value of the Group's assets classified as land and buildings is assessed for the appropriateness of the carrying values, which effectively revalues all land and buildings annually. Independent revaluations are performed at least every second year or more frequently if changing industry conditions may cause their carrying value to differ significantly from fair value. 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.

Changes in the carrying amounts arising on revaluation of land and buildings are accounted for through comprehensive income and other reserves, except where an asset's assessed fair value is less than the original cost, in which case the change is recognised in the statement of profit or loss.

Property, plant and equipment

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes all costs incurred to purchase the asset. Subsequent additions at cost are included in the asset's carrying value 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 statement of profit or loss during the financial period in which they are incurred.

Asset impairments are recognised in the statement of profit or loss.

Depreciation

Land, other than land improvements, is not depreciated. Depreciation on other assets is calculated using the straight line or diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

The estimated useful lives of assets from revaluation date are:

- Buildings and land improvements 20 - 50 years
- Machinery 10 - 20 years
- Vehicles 2 - 15 years
- Furniture, fittings and equipment 3 - 10 years
- Bearer plants 25 - 75 years

Asset residual values and useful lives are reviewed, and adjusted if appropriate, at balance date and an asset's carrying amount is immediately written down to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount, and any gain or loss is included in the statement of profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve in respect of those assets are transferred to retained earnings.

Critical accounting estimates and judgements

At 31 March 2023 all (March 2022 - Nil) of Mangatawa's land and buildings and bearer plants were revalued in line with policy.

9. Investment property

The Group's investment properties are properties held to earn rental income now or in the future. The Group's investment properties are measured initially at cost, including transaction cost.

The rental business activities are:

1. **Commercial land rentals**, whereby the Group leases commercial land to tenants for periods of up to 99 years and receives rental income, and on which the tenant operates their business. This will often involve the tenant constructing an office, warehouse or other commercial structure on the land.
2. **Papakainga housing**, whereby the Group owns and operates a residential social housing business on its properties located in Tauranga and receives rental income from tenants, including social housing subsidies from Housing New Zealand where applicable.

New Zealand dollars	Land	Buildings	Total
2022 financial year restated			
At 1 April 2021			
Cost or valuation	73,777,250	7,715,567	81,492,817
Book amount	73,777,250	7,715,567	81,492,817
Year ended 31 March 2022			
Opening net book amount	73,777,250	7,715,567	81,492,817
Additions from purchases	264,100	280,059	544,159
Closing net book amount	74,041,350	7,995,626	82,036,976
At 1 April 2022			
Cost or valuation	74,041,350	7,995,626	82,036,976
Net book amount	74,041,350	7,995,626	82,036,976
Year ended 31 March 2023			
Opening net book amount	74,041,350	7,995,626	82,036,976
Additions from purchases	294,168	676,080	970,248
Transfers and reclassifications	7,684	(7,684)	-
Revaluation	(5,440,702)	2,696,378	(2,744,324)
Closing net book amount	68,902,500	11,360,400	80,262,900

Investment properties are revalued to their estimated market value every 12 months. The most recent valuation was undertaken by CBRE Limited t/a Telfer Young, independent registered valuer at 31 March 2023.

PrestonRowePaterson, independent registered valuer undertook the previous valuation at 31 March 2021. Investment properties were not revalued at 31 March 2022 as this was prior to the Group adopting NZ IFRS RDR and it was not considered feasible to revalue the properties at 31 March 2022 as part of the Restatement of the opening asset balance.

The valuers consider two different approaches in concert to arrive at a fair value;

1. Income capitalisation of rentals - is based on the existing lease terms where they exist, or assumes a hypothetical lease for vacant property,. With the current market rental established it is then capitalised at an appropriate rate of return that would be expected by a prudent investor. Income capitalisation rates ranged from 5.5% to 6.0% including an allowance of 0.5% for the terminating nature of the leases.
2. Discounted cash flows are forecast with allowances made for projected market expectations of rental growth and CPI increases. The effective discount rate is 8.5% and 2.0% long term CPI.

An allowance is also made where the valuer is valuing the freehold interest in Māori Freehold Land.

Accounting policies

Investment properties

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Development properties

Investment properties that are being constructed or developed for future use are classified as development properties. All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure is capitalised. Subsequent to initial recognition development properties are stated at fair value. Gains or losses arising from changes in the fair value of development properties are included in profit or loss in the year in which they arise.

Valuation of investment and development properties

External, independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued, value Mangatawa's investment property portfolio at least every 12 months. The fair values are based on the Income Approach whereby the valuers apply two methods to assess the value of the properties.

1. Income capitalisation of rental income, This converts net rental income to a value by application of a capitalisation rate or yield (being the investment return).
2. The discounted cash flow method to forecasted rental income. This is a variation of the Income Capitalisation Method whereby cash flows are explicitly forecast with allowances made for projected market expectations of rental growth and CPI increases.

An allowance is also made where the property where that the valuer is valuing is a freehold interest in Māori Freehold Land.

10. Intangible assets

New Zealand dollars	Software	Zespri PVR licence	Total
2022 financial year restated			
At 1 April 2021			
Cost	37,346	2,300,650	2,337,996
Accumulated amortisation and impairment	(37,276)	(1,180,425)	(1,217,701)
Net book amount	70	1,120,225	1,120,295
Year ended 31 March 2022			
Opening net book amount	70	1,120,225	1,120,295
Amortisation	(35)	(65,869)	(65,904)
Closing net book amount	35	1,054,356	1,054,391
At 1 April 2022			
Cost	37,346	2,300,650	2,337,996
Accumulated amortisation and impairment	(37,311)	(1,246,294)	(1,283,605)
Net book amount	35	1,054,356	1,054,391
Year ended 31 March 2023			
Opening net book amount	35	1,054,356	1,054,391
Additions	-	2,460,500	2,460,500
Disposals	(35)	-	(35)
Amortisation	-	(213,394)	(213,394)
Closing net book amount	-	3,301,462	3,301,462
At 31 March 2023			
Cost	-	4,761,150	4,761,150
Accumulated amortisation and impairment	-	(1,459,688)	(1,459,688)
Net book amount	-	3,301,462	3,301,462

The amortisation period of software is four to five years.

At balance date, the Zespri PVR licences relate to 14.58 hectares of Zespri Gold G3 licence with an expiry date of September 2039 and 6.25 hectares of Zespri Red licence with an expiry date of March 2043. During the year the Group acquired 1.86 hectares of Zespri Gold licence and 0.25 hectares of Zespri Red licence through the purchase of an orchard in Brown Road Te Puke. A further 6 hectares of Zespri Red licence was acquired through the 2022 Zespri tender process.

The estimated useful lives for current and comparative periods are as follows:

- Software - 5 years
- Zespri licences - 18 to 22 years

Impairment

The carrying amounts of intangible assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of the assets and are recognised in profit or loss.

Accounting policies

Intangible assets

Assets with a finite useful life are subject to depreciation and amortisation and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite life are not subject to amortisation and are tested at least annually for impairment, with impairment losses recognised when the carrying amount exceeds the recoverable amount. When assessing impairment, assets are grouped at the lowest identifiable unit able to generate cash flow.

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software intangible assets are amortised over their estimated useful life (typically three to five years).

Zespri PVR licence

The plant variety licence (PVR) intangible assets comprise licences purchased from Zespri Group Limited. The licences provide the Group with the right to grow the Zespri Gold (G3) and Zespri Red (R19) varieties of kiwifruit. The PVR licences have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

Critical accounting estimates and judgements

The intangible assets impairment tests require judgement to determine the appropriate valuation methodology, and inputs where forecast cash flows and calculations are used in the assessment. The primary methodology include comparable market valuation where they are available, the ability to use and access the intangible asset in the case of the software, and forecast EBITDA growth rates, discount rates and terminal growth rates where applicable.

At 31 March 2023, no impairment was identified.

11. Biological assets

a. Biological assets - crop

Crops growing on bearer plants are classified as biological assets - crop and measured at fair value.
Crop assets are kiwifruit and avocado pears growing on the Group's orchards and yet to be harvested at balance date.

The following table reconciles beginning balances to end balances for biological assets - crop measured at fair value.

New Zealand dollars	2023	2022 Restated
Carrying amount at 1 April	2,610,650	3,408,480
Crop growing on bearer plants from orchard purchase	590,000	-
Crop harvested during the period	(3,200,650)	(3,408,480)
Crop at fair value	2,283,054	2,610,650
Carrying value at 31 March - kiwifruit and avocado	2,283,054	2,610,650

New Zealand dollars	2023	2022 Restated
Movement in the carrying amount	(327,596)	(584,639)
Net fair value movement - kiwifruit and avocado	(327,596)	(584,639)

Fair value estimation

In 2023 the estimated kiwifruit harvest amounted to 199,182 Hayward trays, 156,527 Gold 3 trays and 494 Zespri Red Trays (2022: 216,381 Hayward, 200,148 Gold 3 trays and Nil Zespri red trays). The estimated avocado harvest amounted to 10 trays (2022: 48 avocado trays)
After discounting for the expected costs to sell, the fair value of kiwifruit and avocado crops at balance date is estimated to be $2,283,054 at 31 March 2023 (2022: $2,610,650).

The total (loss) arising from changes in fair value less costs to sell and to market is $(327,596) (2022: $(584,639)).

Accounting policies

Biological assets

Crop are the crops growing on bearer plants in MPBI's orchards. Kiwifruit crops have a maturity period of less than one year and avocado crops have a maturity period of more than one year. All crops will be harvested within 12 months from the incorporation's balance date.

Biological assets – crop fair value

When sufficient biological transformation has occurred, crops are measured at fair value determined as the estimated net market return less costs to sell provided this can be measured reliably, otherwise they are measured at cost.

When insufficient biological transformation has occurred, fair value is not able to be measured reliably and the biological asset is measured at cost.

Biological assets measured at cost are not depreciated as they are in the process of maturing, and with cost is tested for impairment.

b. Biological assets - livestock

Livestock comprises of beef cattle on property owned by the incorporation at balance date and is classified as biological assets – livestock, and is measured at fair value.

The following table reconciles beginning balances to end balances for biological assets - livestock.

New Zealand dollars	2023	2022 Restated
Carrying amount at 1 April	728,730	567,490
Total Sales	(297,622)	(121,985)
Livestock purchased during the period	-	13,051
Livestock raised on the property	297,622	108,934
Movement in the carrying amount	(556,285)	161,240
Carrying value at 31 March - livestock	172,445	728,730

Fair value estimation

The fair value of livestock for financial reporting purposes at 31 March 2023 is determined by an independent valuer Perrin Ag Consultants Limited based on a stock count performed by PGG Wrightson, and on market data as at balance date. The fair value of livestock for financial reporting purposes at 31 March 2022 is determined by an independent valuer PGG Wrightson based on a stock count performed by Mangatawa, and on market data as at balance date.

For taxation purposes, livestock is valued using NSC and Herd Scheme values.

The total (loss) or gain arising from changes in fair value less costs to sell and to market is $(556,285) (2022: 161,240).

Accounting policies

Biological assets - livestock are beef cattle farmed on the incorporation's property. The fair value of livestock at balance date is measured as the net market return less costs to sell provided this can be measured reliably by an independent valuer.
When insufficient market information is available and fair value is not able to be measured reliably the livestock biological asset is measured at cost, and with cost is tested for impairment.

Farm sector livestock misstatement

When preparing the 31 March 2023 financial statements management became aware of a misstatement of historical livestock counts and valuations going back several years. It is believed that previous livestock counts were overstated.

While MPBI is not able to precisely assess the misstatement in previous years, the impact of the misstatement is to overstate net profit before tax in previous years and understate net profit before tax in the current financial year by between $300,000 and $550,000.

The 31 March 2022 financial statements have not been restated as it is impracticable for MPBI to determine the correct livestock count at 31 March 2022 and 31 March 2021 based on the information available.

c. Biological assets - total

The following table reports total biological assets.

New Zealand dollars	2023	2022 Restated
Total biological assets at 31 March	2,455,499	3,339,380

Critical accounting estimates and judgements

The valuation of biological assets uses estimates of market returns to determine value.

12. Right-of-use lease assets and lease liabilities

The Group reports all leases on the balance sheet where it has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of the lease, with the exception of low value leases or leases less than 12 months.

The following table details leases where the Group is a lessee.

New Zealand dollars	2023	2022 Restated
Right-of-use lease assets		
Motor vehicles	141,383	-
Total right-of-use lease assets	141,383	-
The movements in right-of-use lease assets for the year are as follows:		
Opening balance	-	-
Additions and renewals	164,258	-
Depreciation	(22,875)	-
Closing balance	141,383	-
The classification for depreciation of right-of-use lease assets is as follows:		
Motor vehicles	(22,875)	-
Total depreciation of right-of-use lease assets	(22,875)	-
Right-of-use lease liabilities		
Current	55,392	-
Non-current	89,719	-
Total lease liabilities	145,111	-
The movements in right-of-use lease liabilities for the year are as follows:		
Opening balance	-	-
Additions and renewals	164,258	-
Principal lease payments	(19,147)	-
Closing balance	145,111	-

Accounting policies

Lease liabilities are measured as the present value of the remaining lease payments, including any renewal periods that are likely to be exercised, discounted using the Group's incremental borrowing rate which ranges between 6.59% and 7.65%. The discount rate is based on the Group's incremental borrowing rate, being the rate the Group would borrow the funds required to purchase the asset. When determining the discount rate, the Group considers that the value of the right-of-use lease asset should not be greater than the fair value of the underlying asset being leased.

The Group's right-of-use lease asset is equal to the lease liability on the day of lease inception. The right-of-use lease asset is depreciated on a straight line basis over the period of the lease. Costs incurred with a lease that are not part of the cost of the right-of-use lease asset are expensed.

All leases have been classified into the motor vehicles asset class: The Group leases vehicles. The terms of the leases vary, with lease terms ranging from 1 - 4 years in duration, and contracts may contain both lease and non-lease components.

The lease agreements do not impose any covenants other than the security interest in the leased assets that are held by the lessor, and leased assets may not be used by the Group as security for borrowing purposes.

Lease payments are allocated between principal and lease interest. The lease interest is charged to the statement of profit or loss over the term of the lease.

Critical accounting estimates and judgements

The valuation of right-of-use lease assets and lease liabilities uses judgement to determine the incremental borrowing rate and the likelihood of exercising any rights of renewal to extend the lease term.

Working capital

This section focuses on how the Group manages accounts receivable and accounts payable to ensure an appropriate level of working capital is available to operate the business, deliver benefits to stakeholders and generate revenues.

13. Trade and other receivables

New Zealand dollars	2023	2022 Restated
Current trade receivables (net of provision for doubtful debts)	834,823	623,078
Prepaid deposits	1,406	14,644
Accrued income and other sundry receivables	19,437	139
Current trade and other receivables	855,666	637,861
Non current trade receivables	-	-
Total trade and other receivables	855,666	637,861
Provision for doubtful debts	-	-

Accounting policies

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

Collectability of trade receivables is reviewed on an ongoing basis including debts past due, but not considered impaired. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established if there is sufficient uncertain that a receivable will be collected.

Critical accounting estimates and judgements

The Group reviewed trade and other receivables for any debtor impairment, credit risk, or any other such risks that may result in non-payment. The Group did not identify any circumstances that required a loss allowance by way of further provisioning or impairment of financial instruments.

14. Trade and other payables, and unclaimed dividends

New Zealand dollars	2023	2022 Restated
Trade payables	794,713	366,163
Accrued expenses	36,930	307
Employee expenses	128,991	69,255
Accrued dividend payable	498,031	413,714
Third party funds - Pukekohatu	32,364	38,265
Third party funds - Ranginui 12	59,806	19,091
Other payables	103,065	1,833
Total trade and other payables	1,653,900	908,628

Other payables include $88,431 overpayment of lease by the Tauranga City Council.

Accounting policies

Trade payables are recognised initially at fair value (the invoiced amount). If the Group has been provided with extended terms of trade, they are then recognised at amortised cost using the effective interest method.

Funding

This section focuses on how the Group manages its capital structure to protect shareholder value while funding operations that deliver benefits to stakeholders and grow shareholder returns.

Disclosures are made on the Group's bank facilities, retained earnings, dividends paid to shareholders, and earnings per share.

15. Interest bearing liabilities

New Zealand dollars	2023	2022 Restated
Current secured		
BNZ	2,345,560	-
Housing New Zealand	46,436	44,619
Total current interest bearing liabilities	2,391,996	44,619
Non current secured		
BNZ	13,977,176	7,100,000
Housing New Zealand	377,204	424,267
Total non-current interest bearing liabilities	14,354,380	7,524,267
Total current interest bearing liabilities	16,746,376	7,568,886

The following table details the interest bearing liabilities.

New Zealand dollars	Primary borrower	Balance due	Term loan principle repaid during the year	Interest rate	Fixed or floating	Maturity
Working capital loan as at 31 March 2023						
BNZ $2m (A)	Mangatawa Papamoa Block Inc	1,902,126	N/A	8.38%	Floating	28-Sep-23
Term loans as at 31 March 2023						
BNZ $6m (B)	Mangatawa Developments Ltd	6,000,000	-	8.37%	Floating	20-May-27
BNZ $4.5m (C)	Mangatawa Papamoa Block Inc	4,305,960	194,040	8.17%	Floating	29-Apr-25
BNZ $4.3m (D)	Mangatawa Papamoa Block Inc	4,114,650	185,350	8.17%	Floating	29-Apr-25
Housing New Zealand	Mangatawa Papamoa Block Inc	423,640	45,246	3.37%	Fixed 16-Mar-26	15-Mar-26
Working capital loan as at 31 March 2022						
BNZ $2m (A)		1,100,000				
Term loans as at 31 March 2022						
BNZ $6m (B)		6,000,000				
Housing New Zealand		468,886				

Assets pledged as security

Bank loans and overdrafts are secured by first mortgages over the freehold land and buildings and leasehold property, and a General Security Agreement over all the assets of the following trading entities within the Group, as either borrowers or guarantors. These entities make up the bank Charging Group. The Charging Group comprises the following borrowers and guarantors:

- Mangatawa Papamoa Blocks Incorporated
- Mangatawa Development Limited

Fixed Interest

On 20 April 2023, the Group fixed the interest rates on loans as follows:

- BNZ Loan $4.305,960 fixed at 8.3% through to 29 April 2025
- BNZ Loan $4,114,650 fixed at 8.3% through to 29 April 2025

Accounting policies

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

When it is probable that part or the entire loan will be drawn down, any loan facility establishment fee paid is recognised as a loan transaction cost. When the loan will probably remain undrawn, any loan fee paid is capitalised as a pre-payment for liquidity services and amortised over the period of the facility.

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

16. Capital

Shares issued	2023	2022 Restated
Authorised and issued share capital		
Ordinary shares issued - fully paid and no par value	38,810	38,810
Paid up capital		
Opening balance	36,816	36,816
Movements during the year	-	-
Total shares issued	36,816	36,816

The capital amount was divided into 38,810 shares as at the date of incorporation.

All shares are fully paid up.

Ordinary shares entitle the holder to participate in voting, dividends and the proceeds on winding up of the Incorporation in proportion to the number of shares held. Shares may only be transferred to another member of the Incorporation, or trustee, on behalf of a pūtea trust or whenua trust as provided for in the constitution.

From time to time the incorporation may, by special resolution, fix a specified number of shares as the minimum share unit for each shareholder. As at balance date, there is no minimum share unit set.

Accounting policies

Ordinary shares are classified as equity.

17. Retained earnings and reserves

New Zealand dollars	2023	2022 Restated
Retained earnings		
At 1 April	171,316,467	138,623,585
Net profit for the year	2,690,590	33,211,772
Dividends paid or declared	(619,797)	(518,890)
At 31 March	173,387,260	171,316,467
Reserves		
Land and buildings revaluation reserve	20,868,463	22,607,926
Share revaluation reserve	5,040,484	6,625,375
Realised capital gain reserve	5,078,660	5,078,660
Total reserves	30,987,607	34,311,961

The land and buildings revaluation reserve records increases and decreases on the revaluation of the Group's land and buildings.

The share revaluation reserve records increases and decreases on the revaluation of the Group's investment in shares.

The realised capital reserve records the capital gain on the sale of assets that had been previously revalued and are not subsequently reclassified through profit and loss.

18. Dividends

Dividends paid	Per share	Total $
2022		
24 November 2021	$13.37	518,890
Total dividend for the year ended 31 March 2022	$13.37	518,890
2023		
14 November 2022	$15.97	619,797
Total dividend for the year ended 31 March 2023	$15.97	619,797

Dividends are imputed to the fullest extent allowable in the tax year.

Accounting policies
Provision is made for the amount of any dividend declared on or before the end of the period but not distributed at balance date.

Investments

This section focuses on how the Group invests in businesses to support Mangatawa's operations, realise synergies and grow the Group's investment portfolio and income diversity. The Committee of Management manages business investments to strengthen the benefits delivered to stakeholders and grow shareholder returns.

19. Investment in shares

New Zealand dollars	2023	2022 Restated
At 1 April	7,463,857	6,036,611
Sale of investment	-	(34,264)
Revaluations	(1,637,918)	1,461,510
At 31 March	5,825,939	7,463,857
Unlisted securities designated at fair value through profit or loss		
Ballance Agri-nutrients Co-op Limited	7,995	7,995
Farmlands Trading Society Limited	2,330	2,330
Te Awanui Huka Pak Limited	3,086,000	3,747,888
Whakatōhea Mussels Limited	250,000	250,000
Listed securities designated at fair value through profit or loss		
Mercury NZ Limited	138,568	130,662
Port of Tauranga	96,875	95,790
Seeka Limited	191,211	322,308
Manawa Energy Limited (previously called TrustPower Limited)	30,585	43,201
Zespri NZ Ltd	2,022,375	2,863,683
Total financial assets at fair value through comprehensive income	5,825,939	7,463,857
Total investment in financial assets	5,825,939	7,463,857

Accounting policies
The fair values of the listed securities are based on the securities' closing share price at balance date.

The fair value of unlisted securities that are not traded in an active market is determined using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on the unlisted securities financial statements and market conditions existing at the end of each reporting period where pricing information is available. All unlisted securities are initially held at cost and adjusted for fair value at balance date to reasonably represent current fair value, and any change in fair value is recognised through the statement of comprehensive income to the extent of any related reserve available and then through the statement of profit or loss.

20. Investment in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries which are all incorporated in New Zealand.

Equity holding	Class of shares	Equity holding 31 March 2023	Equity holding 31 March 2022
Mangatawa Developments Limited	Ordinary	100%	100%
Mangatawa Retirement Village Limited	Ordinary	100%	100%
Mangatawa Pacific Lakes Limited	Ordinary	100%	100%

21. Investment in joint ventures

The Group is 50% partner in two retirement villages which are classified as joint ventures.

The following table details the movement and closing balances of the Group's investment in joint ventures.

New Zealand dollars	2023	2022 Restated
Opening balance 1 April	94,822,344	62,699,708
Share of trading profit	2,471,130	1,917,903
Share of asset revaluation - gain	6,562,782	30,404,733
Capital distributions received	(200,000)	(200,000)
At 31 March	103,656,256	94,822,344

The following details the two joint ventures.

a. Pacific Coast Village Partnership

New Zealand dollars	2023	2022 Restated
"A" Capital	1,000	1,000
"B" Capital opening balance	1,157,000	1,357,000
Capital distributions received	(200,000)	(200,000)
"B" Capital closing balance	957,000	1,157,000
Investment capital at cost	958,000	1,158,000
Investment opening balance of trading	57,985,238	44,254,940
Share of trading profit	1,590,248	2,131,437
Share of unrealised asset revaluation - (loss) / gain	(2,611,458)	11,598,861
	56,964,028	57,985,238
Closing investment value	57,922,028	59,143,238

The Incorporation is a 50% partner in the Pacific Coast Village Partnership (through its wholly owned subsidiary entity Mangatawa Retirement Village Limited). The Pacific Coast Village is situated at 210 Maranui Street Papamoa. The Pacific Coast Village is a registered retirement village and is required to prepare audited financial statements. The retirement village property is revalued annually by CBRE Limited, registered valuers, with the most recent valuation prepared as at 31 March 2023. For the purposes of applying the equity method of accounting, the financial statements of Pacific Coast Village Partnership for the year ended 31 March 2023 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2022.

b. Pacific Lakes Village Partnership

New Zealand dollars	2023	2022 Restated
Capital	1,000	1,000
Investment capital at cost	1,000	1,000
Investment opening balance of trading	35,678,106	17,085,768
Share of trading profit / (loss)	880,882	(213,534)
Share of unrealised asset revaluation - gain	9,174,240	18,805,872
	45,733,228	35,678,106
Closing investment value	45,734,228	35,679,106

The Incorporation is a 50% partner in the Pacific Lakes Village Partnership (through its wholly owned subsidiary entity Mangatawa Pacific Lakes Limited). The Pacific Lakes Village is situated at 242 Granada Street Papamoa. The Pacific Lakes Village is a registered retirement village and is required to prepare audited financial statements. The retirement village property is revalued annually by CBRE Limited, registered valuers, with the most recent valuation prepared as at 31 March 2023. For the purposes of applying the equity method of accounting, the financial statements of Pacific Lakes Village Partnership for the year ended 31 March 2023 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2022.

The Pacific Coast and Pacific Lakes retirement village Joint Ventures are considered joint ventures based on the following:

- There is equal voting rights and influence, thereby giving joint control;
- There is an investment vehicle that separates the entities from the parties to the arrangement; and,
- The legal form and contractual arrangements through which the parties operate gives them rights to the net assets of the joint venture arrangement. It does not give the parties rights to the individual assets and liabilities.

The Group's interests in the Pacific Coast and Pacific Lakes retirement village joint ventures are accounted for using the equity method, after initially being recognised at cost in the statement of financial position.

Accounting policies

Investment in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the statement of financial position.

The Group's share of joint venture profits or losses are recognised in the statement of profit and loss and the carrying amount of the investment in the statement of financial position.

Dividends or distributions received from associates are applied to reduce the carrying amount of the investment in the statement of financial position.

Accounting policies specific to joint ventures

Revenue recognition

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Partnership and the amount can be measured reliably.

1. Occupation right agreement

Village contributions are considered operating lease income under NZ IFRS 16. The village contribution accrues during the occupation of the resident and is offset against the obligation to residents and settled on termination of the occupation right agreement. The village contribution legally accrues over either a three or five year period, depending on the occupation right agreement signed by the residents, to a maximum of 30% of the resident's initial entry price. The village contribution is accrued to the statement of comprehensive income on a straight line basis over the average period of occupancy of 8 years for villas and 6 years for serviced apartments. The village contribution differences between the legal entitlement and the average period of occupancy are treated as deferred revenue in the balance sheet.

2. Village tariffs and services fees charged to residents

Village tariffs are charged to residents for recovering village operating costs. Service fees are charged to residents for the providing of various care and additional services. Village tariffs and service fees are recognised in the accounting period in which the services are rendered at a point in time.

Other notes

This section contains all other note disclosures about the Group.

22. Reconciliations of opening equity reported in accordance with SPFR for FPEs to the Group's equity in accordance with NZ IFRS RDR

The following is a reconciliation of equity reported in accordance with SPFR for FPEs to the Group's equity in accordance with NZ IFRS RDR for both (i) 31 March 2021 being the date of transition to NZ IFRS RDR, and (ii) 31 March 2022 being the end of the latest period presented in Mangatawa's most recent annual financial statements in accordance with SPFR for FPEs.

New Zealand dollars	2022	2021
Movement in revenue reserve		
Opening equity	221,406,354	186,241,716
Movements in equity		
a. Summary of IFRS adjustments to capital		
31 March balance before IFRS adjustments	3,145,985	3,145,985
Transfer to realised capital reserve	(3,109,169)	(3,109,169)
31 March balance after IFRS adjustments	36,816	36,816
b. Summary of IFRS adjustments to capital		
31 March balance before IFRS adjustments	-	-
Transfer from capital	3,109,169	3,109,169
2008 sale of Asher Block (land for road) which should have been recorded as a capital gain	1,969,491	1,969,491
Total movements	5,078,660	5,078,660
31 March balance after IFRS adjustments	5,078,660	5,078,660
c. Summary of IFRS adjustments to share revaluation reserve		
31 March balance before IFRS adjustments	6,656,114	5,189,311
Transfer gain on sale of shares to profit and loss	(30,739)	-
Total movements	(30,739)	-
31 March balance after IFRS adjustments	6,625,375	5,189,311
d. Summary of IFRS adjustments to land and buildings revaluation reserve		
31 March balance before IFRS adjustments	106,270,553	106,270,553
Adjust previous asset valuations	(15,148,362)	(15,148,361)
Transfer gain on revaluation of investment property to retained earnings	(64,976,361)	(64,976,362)
Remove Asher Block (land sold for road) valuation	(1,969,491)	(1,969,491)
Deferred tax on revaluation reserve	(1,568,413)	(1,596,694)
Total movements	(83,662,627)	(83,690,908)
31 March balance after IFRS adjustments	22,607,926	22,579,645
e. Summary of IFRS adjustments to retained earnings		
31 March balance before IFRS adjustments	105,333,702	71,635,867
Fair value movement of crop at balance date - kiwifruit and avocado	3,064,077	3,595,766
Depreciation on plant & equipment understated in prior years	(188,834)	(149,005)
Depreciation on bearer plants understated in prior years	(288,459)	(166,680)
Depreciation on investment property overstated in prior years	159,991	144,953
Depreciation on Link Road overstated in prior years	121,092	93,780
Interest adjustment on HNZ Loan overstated in prior years	31,278	43,871
Loss on revaluation of housing at 31 March 2021 expensed to profit and loss	(1,027,293)	(1,027,293)
Prior gain on revaluation of investment property transferred from revaluation reserve	64,976,361	64,976,362
Realised gain on sale of Tilt Shares to Profit & Loss	30,739	-
Deferred tax expense	(896,187)	(524,036)
Total movements	65,982,765	66,987,718
31 March balance after IFRS adjustments	171,316,467	138,623,585
Total movements in equity	(15,741,110)	(14,733,699)
Closing equity	205,665,244	171,508,017

23. Contingencies

There were no contingent assets or liabilities at balance date (2022: $nil).

24. Commitments and guarantees

The Incorporation has issued three licences to occupy for residential houses constructed on Incorporation land. The licence holders are permitted to construct their owner occupied houses, at their cost. Third party finance is secured over each of the houses and the Incorporation acts as guarantor in the event of loan arrears. Loan arrears that the owner is unable to rectify may result in transfer of ownership of the house to the Incorporation.

BNZ hold security over all present and acquired Property to the amount of $7,070,000 as a standard bank guarantee over the loan.

The Incorporation subsidiary Mangatawa Retirement Village Ltd, is committed to participate in the development of the Pacific Coast Village pursuant to the terms and conditions of the limited partnership agreement. The liability to the Incorporation is limited to the extent of the capital invested which is fully paid.

The Incorporation subsidiary Mangatawa Pacific Lakes Ltd is committed to participate in the development of "Pacific Lakes Village" pursuant to the terms and conditions of the limited partnership agreement. The liability to the incorporation is limited and no capital input is required.

There are no other capital commitments to report at balance date.

25. Related party transactions

Investment in subsidiaries and joint ventures

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries which are all incorporated in New Zealand.

Equity holding	Class of shares	2023	2022
Equity holding at 31 March			
Mangatawa Developments Limited	Ordinary	100%	100%
Mangatawa Retirement Village Limited	Ordinary	100%	100%
Mangatawa Pacific Lakes Limited	Ordinary	100%	100%
Pacific Coast Village Partnership	Ordinary A and B	50%	50%
Pacific Lakes Village Partnership	Ordinary	50%	50%

Committee of management

Members of the Committee of Management during the period were: N Te Kani (Chair), P M Werohia-Lloyd (Deputy Chair), V Werohia, W Kingi, B P McMath (appointed October 2022), K J Haua (retired October 2022).

Key management and compensation

Key management personnel are all Company Committee of Management and executives with the greatest authority for the Group's strategic direction and management.

The following table details key management personnel compensation.

New Zealand dollars	2023	2022 Restated
Remuneration of committee members and members of the key management team during the year	407,001	416,839

26. Risk management

a. Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, and committed transactions

The maximum credit risk is the financial loss to the Group if counterparties fail to discharge a contractual obligation. The Group's maximum exposure is the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

For banks and financial institutions, only registered banks or their subsidiaries are accepted. The Group does not generally require any collateral or security to support financial instruments due to the quality of the financial institutions.

For customers, including outstanding receivables, the Group deals predominantly with commercial and housing tenants, Zespri through Seeka Growers Limited for which it receives payment for kiwifruit crops directly from Seeka Growers Limited and payments for rent from various commercial and residential tenants. Credit risk is therefore not considered significant.

b. Capital risk

The Group has minor exposure to equity securities price risk through incidental investments classified in the statement of financial position as investment in shares and Zespri PVR licences within intangible assets at cost. The majority of these investments are in industry-related entities, only some of which are publicly traded.

The Committee of Management periodically reviews the performance and strategic benefits of these investments. No other formal risk management procedures are deemed necessary.

c. Cash flow interest rate risk

The Group's cash flow interest rate risk arises primarily from short and long-term variable rate borrowings from financial institutions. The Committee of Management continuously reviews term borrowings and will fix a portion of borrowings at fixed rates.

d. Determination of fair values of financial and non-financial assets and liabilities

The following table analyses assets and liabilities carried at fair value.

The different levels are defined as:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Instruments in level 1 are comprised of share held in listed companies with publicly available share prices.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Instruments in level 2 are comprised of shares held in unlisted companies.
- Level 3: unobservable inputs for the asset or liability that have to be developed to reflect the assumptions that a market participant would use when determining an appropriate price.

New Zealand dollars	Level 1	Level 2	Level 3	Total
Biological assets - crop at fair value	-	-	2,283,054	2,283,054
Biological assets - livestock at fair value	-	-	172,445	172,445
Land	-	-	13,553,649	13,553,649
Buildings	-	-	2,424,550	2,424,550
Investment property	-	-	80,262,900	80,262,900
Other investment in shares	2,479,614	3,346,325	-	5,825,939

Accounting policies

Financial assets, liabilities and instruments

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Fair value measurements are categorised into a three-level hierarchy, based on the types of inputs to the valuation techniques used.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and investments in publicly traded shares) is based on quoted market prices at balance date (level 1 inputs). The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives, and investments in unlisted shares) is determined using valuation techniques (level 2 inputs). The Group uses the appropriate method and makes assumptions that are based on financial information and market conditions at each balance date. Financial information, quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

Trade receivable and payables

The carrying value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial assets and liabilities with unobservable (level 3 inputs), reflects the assumptions that market participants would use when determining an appropriate price; additional disclosure is provided for the inputs and assumptions used in such cases.

Land and buildings

Fair value is based on an biannual revaluation, which is performed on land and buildings based on a rolling two-year cycle by an independent valuer, with land and buildings assets valued every two years using two different approaches as described in note 8.

Investment property

Fair value is based on an annual revaluation, which is performed on land and buildings each year by an independent valuer using two different approaches as described in note 9.

27. Financial instruments summary

The following table categorises the Group's financial assets.

New Zealand dollars	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
At 31 March 2023			
Cash and cash equivalents	939,796	-	939,796
Current trade and other receivables excluding prepayments	855,666	-	855,666
Investment in financial assets	-	5,825,939	5,825,939
Investment in joint ventures	-	103,656,256	103,656,256
Total financial assets at 31 March 2023	1,795,462	109,482,195	111,277,657
2022 financial year restated			
At 31 March 2022			
Cash and cash equivalents	1,492,641	-	1,492,641
Current trade and other receivables excluding prepayments	637,861	-	637,861
Investment in financial assets	-	7,463,857	7,463,857
Investment in joint ventures	-	94,822,344	94,822,344
Total financial assets at 31 March 2022	2,130,502	102,286,201	104,416,703

The following table categorises the Group's financial liabilities.

New Zealand dollars	Financial liabilities at amortised cost	Total
At 31 March 2023		
Trade and other payables	1,155,869	1,155,869
Current interest bearing liabilities	2,391,996	2,391,996
Non current interest bearing liabilities	14,354,380	14,354,380
Total financial liabilities at 31 March 2023	17,902,245	17,902,245
2022 financial year restated		
At 31 March 2022		
Trade and other payables	494,914	494,914
Current interest bearing liabilities	44,619	44,619
Non current interest bearing liabilities	7,524,267	7,524,267
Total financial liabilities at 31 March 2022	8,063,800	8,063,800

Accounting policies

The Group classifies its financial instruments in the following categories in accordance with NZ IFRS 9:

- Amortised cost for financial assets and liabilities,
- Assets at fair value through other comprehensive income (FVOCI),
- Assets at fair value through profit or loss (FVTPL),
- Liabilities at fair value through profit or loss, and
- Other financial liabilities.

The classification of financial assets and liabilities under NZ IFRS 9 is generally based on the business model in which the financial instrument is managed and its contractual cash flows characteristics.

On initial recognition, a financial instrument is classified as measured at amortised cost, FVOCI and FVTPL.

Financial instruments are not reclassified subsequent to their initial recognition unless the Group changes its business model in which case all affected financial instruments are reclassified on the first day of the first reporting period following the change in the business model.

A financial instrument is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held with the objective to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely for the payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The election is made on an investment by investment basis. All financial instruments not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Independent Auditors Report

For the year ended 31 March 2023

WilliamBuck
ACCOUNTANTS & ADVISORS

Mangatawa Papamoa Blocks Incorporated

Independent auditor's report to the Shareholders

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mangatawa Papamoa Blocks Incorporated (the Group), which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. 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)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Mangatawa Papamoa Blocks Incorporated or any of its subsidiaries.

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William Buck
ACCOUNTANTS & ADVISORS

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

The Committee of Management are responsible for the other information. The other information is comprised of pages 10 to 61 of the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Committee of Managements' Responsibilities

The Committee of Management is responsible on behalf of the Group for the preparation of consolidated financial statements that give a true and fair view in accordance with New Zealand equivalents to International Financial Reporting Standards, and for such internal control as the committee determines 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 committee is 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 committee either intends to liquidate the Group or to cease operations, or has 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) 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 these financial statements is located at the External Reporting Board (XRB) website at:
https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-7/

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

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

William Buck
ACCOUNTANTS & ADVISORS

Restriction on Distribution and Use

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

William Buck

William Buck Audit (NZ) Limited

Tauranga
17 August 2023

Directory

For the year ended 31 March 2023

Office Address

1 Te Rama O Te Tihi Place, RD 5, Mangatawa, Tauranga 3175

Committee of Management

N Te Kani
Chair

P M Werohia-Lloyd
Deputy Chair

W Kingi

V Werohia

B P McMath
Elected October 2022

K J Haua
Retired October 2022

Executive Leadership

Scott Wikohika
Chief Executive Officer

Stuart McKinstry
Chief Financial Officer

Tim O'Brien
General Manager

Ria Hall
Chief Communications Officer

Management Team

Priscilla Nepia
Office Manager

Sarah Rameka
Secretary

Pamela Fraser
Accounts Manager

Julie Blackwell
Company Accountant

Julie Te Amo
Housing Manager

100% Owned and Controlled Subsidiary Entities

Mangatawa Developments Limited

Business activity: Commercial and industrial property, Truman Lane, Mangatawa

Directors

N Te Kani **P Werohia-Lloyd** **V Werohia** **W Kingi** **B P McMath**

Mangatawa Retirement Village Limited

Business activity: 50% Partner in Pacific Coast Village, 210 Maranui Street, Papamoa

Directors

P Werohia-Lloyd **B P McMath** **V Werohia** **S Wikohika**
Resigned November 2022

Mangatawa Pacific Lakes Limited

Business activity: 50% Partner in Pacific Lakes Village, 242 Grenada Street, Papamoa

Directors

P Werohia-Lloyd **B P McMath** **V Werohia** **S Wikohika**
Resigned November 2022

Accountants

Cookson Forbes & Associates Limited
Chartered Accountants
96 Waioweka Road, Ōpōtiki

KPMG
Chartered Accountants
247 Cameron Road, Tauranga

Auditors

William Buck Audit (NZ) Limited
Chartered Accountants
145 Seventeenth Ave, Tauranga

Solicitors

Holland Beckett Lawyers
525 Cameron Road, Tauranga

Kahui Legal
P O Box 1654, Wellington

Russell McVeagh
157 Lambton Quay, Wellington

Lara Burkhardt
PO Box 4432, Mt Maunganui

Bankers

Bank of New Zealand
607-613 Cameron Road, Tauranga


Mangatawa Papamoa
Blocks Inc