



# **2023**

# **ANNUAL REPORTS**



## DIRECTORY

### TRUSTEES

**Airini Hepi (Chair)**  
**Kyle Amopiu**  
**Riria McDonald**  
**Leisha Andrew**

### SECRETARY

Murray Patchell

### FARM ADVISERS

Perrin Ag Consultants  
(Duncan Walker and Rachel Durie)

### ACCOUNTANTS

Karamea Professional Services Limited  
Awhi Roopu Consultants Limited (Bookkeepers)  
PKF Tauranga (Annual Accounts and Tax)

### SOLICITORS

Morrison Kent

### BANKERS

Westpac

### SHARE REGISTRY

Awhi Roopu Consultants Limited  
1227 Ranolf St  
ROTORUA

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### WEBSITE

[www.kokakotrust.co.nz](http://www.kokakotrust.co.nz)

## OUR VISION

**Kō Takapuhurihuri e whangai Ngaa tangata**

*[The ever turning stomach, the food basket that  
sustains the People ]*

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# ANNUAL GENERAL MEETING

<p><b>Ngātira Marae 956 Ngatira Road Putaruru</b></p> <p><b>on</b></p> <p><b>Saturday 9<sup>th</sup> December 2023 at 10 am.</b></p>	<p><b><u>AGENDA</u></b></p> <ol style="list-style-type: none"><li><b>1. Apologies.</b></li><li><b>2. Minutes.</b></li><li><b>3. Annual Reports.</b></li><li><b>4. Distributions.</b></li><li><b>5. General Business.</b></li><li><b>6. Lunch.</b></li></ol>

**Airini Hepi  
Chair**

**Website: [www.kokakotrust.co.nz](http://www.kokakotrust.co.nz)**



## **KOKAKO TRUST**

### **MINUTES OF THE ANNUAL GENERAL MEETING OF OWNERS HELD AT PARAWAI MARAE, NGONGOTAHA, ON SATURDAY 3<sup>RD</sup> DECEMBER 2022 AT 10.00AM.**

**CHAIR:** Airini Hepi

**SECRETARY:** Murray Patchell

**PRESENT:** Riria McDonald, Kyle Amopiu, Leisha Andrew (Trustees).  
Apology from Jade Hohaia.

In attendance: Duncan Walker & Rachel Durie (Farm Consultants),  
Todd Cheesman (Forest Manager).

**MIHI & KARAKIA:** Takarei Te Tamaki, Paiaka Te Tamaki (Provided the  
whakapapa of Ngati Tura), Kyle Amopiu.

**ATTENDANCE:** 50.

**APOLOGIES:** 23.

**MINUTES:** Of the previous AGM held on 6 December 2020 were taken as read  
and confirmed.  
*(Sonia Cooper/Humai Makela) Carried*

**CHAIR REPORT:**  
Airini Hepi read and tabled her report.

**RESOLVED:** "That the Chair's report be adopted."  
*(Huimai Makela/Takarei Te Tamaki) Carried*

**FARM REPORT:**  
Duncan Walker presented and tabled his report and after questions it  
was:

**RESOLVED:** "That the farm report be received."  
*(Takarei Te Tamaki/Emily Bidois) Carried*

**FORESTRY REPORT**  
Todd Cheesman tabled and presented the Forestry report.

**RESOLVED:** "That Forestry report be received."  
*(Huimai Makela/Emily Bidois) Carried*

**TUARIMA REPORT:**  
Riria McDonald read and tabled her report and answered questions.  
She advised funding applications are with Government agencies to  
progress the project.

**RESOLVED:** "That the Tuarima report be adopted."  
*(Rina Lawson/Takarei Te Tamaki) Carried*

**FINANCIAL REPORT:**

Murray Patchell presented the financial report explaining that while 2021 was audited the 2022 consolidated report was provisional as the audit had not been done due to a number of reasons.

**RESOLVED:** "That the financial report be received."

*(Takarei Te Tamaki/Reg Steen) Carried*

**AUDITOR:**

Murray Patchell presented a discussion paper on whether to continue with an audit of the Consolidated accounts. After the presentation it was:

**RESOLVED:** "That the Trust dispense with the audit process including this year and application be made to the Maori Land Court to remove the audit provision while the financial statements are prepared by a Chartered Accountant."

*(Takarei Te Tamaki/Reg Steen) Carried*

**DISTRIBUTION:**

**RESOLVED:**

1. "That \$70,000 be made available for owners grant as per the policy tabled and the policy be adopted."

2. "That kaumatua grants of \$250 each be paid to kaumatua aged 65 years or more as at 31 December 2022."

*(Emily Bidois/Sonia Cooper) Carried*

**REVIEW OF TRUSTEES FEES:**

The Chair invited discussion on trustees fees which were set over 20 years ago and currently at \$300 gross, net \$201 after tax. The Trustees suggested \$500 net of tax per meeting plus mileage. Trustees meet two monthly and as required at other times.

Huimai Makela said she was a previous Trustee and was aware of the huge responsibilities the Trustees have and in her view they are worth every penny they are asking for. Previous Trustees were paid a pittance.

Sonia Cooper suggested it should be \$600 per meeting plus \$200 travel. Emily Bidois said the \$600 should be after tax. Other owners supported the increase. Murray Patchell said there may be issues with IRD on paying travel over and above the prescribed IRD rates.

**RESOLVED:** "That application be made to the Maori Land Court to increase Trustee fees to \$600 per meeting after tax plus mileage at IRD rates."

*(Reg Steen/Rachel O'Connor) Carried*

Meeting closed at 12.15pm with karakia by Takarei Te Tamaki.

Signed as a correct record



**CHAIR**

# CHAIRS REPORT

Tēnā koutou kātoa, nau mai anō ki tēnei hui-a-tau o Kokako

It is my pleasure and privilege to welcome you all here today, to this our 41<sup>st</sup> Annual General Meeting and update you on general trust activities since the last AGM.

## **Māori Land Court**

We are still awaiting MLC hearing on the Trust order variations from last years' AGM regarding no audit and increase of Trustee fees. For now, the trainee trustee scheme will be put on hold.

With the resignation of Jade Hohaia, the trustees are happy to continue with 4 trustees for now.

## **Farm Staff**

Jason Groot our 50/50 Sharemilker completed his first season on Tuarua. The farm required an energetic, motivated person to look after the dairy farm and the Ngatira lease block. Jason hit the ground running both on the farm and at Ngatira where he has been repairing fences.

Jason has also been supporting the effluent and feedpad expansion projects on Tuarua and assisting the builders on- site. His experience with on-farm infrastructure, engineering and welding skills haven't gone unnoticed.

Manny Diaz has completed his first season contract milking on Tuatahi, continuing to tidy up the farm and lift milk production.

Damian Clarke has completed his fourth season managing Tuatoru and continues to achieve top quality milk production.

Jim Clarke completed his 20<sup>th</sup> season on Tuawha. His service and effort on Kokako, including supporting the managers on the other farms over the years, was recognised with a special luncheon.

## **This season 23/24**

The relationship with the Ngatira Trust continues with the lease renewal, for a further 5-year period.

Damian Clarke begins his first season contract milking on Tuatoru.

This year we purchased 2 John Deere Tractors for Tuatahi and Tuarua farms.

Healthy Homes Certification have been achieved for all staff housing on Kokako.

Fonterra announced the sale of one of their capital investments. A capital return was paid to shareholders to reflect this sale. The return of 50 cents per share to Kokako provided an additional \$260,123 of non-taxable income in October 2023. \$200,000 went toward the Westpac mortgage reduction loan.

## **Proposals to be undertaken in the next 12 Months.**

The trust generated net profit of \$350,001 before tax in the year ended 30 June 2023 including a credit of \$173,601 from the sale of NZ Carbon credits. With the lower forecast milk price this season, and recent capital expenditure, on farm operating costs are being closely monitored and capital projects for 2023/24 are limited to environmental planting.

Other projects on the horizon include purchase of a back-up power generator to keep the cowsheds running in the event of prolonged power outages, replacement of silage wagons and the Tuawha tractor, exterior painting of the Tuawha house.

## **Update on Sheep Milk**

Since November 2021 Kokako Trust has been participating with 18 other Māori Land Trusts to form a sheep milking collective funded by MPI. At present the collective have moved into phase 3 and 4, for this project to succeed it will require Government funding, we are awaiting the policy on whether the Government will continue to support this project.



## Distributions

The trustees have maintained and re-affirmed their commitment to distribute annually, the shareholder dividend, annual kaumatua grants, marae grant, discretionary and education grants.

This year the total of \$8,500 for education was provided by the trust to 17 applicants @ \$500 each. The Māori Education Trust along with Victoria and Massey Universities provided additional funding of \$4,200 a total of \$12,700 was therefore available for our students.

The names and breakdown of the education distributions are detailed on page 27.

To create and grow a contingency reserve for the Charitable Trust to support future grants, the trust has a \$300,000 long-term investment growth fund with Craigs Investments Limited.

## In conclusion

I'd like to thank you, our shareholders, and beneficiaries for your continued support on our journey to protect and develop our lands toward a better future.

In closing, I'd like to thank Duncan Walker and Rachel Durie their team from Perrin Ag Ltd for their supervision of our farms, Todd Cheesman our Forestry Advisor, our Accountant Murray Patchell - Karamea Professional Services Limited and his team from Awhi Roopu Consultants Ltd for their continued commitment and ongoing support to Kokako Trust.

Finally, I'd like to extend my sincere thanks to my fellow trustees Riria McDonald, Kyle Amopiu and Leisha Andrew for their support and hard work they have put in for the benefit of our trust over the past year.

Tēnā koutou kātoa



Airini Hepi  
Chairperson



Signing of lease renewal with Ngatira Trustees



# Annual Farming Operations Report 2022/23

## Kokako Pi Karere Ltd Partnership

November 2023

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Prepared by Perrin Ag Consultants Ltd

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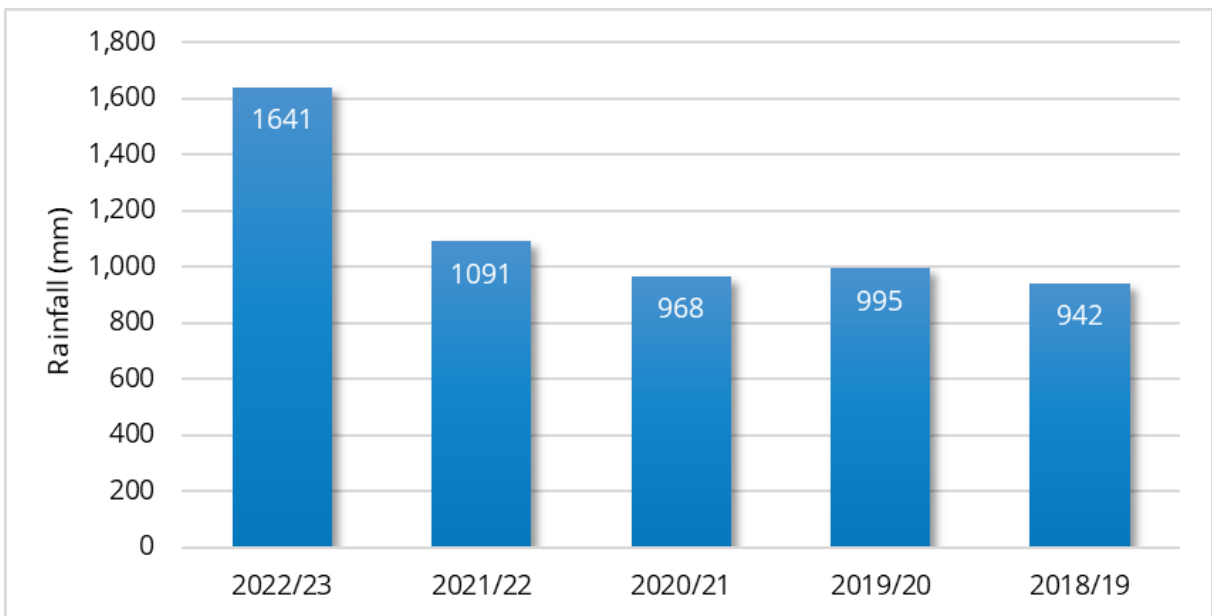
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## 1 Introduction

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- 1.1 The 2022/23 season was characterised by wet weather. A total of 1,641 mm of rain was recorded for the farming year, a 64% increase on the average rainfall received in the four years prior (Figure 1). Fortunately, this was less than many other places in the North Island, and the rolling country and pumice soils on Kokako meant the farms were better able to withstand the higher levels of rainfall.
- 1.2 The wet weather did still have an impact on the spring with reduced pasture growth rates which in turn impacted on lamb finishing and restricted peak production on the dairy units. However, the lack of drought over summer meant the dairy units performed well in late lactation balancing out the poorer start to the season.
- 1.3 The Fonterra milk price closed at \$8.22/kg MS, which was down on the \$9.30/kg MS received in the previous season but still the third highest in Fonterra's history. The higher milk prices are, however, necessary to combat price increases in farm expenditure particularly for feed, fuel and fertiliser.



**Figure 1:** Annual rainfall (mm) for the past five seasons as measured by nearby weather station.

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## 2 Farm Operations

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- 2.1 Despite an incredibly wet winter and spring which saw cows peak production being much lower than normal, the continued rainfall right through summer and autumn provided a great second-half of the season which was capitalised on by the dairy farms.
- 2.2 Total production for the season ended at 456,488 kg MS (1,119 kg MS/ha; 407 kg MS/cow) from 1,122 peak cows. This was a five-year high, up 8% on the previous year and on par with budget.

**Table 1:** Production detail for individual dairy units and combined enterprise.

Dairy unit	Previous season's production (kg MS)			Avg. last 5 seasons	Highest season	Lowest season
	2022/23	2021/22	2020/21		2014/15	2007/08
Tuatahi	144,669	136,805	104,666	125,897	176,159	128,961
Tuarua	234,271	216,560	241,801	229,548	245,851	172,072
Tuatoru	77,548	70,466	79,239	74,076	97,104	69,073
<b>Total</b>	<b>456,488</b>	<b>423,831</b>	<b>425,705</b>	<b>429,521</b>	<b>519,114</b>	<b>370,106</b>
<b>kg MS/ha</b>	<b>1,119</b>	<b>1,039</b>	<b>1,038</b>	<b>1,048</b>	<b>1,266</b>	<b>903</b>

- 2.3 This was the first season for new sharemilker Jason Groot on Tuarua who has hit the ground running. Manny Diaz also stepped up for his first season contract milking on Tuatahi after having managed the farm for the previous two seasons.
- 2.4 Wet conditions over the 2022/23 season had a greater impact on Tuawha with greater lamb deaths and lower growth rates. A total of 533 lambs were docked from 433 ewes giving a lambing percent of 123%. Of these lambs, 364 were sold over the season at an average weight of 16.2 kg cwt. The lower carcass weight compared to previous seasons (Table 2), combined with a lower lamb schedule and less lambs sold, resulted in the overall value of lamb sales being 14% down on the previous year. A total of 53 lighter lambs were carried over for sale in 2023/24.

**Table 2:** Historic lamb sales data.

Year	No. of sales	Average kg ccwt/lamb	Total kg ccwt	Average \$/lamb	Total lamb sales
2022/23	364	16.22	5,903	\$110.72	\$40,303
2021/22	401	17.44	4,291	\$116.66	\$46,779
2020/21	596	17.16	7,327	\$121.70	\$72,536
2019/20	463	17.15	7,941	\$125.37	\$58,047
2018/19	662	16.92	10,676	\$120.42	\$79,717

- 2.5 As with previous seasons, Tuawha was also used to support the dairy units providing grazing for 300 winter cows (May - July) and 255 rising one-year and two-year heifers from Kokako Tuatahi and Tuatoru. An additional 160 heifers from an outside farm were also grazed on Tuawha to increase profitability.
- 2.6 The Ngatira lease was again used to support the Tuarua dairy unit providing grazing for 260 young stock, and 300 winter cows. Supplementary feed was also cut from the block including grass and maize silage and transported back to all three dairy units.

### 3 Financial Performance

- 3.1 The milk solids price for the last five years excluding any dividend paid has averaged \$7.71/kg MS ranging from \$6.35/kg MS to \$9.30/kg MS. While there has been a trend for higher milk prices in recent years, volatility is still a real threat and it is therefore prudent to have sufficient financial buffer on hand for years of low milk price. In addition, while milk prices have been rising, so too have farm operating expenses particularly in the areas of fuel, fertiliser and feed.

- 3.2 A Fonterra dividend of \$0.50/kg MS was paid out on shares for the 2022/23 season. Kokako Pi Karere have 520,245 Fonterra shares for which \$244,214 was received after withholding tax.
- 3.3 The Fonterra share value as at 20 November 2023 was \$2.09/share compared to \$2.64/share the previous year and \$2.97/share for 2021. This decrease in share value is a result of the Fonterra capital restructure and represents a further loss in asset value and equity for Kokako of \$286,135.
- 3.4 Based on the financial year 2023 (FY23) accounts, net operating profit for Kokako Pi Karere LP from the combined farm trading accounts, including the dairy units, drystock and Ngatira lease is \$723,798. Inclusion of the Tuarima (hemp) unit brings the combined net profit down to \$630,124 for FY23 (Table 3). This compares to \$618,074 in 2021/22.
- 3.5 After accounting for rental to Kokako Trust, administration and other costs, depreciation and interest, the total surplus reduces to \$19,006.

**Table 3:** Net surplus for individual trading accounts for 2022/23.

	Net profit (\$)	Effective area (ha)	Profit/ha (\$)
Tuatahi	334,174	148	2,258
Tuarua	398,257	174	2,289
Tuatoru	91,592	86	1,065
Tuawha	-99,540	193	-516
Ngatira	-685	113	-6
Tuarima	-93,674	-	-
<b>Combined</b>	<b>630,124</b>		

- 3.6 Of all the trading accounts, Tuarua was the most profitable at \$2,289/ha, although this was 17% down on the previous year as a result of a lower milk price (\$8.22/kg MS vs \$9.30/kg MS in 2021/22) and an increase in feed and fertiliser costs (+19%).
- 3.7 Tuatahi achieved similar profitability to Tuarua at \$2,258/ha and continues to improve with net profit up 85% on the previous season. This was a combined effect of increased production and lower expenditure.
- 3.8 Tuatoru continues to perform well, particularly given the smaller scale, with profit of \$1,065/ha. This was 30% down on the previous season due primarily to the lower milk price.
- 3.9 The deficit incurred on Tuawha (-\$516/ha) was an increase on the deficit incurred in the previous season (-\$363/ha) primarily due to lower lamb sales and reduced grazing income with less heifers grazed on farm in 2022/23. The scale of Tuawha as a drystock block limits its ability to return a profit. However, it does add considerable value to the dairy farms as a support block, and as such the majority of profits falls with the dairy units.
- 3.10 The Ngatira lease operation broke-even which was an improvement on the previous season but reflects the timing of cattle grazed in each season with much of the profit falling in 2022/23. Again, Ngatira adds considerable value to the dairy farms as a support block, and as such the majority of profits falls with the dairy units.
- 3.11 Having Tuawha and Ngatira available as support blocks, providing off-farm grazing and supplementary feed, for the dairy units is particularly valuable as adverse weather events become more frequent.

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## 4 Compliance and Environmental Performance

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4.1 Regulatory and industry compliance continues to increase. For Kokako, some of the key incoming regulation over the next few years include:

- **Greenhouses gas emissions (through He Waka Eke Noa or Emissions Trading Scheme)**

Legislation has passed that will require farm businesses to account for and pay for their greenhouse gas (GHG) emissions. The framework for how this will be implemented is yet to be determined, but all farms can expect to pay a levy on their GHG emissions in the future.

In addition, Fonterra have in late 2023 released their emissions target of a 30% reduction from 2018 levels by 2030. This will require dairy farms to adopt best practice farming activities, make efficiency improvements, and utilise GHG-reducing technology when it becomes available. Tree planting may also have a role in reducing emissions.

- **Certified Freshwater Farm Plans**

Through amendments to the Resource Management Act, all farms must develop and have a certified freshwater farm plan (FWFP) in place. These plans will be comprehensive involving identification of risks to freshwater from farming activities and identification and implementation of actions to mitigate these risks. Each FWFP will be specific to the individual property. For Kokako, the regulations will require plans to be developed over 2024 and 2025.

- **Waikato Regional Council Proposed Plan Change 1 and Freshwater Policy Review**

Proposed Plan Change 1 (PPC1) in the Waikato region is expected to be notified in 2024. This plan change imposes further regulation to manage contaminant loss to water and will affect farms in the Waikato and Waipā River catchment which includes Tuatoru and parts of Tuatahi and Tuawha.

As with all regional councils, Waikato Regional Council are going through a Freshwater Policy Review process as required by the Resource Management Act. This will see further updates to regional freshwater regulation by the end of 2024.

4.2 Many of these regulations align, in principle, with Kokako's values (i.e., sustainable food production while caring for the whenua, animals and people). However, as regulation increases and becomes more complex, meeting these regulations will become more challenging and costly. Careful planning, adoption of new technologies and good management will be critical in Kokako remaining environmentally and financially sustainable.

4.3 We continue to work closely with the Board of Directors and farm staff at both a strategic and operational level to ensure Kokako is in the best position possible to address these challenges.

4.4 Key environmental indicators which are regularly monitored for Kokako include nitrate (N) loss, phosphorus (P) loss, and biological (methane and nitrous oxide) greenhouse gas emissions (**Error! Reference source not found.**). On average, across the units, these indicators continue to trend down as the farms become more efficient and adopt new practices.

4.5 On-farm activities continue to occur to improve environmental performance. This has included stock exclusion and native planting of a significant area (8 ha) of steep hill slopes on Tuarua as well as extensive capital works and technology upgrades to improve effluent storage and management on Tuarua (Figure 3 - Figure 5).

4.6 Further areas for environmental planting have been identified for future seasons including a spring on Tuawha, stream banks on Tuatoru and shelterbelts on Tuatahi.



**Figure 2:** Trend in environmental metrics for each of the Kokako farm units as modelled in OverseerFM v6.5.2.





**Figure 3:** New mānuka planting of hill slopes on Tuarua.



**Figure 4:** New mānuka planting on Tuarua hills (left) and existing mānuka planting on Tuawha (right).



**Figure 5:** New effluent pond and weeping wall for solids separation on Tuarua.



# Kokako Trust

## Annual Forestry Report

### December 2023

#### Forest Overview

WFM have updated the maps and stand records we have measured the forest area at 65.3 ha

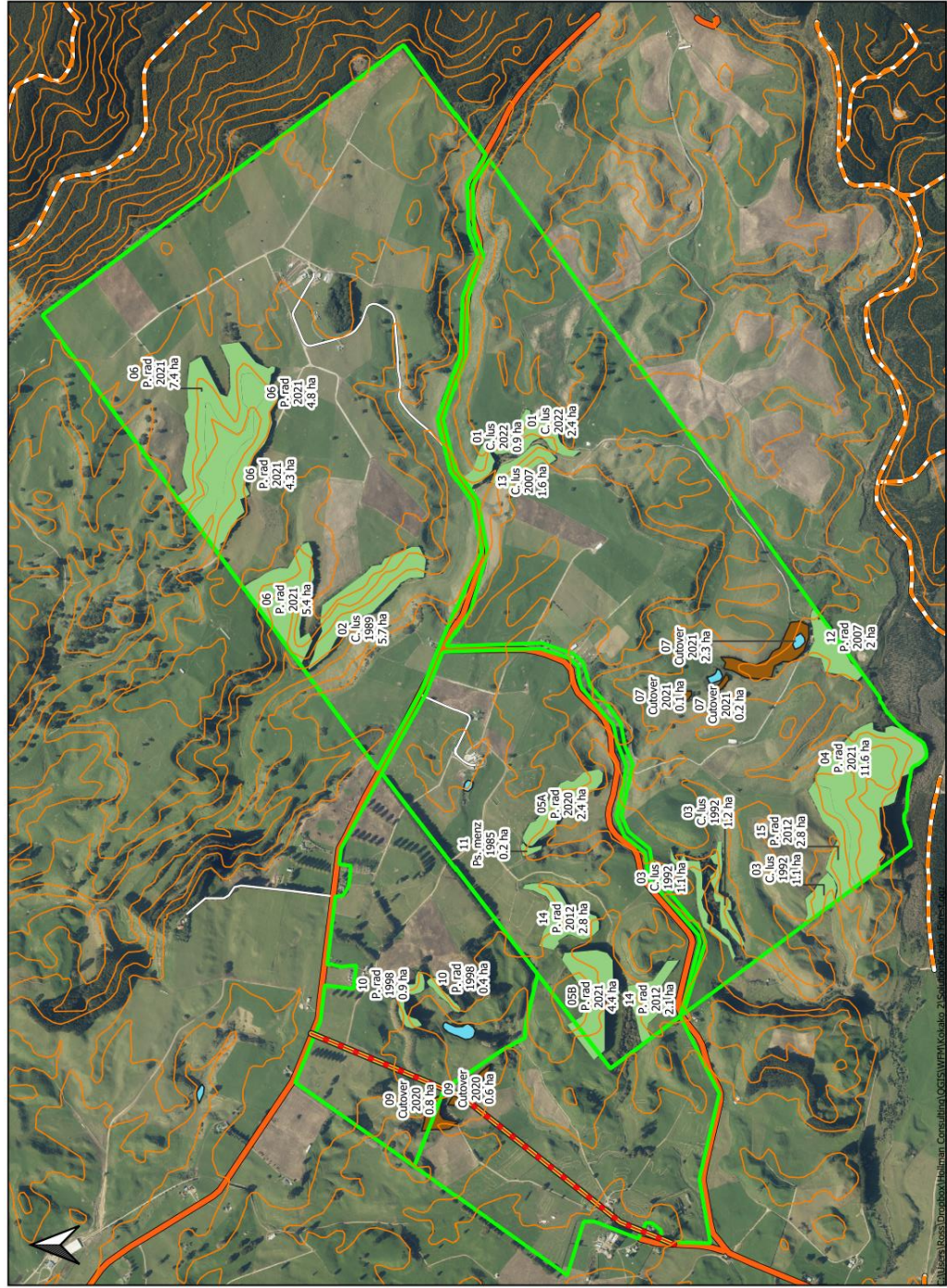
Species	Year Established	Area (ha)
P.rad	1998	1.3
P.rad	2007	2.0
P.rad	2012	7.7
P.rad	2021	40.3
P.rad	2022	3.3
C.lus	1989	5.7
C.lus	1992	3.4
C.lus	2007	1.6
<b>Total</b>		<b>65.3</b>

#### Forest Health

The forest is in good health. The new plantings over the past 2-3 years are growing well and the trees appear to have good form and vigour.

Below is a copy of the completed map.

Kokako Forest



- Contours
- Powerlines
- 10m Powerline buffer
- Boundary
- Roads
  - Sealed
  - Metalled
  - Unmetalled
  - Lakes
- Stands
  - C. lus
  - Cutover
  - P. rad
  - Ps. menz



Scale 1:20,000 @ A4

Map 5 of 5  
Print Date: 29-Jun-2022  
CRS: NZTM2000  
EPSG: 2193

Contains data sourced from the LINZ Data Service licensed for reuse under Creative Commons Attribution 4.0 International Licence.

Disclaimer: This map is a representation only. While all due care has been taken to accurately measure and portray features, the user accepts no responsibility or liability for any error in the mapping.

### **Current Operations**

2023 has been a quite year for the Kokako Trust Forest estate, but we have been making great progress with the native planting. Last year we planting the drain on Tuarua and planted around a pond on Tuatahi with a mix of native plants. This year we planted 10,000 Manuka at Tuarua. We also planted 30 poplar poles on the same site because the hill was showing erosion.

Next year we are looking at planting more Manuka on Tuatoru, which is a small forestry block.

### **Upcoming Operations**

Monitoring will continue for Dothistroma. Dothistroma is a fungi that kills pine needles, affecting tree growth and wood quality. The fungi is spread through water droplets. The 22/23 season has been very wet so the rate of Dothistroma infection has been very high across the country. Treatment is via an aerially applied copper-based fungicide.

### **Dry Stock Spring Area**

WFM was successful in obtaining a Grant from MPI to assist with native tree planting around the wetland/spring area on the Dry Stock farm.

Matariki Tu Rākau is a partnership between Te Uru Rākau New Zealand Forest Service and communities to plant native trees to recognise the Service of New Zealander's who have made a significant difference in their community or field of work. In this case we nominated Gloria Koia.

The Grant provides funds for the purchase of the native seedling and application of chemical to control the weeds and willow trees that are growing in the area.

An important part of the Grant is that the local community will get together to do the planting – with MPI supplying funds for food on the day.

It was decided last year to postpone the planting to ensure we can time the weed spraying for spring to get the best strike on the willow trees and weeds.

We are now planning to spray in the coming weeks and look to plant the trees this coming winter.

More details about this community event will be announced once timing is confirmed.

Nga mihi

Todd Cheesman, Director  
Waipa Forest Management Ltd



# Kokako Pi Karere LP – Hemp Research

Kai ngā iwi, kai ngā hoa, kai ngā karanga maha, tēna tātou katoa,

At a board meeting in February 2023 it was decided that the board was to seek funding support to internally analysis the potential of hemp fertiliser.

In March 2023 an application was submitted to Mpi to access funds through the innovation programme for the following:

*‘To seek support to analysis the potential of hemp as a rongoa, fertilizer and stimuli in a biodiverse environment to regenerate the mauri of living species, whenua and wai. ‘*

The field trials would look at the growth rate of **Kauri, Chicory, Pasture and Maize**. This would involve assessing hemp rongoa growth potential when compared to other fertilisers that would be involved in the trials.

In May 2023 the board was successful in being granted funding of \$235,804.00 to conduct the trials. After 5 months of lengthy discussions and emails the contract for this funding was signed off in September 2023.

A robust randomised test trial is presently underway with 80 1litre Kauri that will look to assess the potential of 2x hemp fertilisers ability to grow plants in comparison to (1)a control (2) Blue complete fertiliser and (3) Eco-flo seaweed concentrate. The other fertilisers chosen are synthetic and non-synthetic fertilisers. The trial will also provide results that may assist with the national die back Kauri programme.

Equipment was purchased to ensure accuracy with measurements of Kauri. Samples of hemp biomass and hemp rongoa was analysed at Hills Laboratory and soil samples were taken from the Kauri pots during set up of trial. The following sequenced pictures provides a visual understanding of the steps involved with a robust randomised test trial. Data is collected with set up that looks at height, width and branch numbers.



The Kauri trial is now being monitored and data collected.

# Kokako Pi Karere LP – Hemp Research



The chicory, maize and pasture trial areas have been prepared and these trials will begin in late November early December.



We look forward to sharing the findings from these trials at the next AGM in 2024.

Nō reira e te whanau ‘Ahakoa he iti te whenua a Tuarima ko ngā kaupapa nui.

Ngā mihi,

Riria McDonald (Director/Trustee)

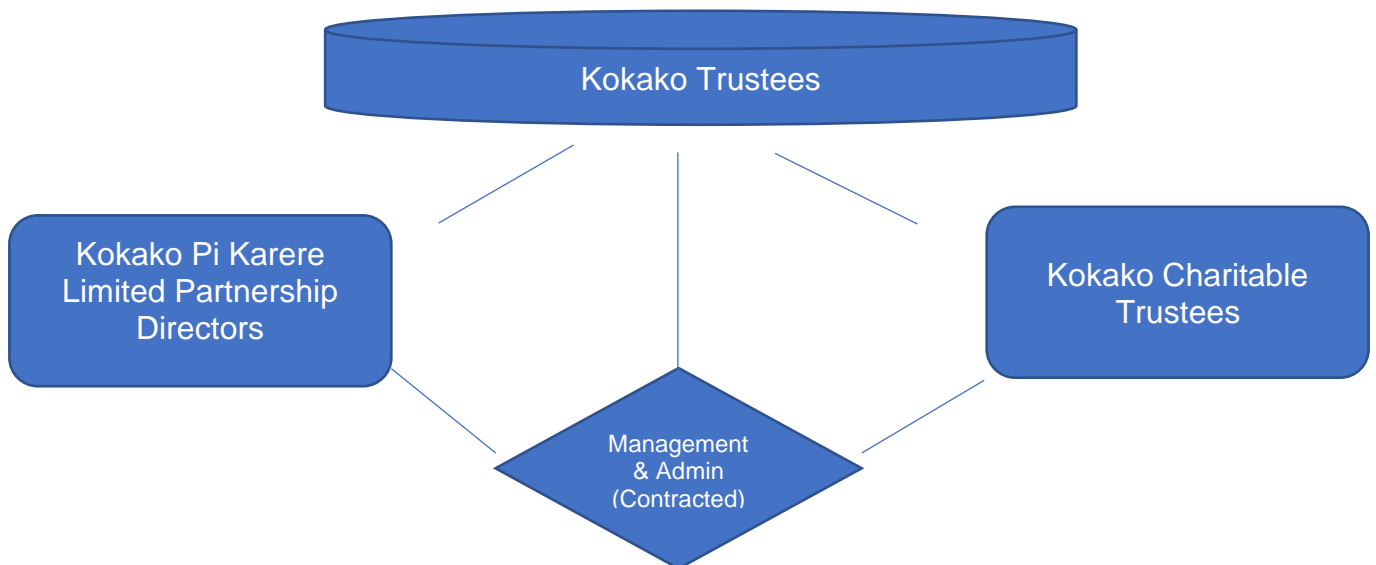


# KOKAKO TRUST

## SUMMARY OF FINANCIAL RESULTS

The Trust business model comprises 3 separate entities. The structure is:

<b>Kokako Trust and Subsidiaries:</b>	<ul style="list-style-type: none"> <li>• <b>Kokako Trust</b></li> </ul>	Ahu Whenua Trust under s215 of Te Ture Whenua Act 1993 <ul style="list-style-type: none"> <li>- <b>Trustees hold land in their names and leases this to Kokako Pi Karere Limited Partnership</b></li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Kokako Pi Karere LP</b></li> </ul>	Limited Partnership under Limited Partnerships Act 2008. General (silent) Partner is Kokako Te Manu Taiko Limited <ul style="list-style-type: none"> <li>- <b>Owns the farming assets and Directors are responsible for farming operations including Tuarima</b></li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Kokako Manaaki Charitable Trust</b></li> </ul>	Registered Charity under Charities Act 2005 <ul style="list-style-type: none"> <li>- <b>Trustees hold investment assets and manage charitable Grants including education grants</b></li> </ul>



The Trust Financial Balance date is 30 June 2023. Below is a summary of the financial results for the year. Full detailed financial statements are available on request. As per Owners resolution these accounts are not audited. The group reports are no longer consolidated.

### **Kokako Trust Financial Results:**

INCOME AND EXPENDITURE	2022	2023
<b>INCOME</b>		
Lease Income (from Kokako Pi Karere LP)	280,000	280,000
Farm Income (from Kokako Pi Karere LP)	98,058	19,006
NZU's sold		173,601
Forestry	37,667	
MBIE Funding	20,000	
	<b>\$435,725</b>	<b>\$472,607</b>
<b>LESS EXPENSES</b>		
Accounting	30,734	15,365
AGM costs		855
Audit Fee	10,500	
Depreciation	3,022	1,941
Entertainment	2,679	3,613
Forestry	133,695	8,500
General Expenses	1,445	1,487
Insurance	6,312	6,000
Owner Services	19,655	22,235
Printing Stationery and Advertising	12,676	6,708
Secretarial and advisory	41,923	12,188
Subscriptions	1,218	2,082
Trustee Fees	35,447	12,150
Valuation Fees	3,100	7,482
	<b>\$302,406</b>	<b>\$100,606</b>
<b>NET SURPLUS</b>	<b>\$133,319</b>	<b>\$372,001</b>
<b>LESS</b>		
Deductible Donations to the Charitable Trust	117,000	22,000
Taxation	26,281	136,598
	<b>\$143,281</b>	<b>\$93,874</b>
<b>NET SURPLUS (DEFICIT) AFTER DEDUCTIONS</b>	<b>(\$9,962)</b>	<b>\$213,403</b>

NZU's were sold as part of the updating requirements of the Emissions Trading Scheme and the 2020 legislative amendments the Trust opted to exercise the Fixed Price Option at \$25 per unit to buy out its repayment obligations. As a result 6069 NZU's are now available for sale (current value \$425,000). Income of \$173,601 was generated and a tax deduction of \$183,454 is available to claim in the future if more units are sold.

Donations to the Charitable Trust are fully deductible saving 17.5% on the amount paid (Total Tax saved to date (\$59,325)).

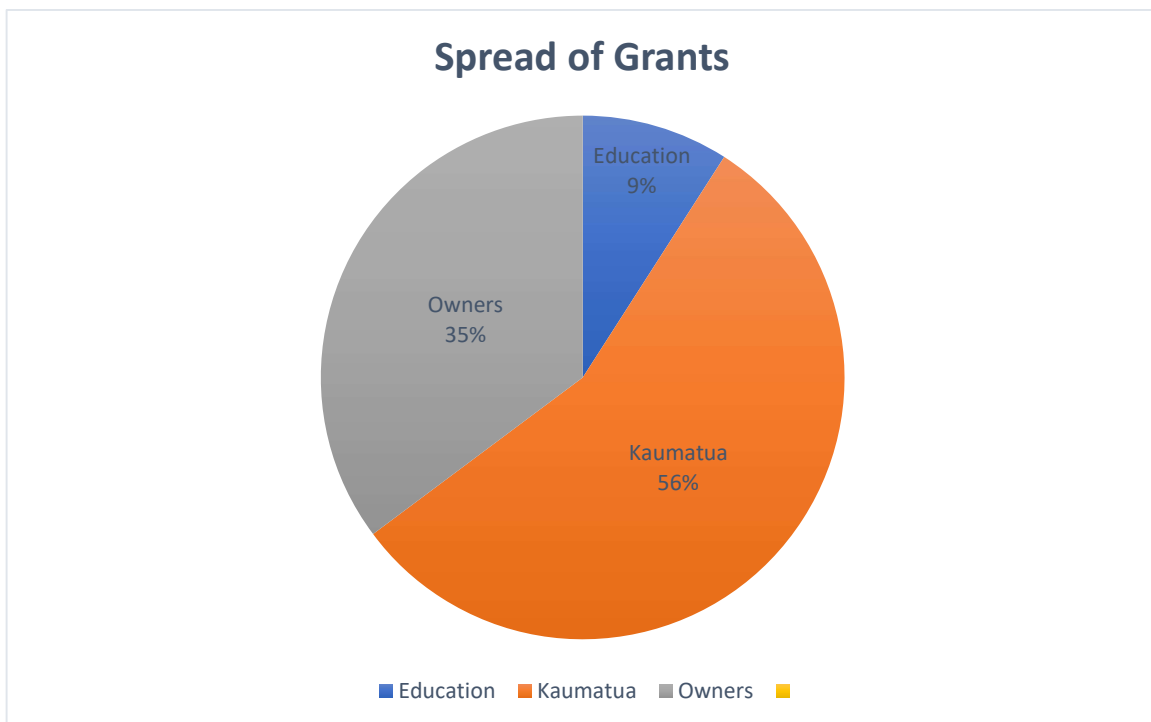


ASSETS AND LIABILITIES	2022	2023
Bank deposits	81,896	114,997
Current Assets (Receivables)	23,000	26,833
Tax Refund	44,297	
NZ U's (Carbon Credits)	50,160	209,514
Trees & other assets	115,133	161,200
Advance to Kokako Pi Karere LP	8,558,669	8,492,011
Land & Improvements	17,149,533	17,148,614
<b>TOTAL ASSETS</b>	<b>\$26,022,688</b>	<b>\$26,153,169</b>
<b>LESS LIABILITIES</b>		
Trade Creditors	39,626	71,395
Unclaimed Dividends	153,413	153,626
	<b>\$193,039</b>	<b>\$225,021</b>
<b>NET ASSETS</b>	<b>\$25,829,649</b>	<b>\$25,928,148</b>

Land is recorded at the market valuation as assessed every 5 years by an independent registered valuer. The latest valuation was done as at 30 June 2021.

Grants paid totaled \$148,406 made up of:

- Owners Grants \$52,296
- Kaumatua Grants \$82,710
- Education Grants \$13,400



## **Kokako Pi Karere LP Financial Results**

Individual farming results are reported through the farm report so this a summary of the overall results and financial position of the limited partnership.

<b>INCOME AND EXPENDITURE</b>	<b>2022</b>	<b>2023</b>
<b>INCOME</b>		
Milk Revenue	3,821,708	3,832,159
Maize Revenue	74,771	318,302
Grazing Income	267,430	280,787
Dividends Received	78,078	119,548
Grass Silage Income	82,100	87,239
Dairy Cattle Sales	83,458	77,018
Sheep Sales	53,429	51,991
Livestock Movements	8,122	(46,747)
Sundry Income	1,796	14,012
Rebates Received	19,125	11,648
Depreciation Recovered	1,739	5,306
Wool Proceeds	4,488	3,564
<b>TOTAL INCOME</b>	<b>\$4,496,244</b>	<b>\$4,754,827</b>
<b>LESS EXPENSES</b>		
Farm Working Expenses	3,136,518	3,659,864
Standing Charges (rates and insurance)	121,984	109,996
Administration (see below)	667,567	395,879
Lease rental (to Kokako Trust)	280,000	280,000
Directors Fees	7,390	48,807
Depreciation	140,475	137,153
Interest	44,254	104,122
<b>TOTAL EXPENDITURE</b>	<b>\$4,398,188</b>	<b>\$4,735,821</b>
<b>NET SURPLUS</b>	<b>\$98,056</b>	<b>\$19,006</b>

The Limited Partnership Net Surplus is transferred across to Kokako Trust profit statement.

### **Administration Costs:**

Analysis of administration costs for last 2 years:

	<b>2022</b>	<b>2023</b>
ACC	12,503	8,772
Accounting	24,318	23,049
Bank Charges	1,894	1,942
Electricity	50,434	29,560
General Expenses	4,733	6,603
Lease rental - Ngatira	54,499	54,499
MPI project costs		5,229
Secretarial and advisory costs	14,823	14,789
Subscriptions	8,024	6,869
Supervision	13,914	5,928
Telephone & Tolls	2,052	2,104
Valuation Fees	2,000	1,500
Wages (Farm Workers)	478,372	235,032
<b>TOTAL</b>	<b>\$667,566</b>	<b>\$395,876</b>

## **Assets and Liabilities:**

<b>ASSETS AND LIABILITIES:</b>	<b>2022</b>	<b>2023</b>
Bank deposits	361,661	
Trade Receivables and prepayments	506,728	714,972
Silage		31,318
Livestock	1,364,315	1,320,370
Shares	1,680,093	1,429,811
Buildings, plant and equipment	5,206,602	5,467,295
Work in progress (capex underway)	27,284	728,727
	<b>\$9,146,683</b>	<b>\$9,692,493</b>
<b>LESS LIABILITIES:</b>		
Bank Overdraft		160,589
Trade Creditors	103,512	243,549
Employee Benefits	56,694	30,048
Bank Loan	1,232,000	1,598,704
Finance Company Loan (for Tractors)	0	222,065
Kokako Trust Loan	8,558,669	8,492,011
	<b>\$9,950,875</b>	<b>\$10,746,966</b>
<b>NET EQUITY</b>	<b>(\$804,192)</b>	<b>(\$1,054,472)</b>

Bank interest rates ranged between 8.6 – 8.95%.

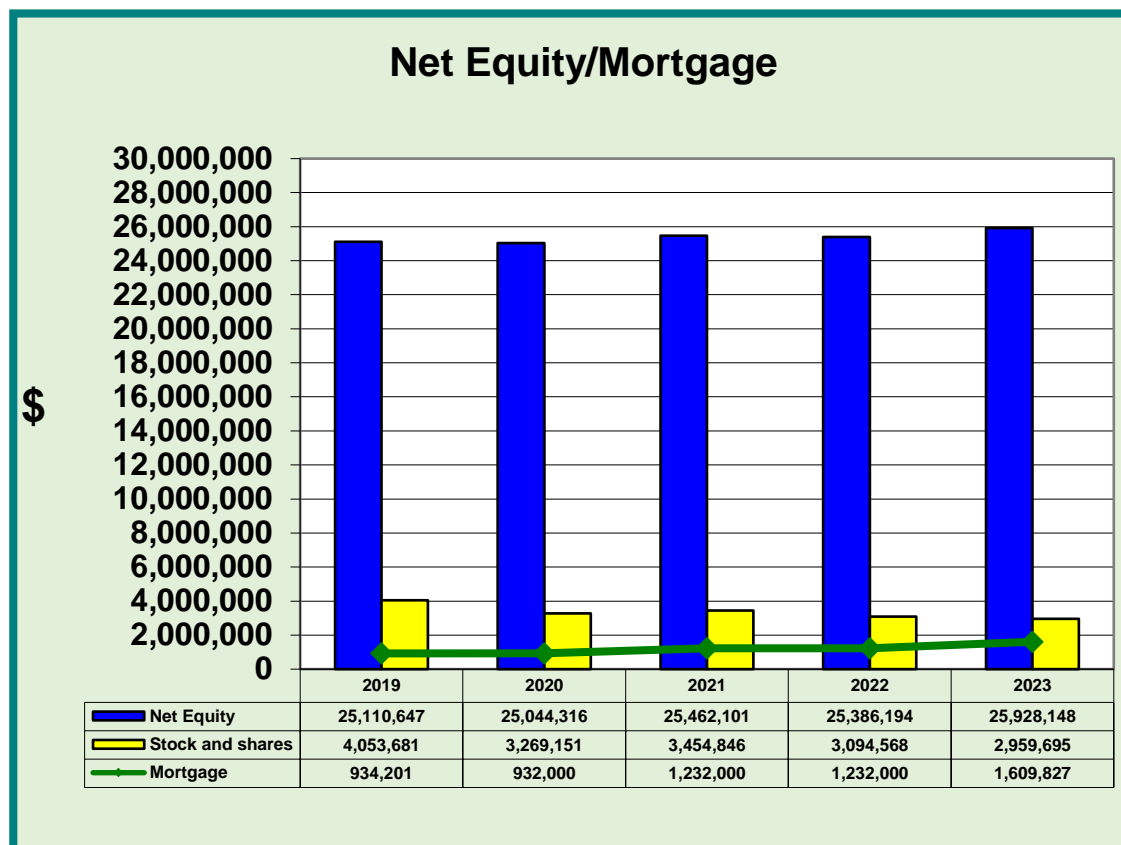
Livestock and shares are at market value. Buildings vehicles and equipment at cost less depreciation. Shares are held in Ballance, Livestock Improvement Fonterra.

An additional \$400,000 was borrowed from Westpac to assist with funding the effluent upgrade costs.

A \$200,000 reduction in the mortgage was made in November 2023. This repayment can be redrawn if required.

As reported through the farm report significant capital expenditure was made in the 2023 year.

<b>ASSETS PURCHASED/SYSTEMS UPGRADE:</b>	<b>2023</b>
Upgrade Houses	73,470
Dairy Shed	72,013
Water supply and irrigation	11,292
Feed Systems	12,943
Tractors	227,030
Loader	36,180
Effluent Systems	728,727
	<b>\$1,161,655</b>



Overall Net equity increased by \$781,214 (3%) in the year ended 30<sup>th</sup> June 2023. The loan balance of \$1.6m is well covered by livestock, shares and NZ Units worth \$3m which means there is no risk to the land. The Trust is in a strong financial position to deal with financial challenges that may arise in the future.

### **Kokako Manaaki Charitable Trust**

Kokako Manaaki Charitable Trust is a registered charity.

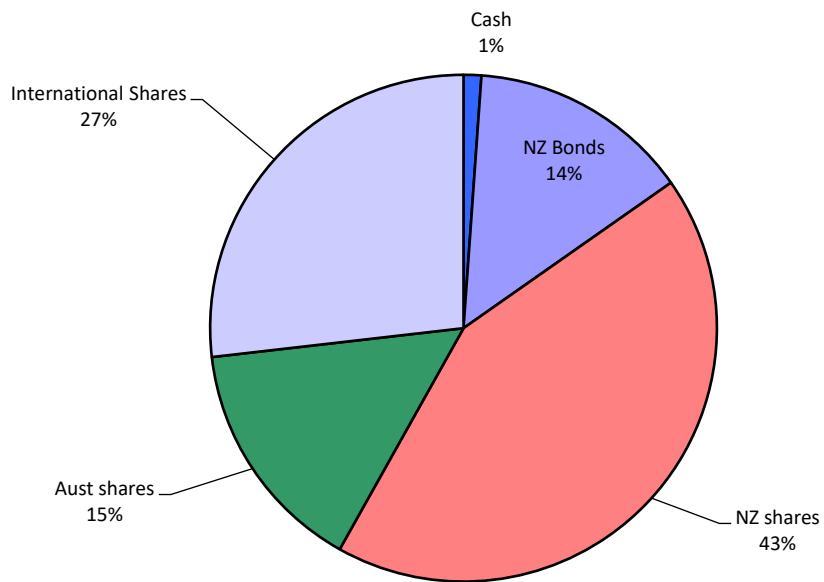
INCOME AND EXPENDITURE	2022	2023
<b>INCOME</b>		
Grants Received	117,000	22,000
Investment Income	134	21,571
	<b>\$117,134</b>	<b>\$43,571</b>
<b>LESS EXPENDITURE:</b>		
Accounting	4,593	5,170
Advertising		179
General	51	
Portfolio Management		558
Secretarial	316	2,318
Subscriptions	262	730
	<b>\$5,222</b>	<b>\$8,955</b>
<b>SURPLUS FOR THE YEAR</b>	<b>\$111,912</b>	<b>\$34,616</b>
<b>LESS EDUCATION GRANTS</b>	<b>\$17,000</b>	<b>\$13,500</b>
<b>NET SURPLUS AFTER GRANTS</b>	<b>\$94,912</b>	<b>\$21,116</b>

ASSETS:	2022	2023
Cash at Bank	300,986	1,127
Craigs Investment Portfolio		320,974
	<b>\$300,986</b>	<b>\$322,101</b>

The Charitable Trust does not have any liabilities.

The Craigs Investment Portfolio is invested in selected investments managed by Craigs Financial Advisors.

The current asset allocation for the portfolio is:



*Murray Patchell*  
Secretary

# KOKAKO MANAAKI CHARITABLE TRUST

## 2023 Education Grants

17 grants of \$500 each amounting to \$8,500 in total were awarded to the following recipients to assist with tertiary education. Through our partnership with the Maori Education Trust recipients received an extra \$200 each from MET with the exception of Debra Bell who received \$500 from MET and a further \$500 from Massey University under our tripartite agreement. In total our students received \$12,700 in grants.

Please ensure you provide all information requested when applying for a grant.

The online form for 2024 will be available early February at [www.kokakotrust.co.nz](http://www.kokakotrust.co.nz) or through the Maori Education Trust [www.maorieducation.org.nz](http://www.maorieducation.org.nz). Applications will close on Tuesday 30<sup>th</sup> April 2024.

First Name	Surname	Institute	Course
Freda	Amopiu	Te Wānanga o Aotearoa	Postgraduate Diploma in Kaitiakitanga Diploma of Bicultural Supervision
Debra	Bell	Massey University Palmerston North	Master's Degree in Maori Visual Arts
Te Aroha	Devon	Auckland University of Technology	Bachelor of Health Science
Danielle	Dodd	University of Waikato	Diploma in Te Reo Maori
Moewaka	Dunster	Ōtākou Whakaihu Waka (University of Otago)	Bachelor of Arts
Rachel	Fraser	Te pūkenga toiohomai o mokoia	Bachelor of Social work
Oliver	Gudsell	University of Otago	Bachelor of Law
Kimai	Hireme	Te Toi o Nga Rangi - Bachelor of Visual Arts	Diploma in Visual Arts
Aorangi	Mason	Te Whare Wananga o Awanuiarangi	Bachelor of Humanities
Jaimee-Lee	Mercer	University of Canterbury	Bachelor of Teaching and Learning (Primary)
Cheyenne Pikiarero	Park	Te Wānanga o Raukawa	Bachelor of Te Reo Māori
Pania	Paul	University of Canterbury	Bachelor of sports coaching
Tracy	Rewi	Te Wānanga Takiura o Ngā Kura Kaupapa o Aotearoa	Diploma in Te Pokairua Reo (Rumaki)
Josephine	Tahapehi	Media Design School	Bachelor of Media Design
Kai Xiong	Tan	University of Auckland	Bachelor of Law and Commerce majoring in International Business and Management
Aorere	Waaka	Otago University	Bachelor of Health Sciences
Joshua	Wehipeihana	Toi Oho mai institute of technology (Te pukenga)	Diploma in software development (level 6)



## **EDUCATION GRANTS POLICY 2023**

1. Persons who qualify for an education grant:
  - (a) Registered Owners or descendants of Registered Owners.
  - (b) Beneficiaries and descendants of beneficiaries in a Whanau Trust constituted in terms of Te Ture Whenua Maori Act 1993.

Applicants must supply a clear whakapapa to either (a) endorsed by a recognised Kokako Kaumatua or Kokako Trustee or (b) signed by a Trustee of the Whanau Trust.
2. Students must be currently attending a (NZQA or overseas equivalent) tertiary institution on a fulltime or part-time basis or an institution or training scheme approved by the Trustees.
3. All students who qualify for a grant will receive an amount approved by the Trustees which varies each year depending on total sum available divided by number of approved applicants.
4. Application must be submitted online and supporting papers lodged with the Secretary by the advertised closing date.
5. Applicants must provide a receipt for course fees paid. The Trustees may at their discretion accept a student loan draw down certificate or a letter of acceptance to enrolment at the education institution provided there is clear evidence of fees paid.
6. Students attending free courses or where fees are paid by a third party are not precluded from receiving a grant provided all other criteria are met.
7. Incomplete or late applications may be rejected.
8. Grants will be paid from Kokako Manaaki Charitable Trust.
9. Grant amounts may be topped up via agreements with Maori Education Trust or Universities and student information will be shared with other organisations for that purpose.
10. Any policy interpretation is entirely at the discretion of the Trustees.





## **2023 OWNERS GRANT POLICY**

An Owners grant in lieu of a dividend was approved for the AGM on 9 December 2023. This grant is payable to the Owners registered at 9 December 2023 who have supplied their bank account numbers and addresses. The grant is also available to Owners, subject to the terms of the grants policy, up to the next AGM. The current policy in respect of the 2023 Owners Grant is as follows:-

1. For identification purposes the grant will be called the “2023 Owners Grant”.
2. The sum of \$70,000 has been set aside for 2023 Owners Grants.
3. Payments to be made only to bank accounts and Owners addresses must be held.
4. Payments will be calculated according to shareholding bands as per the attached schedule with a minimum payment of \$75.
5. All Owners with addresses are to be advised of the Owners Grant and those who have not provided bank accounts details will be asked to do so.
6. These grants are taxable and will have Maori Authority Credits (MAC) attached at 19.5%. Grants exceeding \$200 including MACs will be subject to RWT at 33%. Where an IRD number is not held for an owner and the gross grant exceeds \$200 the withholding tax rate is 33% reduced by any MAC attached, up to a maximum of 17.5%.
7. All Owners with addresses are to be advised of the Owners Grant and those who have not provided bank accounts details will be asked to do so. Those Owners exposed to RWT at 39% will be advised to supply their IRD numbers to avoid this cost.
8. Non Resident Owners will have their distributions subject to Non Resident Withholding Tax of 15%.
9. The Trustees reserve the right to make only one payment to an Owner whose name may appear more than once on the share register where it is evident that those multiple names refer to one person.
10. Sufficient funds will be retained to cover any Owners who are located after the payment date.
11. Any Owners who are located after the payment date will be entitled to the payment they would have received had their address and bank account details been known at the distribution date.
12. Any owners who succeed to shares after the payment date will be entitled to payment of the current Owner’s grant based on their shareholding where it has not been paid to the deceased Owner.
13. Entitlement to the payment will expire on the date of the next AGM.
14. Payments to overseas Owners will be subject to deduction of bank charges.
15. The Trustees reserve the right to amend this policy or draft new policy to cover any circumstance not covered or anticipated by this policy, in respect of payments to all beneficiaries or to any one or more beneficiaries and the Trustees decision in these matters will be final.

## KOKAKO TRUST

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### OWNERS GRANT

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Owners grants are paid in bands relative to shares held as follows (sample only):

Group	Share Range	Grant Payment	Owners with address and bank a/c	Total grants payable (before tax)
1	0 to 0.4999	<b>75</b>	327	\$ 24,525
2	0.5 to 0.9999	<b>75</b>	42	\$ 3,150
3	1 to 1.9999	<b>100</b>	25	\$ 2,500
4	2 to 2.9999	<b>150</b>	8	\$ 1,200
5	3 to 3.9999	<b>200</b>	14	\$ 2,800
6	4 to 4.9999	<b>250</b>	10	\$ 2,500
7	5 to 5.9999	<b>300</b>	4	\$ 1,200
8	6 to 6.9999	<b>350</b>	6	\$ 2,100
9	7 to 7.9999	<b>400</b>	1	\$ 400
10	8 to 8.9999	<b>450</b>		\$ -
11	9 to 9.9999	<b>500</b>		\$ -
12	10 to 11	<b>550</b>		\$ -
13	11 to 12	<b>600</b>	2	\$ 1,200
14	12 to 13	<b>650</b>	4	\$ 2,600
15	13 to 14	<b>700</b>	4	\$ 2,800
16	14 to 15	<b>750</b>	1	\$ 750
17	15 to 16	<b>800</b>	3	\$ 2,400
18	16 to 17	<b>850</b>		\$ -
19	17 to 18	<b>900</b>	4	\$ 3,600
20	18 to 19	<b>950</b>		\$ -
21	19 to 21	<b>1025</b>	1	\$ 1,025
22	21 to 31	<b>1510</b>	1	\$ 1,510
23	31 to 35	<b>1720</b>	1	\$ 1,720
24	>40	<b>2450</b>	1	\$ 2,450
<b>TOTALS</b>			<b>459</b>	<b>\$ 60,430</b>

Kokako Trust Register is comprised of 1400 shares held by 2527 Owners  
The Trust holds postal addresses for 594 owners

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### KAUMATUA GRANT

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Policy is \$250 each per registered owner aged 65 years at 31st December following the AGM  
Persons who are members of Whanau Trust may also apply with the official application form  
Owners do not need to reapply annually

Registration forms are available from the Kokako Trust website