



# 2024 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

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

### SOLICITORS

Morrison Kent

### BANKERS

Westpac

### SHARE REGISTRY

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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 ]*

# **C O N T E N T S**

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# ANNUAL GENERAL MEETING

<p><b>Whakaaratamaiti Marae 160 Domain Road Putāruru</b></p> <p><b>on</b></p> <p><b>Saturday 7<sup>th</sup> December 2024 at 10 am.</b></p>	<p style="text-align: center;"><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>

## KOKAKO TRUST

### **MINUTES OF THE ANNUAL GENERAL MEETING OF OWNERS HELD AT NGATIRA MARAE ON SATURDAY 9<sup>TH</sup> DECEMBER 2023 AT 10.00AM.**

**CHAIR:** Airini Hepi

**SECRETARY:** Murray Patchell

**MIHI & KARAKIA:** Andrew Thompson.

**ATTENDANCE:** 59

**APOLOGIES:** 20.

**MINUTES:** Of the previous AGM held on 3 December 2022 were taken as read and confirmed.

*(Rina Lawson/Luana Hokianga) Carried*

**CHAIR REPORT:**

Airini Hepi introduced Trustees and read and tabled her report.

**RESOLVED:** "That the Chair's report be adopted."

*(Airini Hepi/Rawiri Thompson) Carried*

**FARM REPORT:**

Rachel Durie presented and tabled her operations report and it was:

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

*(Julie Waaka/John Newton) Carried*

**FORESTRY REPORT**

Leisha Andrew tabled and presented the Forestry report.

**RESOLVED:** "That Forestry report be received."

*(John Newton/Joe Edwards) Carried*

**TUARIMA REPORT:**

Riria McDonald presented her report on Tuarima Hemp operations.

**RESOLVED:** "That the Tuarima Report be received."

*(Riria McDonald/Rina Lawson) Carried*

**FINANCIAL REPORT:**

Murray Patchell presented the financial report and backgrounded the accounting team and financial circumstances of the Trust with emphasis on building contingency reserves and maintaining costs in a challenging environment.

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

*(Ngairie Mitchell/Joe Edwards) Carried*

Albert Ihaka queried if the Trust was a Maori Authority and the increase in farm working expenses. Murray confirmed the Trust was a Maori Authority taxed at 17.5% and farm cost inflation was running at about 12% leading to increases in fertiliser, feed costs and fuel.

John Newton queried the impacts of climate change. Murray advised from a financial perspective the Trust was building contingency reserves to be

able to deal with any financial impacts of climate change. Duncan Walker advised that from a farming angle diversity was being built into land use with feed crops to endure summer droughts and infrastructure such as feedpads were in place for wet times.

John also suggested the Trust look at engagement with other Maori organisations for asset acquisitions and to acquired water rights for Maori in collaboration with iwi groups.

**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 2023."

*(Albert Ihaka/Joe Edwards) Carried*

Forms were made available for owners' registration with more available from the website.

**GENERAL BUSINESS:**

1. Albert Ihaka acknowledged the education grants on behalf of his mokopuna and encouraged others to apply endorsing the good work of the Trustees.
2. John Newton outlined his work with preservation of the Ngahere covering an area of over 100,000 ha. The good work of his team was facing funding cuts from Government along with other challenges and he is working with organisations to secure funding to continue this work as healthy Ngahere flows through to healthy Wai.
3. An owner queried Jade's resignation and felt the Trust should appoint another Trustee and look to the people that are showing the skills available. The Chair advised that it was intended to hold an election at the next AGM at Tarukenga and notice will be given to all owners so the have an opportunity to nominate and vote. Joe Edwards felt a Trustee with experience in ecology would be beneficial. The Chair commented that the Owners select Trustees not the Trustees.

Julie Waaka spoke in support of the current Trustees that have the right skills to manage the Trust. Riria McDonald assured the owners that Trustees have full regard for the environmental impacts and have appropriate networks to call upon.

Rawiri Thompson said that Ngatira Marae had put Jade on to the Trust and he acknowledged comments made. He felt there should be 5 Trustees. He also advised there was excess land available locally and he would welcome the opportunity of the Trust investigating how this could be developed.

Meeting closed at 11.50am with karakia by Kyle Amopiu.  
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 42<sup>nd</sup> Annual General Meeting and update you, on general trust activities since the last AGM.

### Update

The MLC hearing on September 2024 for Trust order variations finally went through, approving removal of the Audit requirements and increase of Trustee fees.

The Trust will continue with 4 trustees and to allow the provision for a trainee trustee, as part of our succession planning, to overall increase the capacity and skill base of the Kokako Trust.

Applications for Trainee Trustees will be invited to apply in the new year.

### Snapshot of Financial Performance

I believe that we can reflect on the 2023/24 year with much satisfaction as we progress our operations that delivered strong financial results. Overall, our group net profit after tax was \$546,150 compared to \$213,403 in the 2023 year. That is a 155% increase, and I congratulate everyone involved.

Our investment in Kokako Manaaki Charitable Trust has gone very well. The original \$300,000 invested in 2022 is now worth \$403,000.

Detailed financial reports will be presented later in this hui.

### Farm Units 2023/24

- Manny Diaz has completed his second season contract milking on Tuatahi and continues to do a great job around the farm with also producing a lift-on farm production
- Jason Groot completed his second season on Tuarua. He continues to perform well achieving solid production and milk quality. He's also been busy with improvements on the farm including repairing a significant tomo, improving calf sheds and upgrading fences both on the farm and at Ngatira.
- Damian Clarke has stepped up to contract milking after 4 years managing Tuatoru
- Jim Clarke completed his 21<sup>st</sup> season on Tuawha continuing to manage the sheep and dairy grazing operations

The 2023/24 season was an excellent production year – close to 485,000 kg MS was achieved. This is the best result achieved in the last seven years since the farms moved away from importing high amounts of supplementary feed.

A full report will follow shortly.

### Land Use Change

Whilst the dry stock property plays a key role in supporting the dairy farms through grazing of young stock and winter cows, the sheep operation struggles to provide a return. Given the long-term market outlook for lamb remains challenging, we are considering removing the sheep operation and replacing this with more grazing and planting of forestry on the hills not suited to cattle. Moving away from sheep will be a big change for Kokako, having had sheep since the beginning. However, with sheep not providing an income, we are looking at alternative options to lift the performance of the property and increase better returns to our shareholders.

Kokako have been successful in receiving funding of \$34,000 from Waikato River Authority and Waikato Regional Council to plant up several areas of riparian zones along the Ngutuwera Stream on Kokako Tuatoru. This is the first stage of a larger vision to restore all riparian and wetland areas on the farms.

Restoration of the drystock spring is also underway, with a student planting held in August, the pest willows were removed, 3200 natives were planted and eventual restoration of the site.

## **Distributions**

The trustees have maintained and re-affirmed their commitment to distribute annually

- Owners Grant Chart as per the schedule
- Kaumatua Grants - \$300 (increased from \$250) at age 65 years
- Education Grants – \$500 plus additional funding from MET
- Marae Grants - \$2000 (on annual rotation)
- Marae hosting our AGM will receive \$3000 for catering plus any Marae hire fee

## **Acknowledgements**

Our external advisory providers continue to make strong contributions to our performance. Rachel Durie & Duncan Walker - Perrin Ag Ltd with their excellent supervision, as we navigate our change of land use obligations. Murray Patchell and the team at Awhi Roopu Consultants Ltd who continue to provide excellent service, and Todd Cheesman our Forestry Advisor for his services. Our thanks to them all.

Your trustees have been very active in addressing the different challenges and opportunities and I would like to thank them for their continued commitment to the ongoing success of Kokako.

In conclusion, many thanks to you, our shareholders for your continued support on our journey, to protect and utilise our tāonga tuku iho, to develop a better future for us all.

Ngā mihi

A handwritten signature in blue ink, appearing to read 'Airini Hepi', with a small flourish at the end.

Airini Hepi/Chair



# Annual Farming Operations Report 2023/24

## Kokako Pi Karere Ltd Partnership

November 2024

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Prepared by Perrin Ag Consultants Ltd

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Perrin Ag will not be responsible for any errors or misstatements in this Report, and you must ensure that the Report reflects the information provided to Perrin Ag, and that such advice is accurate and raise with Perrin Ag any differences or discrepancies that you become aware of.

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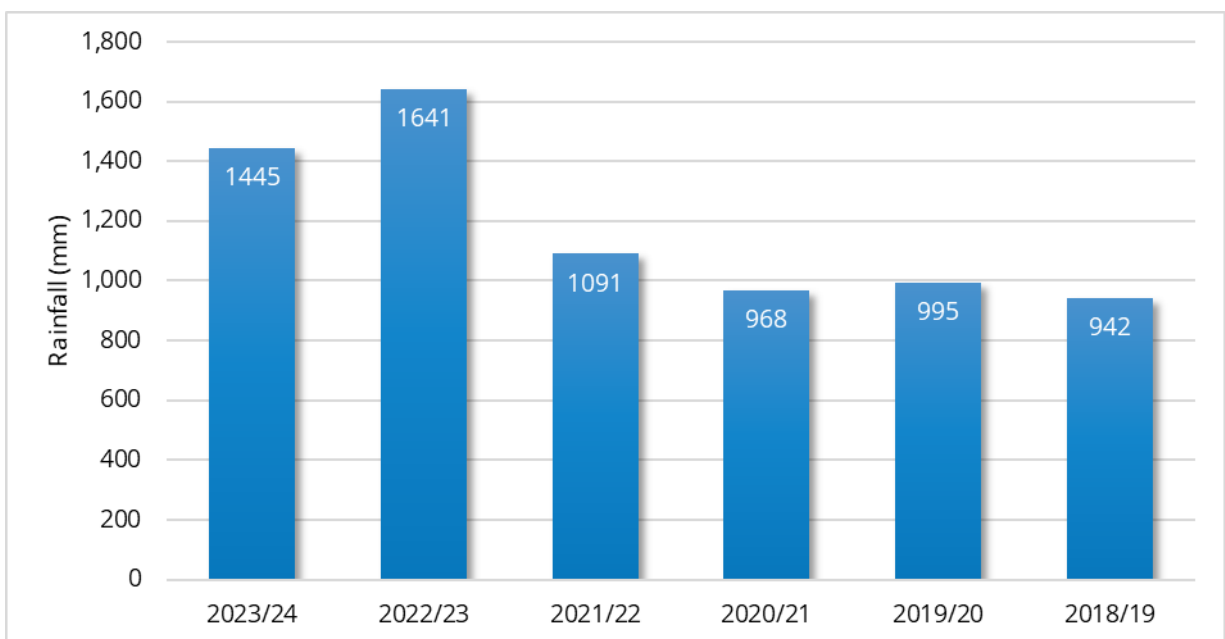
We recommend you evaluate whether the information in this report is suitably accurate, current, and relevant for your purposes and if not, seek further professional advice relevant to your situation.

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## 1 Introduction

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- 1.1 The 2023/24 season was a fantastic farming year for Kokako. Despite another slow, wet spring, the rain once again continued through summer (Figure 1) and kept the grass growing. As a result, Kokako achieved its highest milk production year for the last seven years.
- 1.2 The Fonterra milk price closed at \$7.83/kg MS which was down on previous seasons (\$8.22/kg MS in FY23 and \$9.30/kg MS for FY22). However, this was offset by strong Fonterra business performance which saw dividend payments of \$0.55/share returned to shareholders in the FY24 season – the second highest on record.
- 1.3 All farm managers stayed on at Kokako in 2023/24 and continue to do a great job. Plenty of R&M and farm improvements have occurred over the season, including to fences and races, and plans to continue with native planting and restoration are underway.



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

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## 2 Farm Operations

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- 2.1 Despite the slow, wet spring, another year of good rainfall through summer and autumn saw Kokako achieve a seven-year high for milk production. A total of 484,381 kg MS (1,211 kg MS/ha; 428 kg MS/cow) was produced by the three dairy units from 1,133 peak cows and 400 ha of effective dairy land. This is a 6% increase on the previous season and an 8% increase on budget.
- 2.2 The average milk production per cow (484 kg MS/cow) and per hectare (1,211 kg MS/ha) from the combined dairy units represents a 16% increase on the Waikato average (365 kg MS/cow; 1,047 kg MS/ha) (Table 1).
- 2.3 This production achievement is a testament to the farm managers who continue to lift performance and complete improvements on the farms. Damian Clarke has stepped up this season to contract milk on Tuatoru after four years managing, Manny Diaz remains contract milking on Tuatahi and Jason Groot has just completed his second season sharemilking on Tuarua.

**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
	2023/24	2022/23	2021/22		2014/15	2007/08
Tuatahi	153,528	144,669	136,805	129,762	176,159	128,961
Tuarua	251,529	234,271	216,560	233,326	245,851	172,072
Tuatoru	79,324	77,548	70,466	75,401	97,104	69,073
<b>Kokako Total</b>	<b>484,381</b>	<b>456,488</b>	<b>423,831</b>	<b>438,489</b>	<b>519,114</b>	<b>370,106</b>
kg MS/cow	428	407	378	392	427	311
kg MS/ha	1,211	1,119	1,039	1,077	1,266	903
<b>Waikato benchmark (DairyNZ Econ Tracker data)</b>						
kg MS/cow	365	384	368	379		
kg MS/ha	1,047	1,099	1,059	1,067		



**Figure 2:** Milking herd on Tuatahi.

- 2.4 On the drystock, a total of 630 lambs were docked from 478 ewes giving a lambing percentage of 132%. This allowed for 526 lambs to be sold. Despite the higher lamb numbers this season, the low lamb schedule (average \$5.28/kg ccwt) impacted on overall income. For the 2023/24 season, total lamb sales amounted to \$44,804 and was equivalent to an average of \$85/lamb (Table 2). This included 200 lambs that were sold store for an average of \$71/head due to low growth rates.
- 2.5 The low lamb price received reflects a continuing trend over previous years. The small scale of the Tuawha property limits the ability to capture efficiencies and this is exacerbated by poor market returns. The outlook for lamb remains challenging with weak demand from China, and Australia creating increased competition with large export volumes. These factors have prompted discussions around the viability of the sheep operation moving forward. Alternative options including removing the sheep operation and replacing with forestry and increased cattle grazing are being considered to lift the performance of Tuawha and ultimately improve returns to shareholders.

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

Year	No. of sales	Average kg ccwt/lamb	Total kg ccwt	Average \$/lamb	Total lamb sales
2023/24	526	16.29	5,309	\$85.18	\$44,804
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



**Figure 3.** Outlook of Kokako Tuawha (drystock) showing hills in the background which are currently used for grazing sheep

- 2.6 As with previous seasons, Tuawha supported the dairy units providing grazing for 300 winter cows (May - July) and 280 rising one-year and two-year heifers from Kokako Tuatahi and Tuatoru. Usually an additional 160 heifers (R1 and R2) from an outside farm are also grazed, however with plenty of grass in the district and grazing available, these were unable to be sourced. Instead, an additional 200 cows from Rotorua were wintered with the majority of this income to flow through in the current season (2024/25).
- 2.7 The Ngatira lease was again used to support the Tuarua dairy unit providing grazing for 260 replacement heifers and 380 winter cows. A total of 670 t DM of 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 Fonterra milk solids price for the last five years (excluding Fonterra share dividend) has averaged \$8.01/kg MS ranging from \$7.14/kg MS to \$9.30/kg MS. In 2023/24 the Fonterra milk price was \$7.83/kg MS. While there has been a trend of higher milk prices in recent years, volatility is still a threat and it is therefore prudent to have sufficient financial buffer on hand for years of low milk price. Fonterra's fixed milk price tool is used to help hedge income levels.
- 3.2 In addition, while milk prices have been rising, so too have farm operating expenses particularly in the areas of fuel, fertiliser and feed, although some of the key farm expenses such as fertiliser have eased this year.
- 3.3 A dividend of \$0.55/kg MS was paid out on Fonterra shares for the 2023/24 season. Kokako Pi Karere own 520,245 Fonterra shares for which \$274,563 was received after dividend withholding tax (DWT).
- 3.4 The Fonterra share value as at 18 November 2024 was \$4.70/share compared to \$2.09/share the previous year and represents an increase in asset value and equity for Kokako of \$1.36 million. The increase in share value over the last 12 months reflects the strong dividend returns and the likelihood of further capital returns following an expected sale of Fonterra's consumer-brands business.
- 3.5 Based on the Kokako Pi Karere LP 2024 (FY24) accounts, operating profit (EBITR) for the farm trading accounts, including the dairy units, drystock and Ngatira lease totals \$1,212,049. Inclusion of the Tuarima (hemp) unit brings the combined operating profit to \$1,230,232 (Table 3). This compares to \$630,124 in 2022/23 (FY23).

**Table 3:** Operating profit for each farm trading account (before company overheads) 2023/24

	Operating profit (\$)	Effective area (ha)	Operating profit/ha (\$)
Tuatahi	556,640	148	3,761
Tuarua	507,612	166	3,058
Tuatoru	219,423	86	2,551
Tuawha	-48,338	176	-274
Ngatira	-23,162	110	-211
Tuarima	18,057	-	-
<b>Combined</b>	<b>1,230,232</b>		

- 3.6 After deducting administration, land rates, rental to Kokako Trust, director fees, interest and depreciation, the combined net profit for the 2023/24 season totals \$461,283.
- 3.7 All of the dairy farms generated strong operating profits this season. This reflects increased milk revenue, strong dividend returns from Fonterra, increase in the valuation of livestock and a one-off adjustment to the valuation of feed on hand.
- 3.8 Tuatahi was the most profitable trading account generating \$3,761/ha of operating profit, while Tuarua and Tuatoru also provided strong returns of \$3,058/ha and \$2,551/ha, respectively. The small scale and challenging contour of Tuatoru means operating profit is typically always lower on this farm.

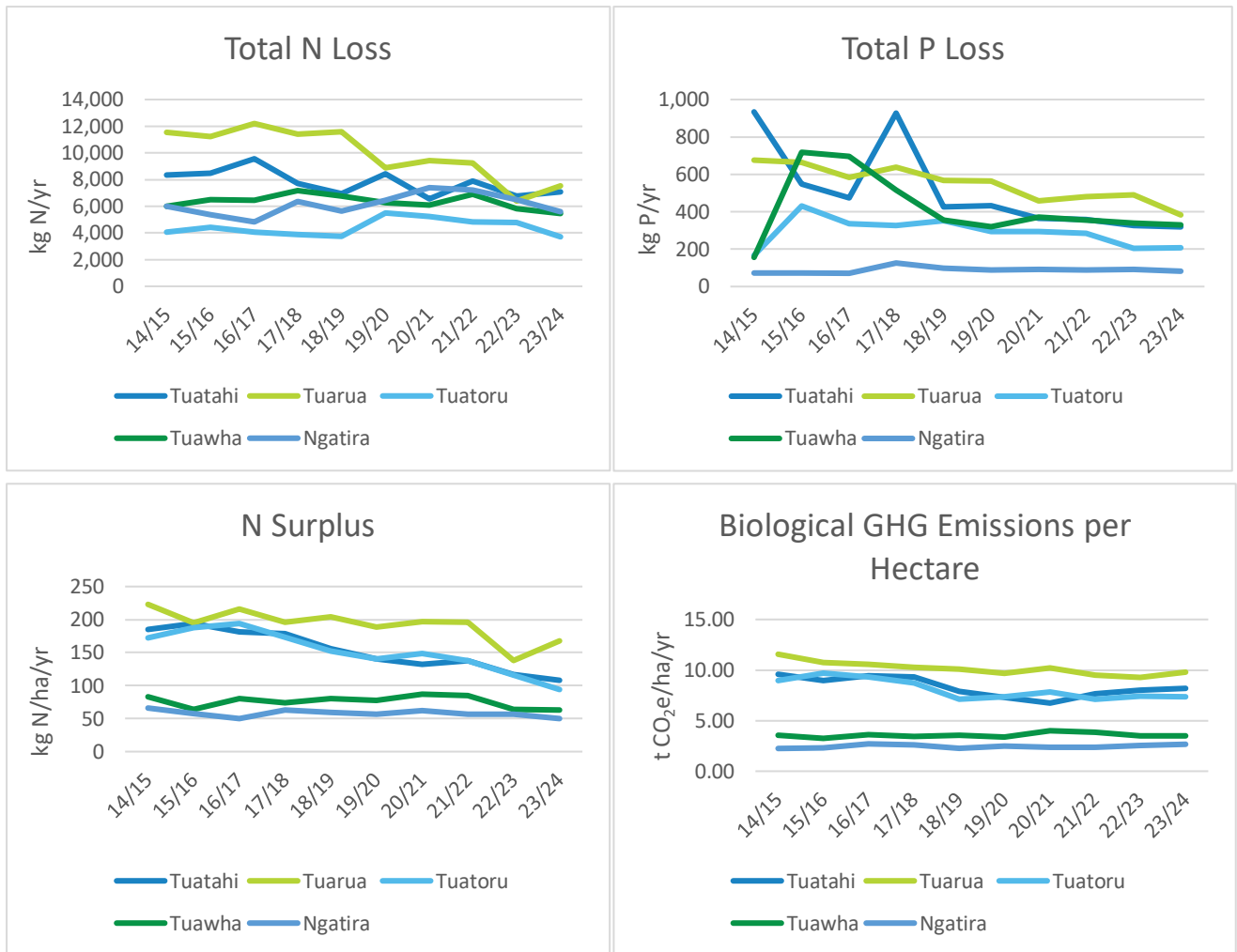
- 3.9 Tuawha incurred an operating deficit of \$-274/ha. This is a reduction on the previous season (\$-516/ha). Despite improved income from grazing, a reduction in the valuation of sheep combined with the fixed costs (labour, animal health, shearing) of running the sheep operation, low lamb schedule and the small scale means the farm was unable to turn a profit. While a deficit was generated, the drystock property does still add value to the dairy farms through the provision of the “in-house” grazing.
- 3.10 The Ngatira lease operation also generated an operating deficit of \$-211/ha compared to the previous year in which it broke-even. This is due to the completion of fencing and race R&M in the 23/24 season, as well as the inclusion of a grazing discount to reflect the stock owner providing the labour on the property. Again, Ngatira adds considerable value to the dairy farms as a support block through the provision of feed and grazing, 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 Several key items of legislation impacting agriculture have recently been put on pause while further reviews are undertaken. This includes regulations for farmers to account for and pay for their greenhouse gas emissions and to develop freshwater farm plans.
- 4.2 Regardless of these pauses, market demands for sustainable products still remain and processors such as Fonterra put in place their own requirements to ensure these demands can be met.
- 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 to meet these processor requirements, achieve incentives and address future challenges.
- 4.4 As part of this, we monitor the environmental performance of each of the farms annually and use modelling to estimate losses of nitrogen (N) and phosphorus (P), as well as biological greenhouse gas (methane and nitrous oxide) emissions (Figure 4). 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 the completion of mānuka planting on a significant area (8 ha) of steep hill slopes on Tuarua. Kokako also applied for funding from Waikato Regional Council and Waikato Rivier Authority to plant up several areas of riparian zones along the Ngutuwera Stream on Tuatoru with natives (Figure 6). We have just learnt that this application has been successful securing \$34,000 of funding to contribute to the project which will commence in 2025. This is part of a longer-term vision to restore wetland and riparian areas on the farms.



**Figure 4:** Trend in environmental metrics for each of the Kokako farm units as modelled in OverseerFM v6.5.8.



**Figure 5:** Mātuka planting of hill slopes on Tuarua.



**Figure 6:** Section of riparian area on Tuatoru adjoining roadside marked for restoration.



# Kokako Trust

## Annual Forestry Report

### December 2024

#### Forest Overview

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

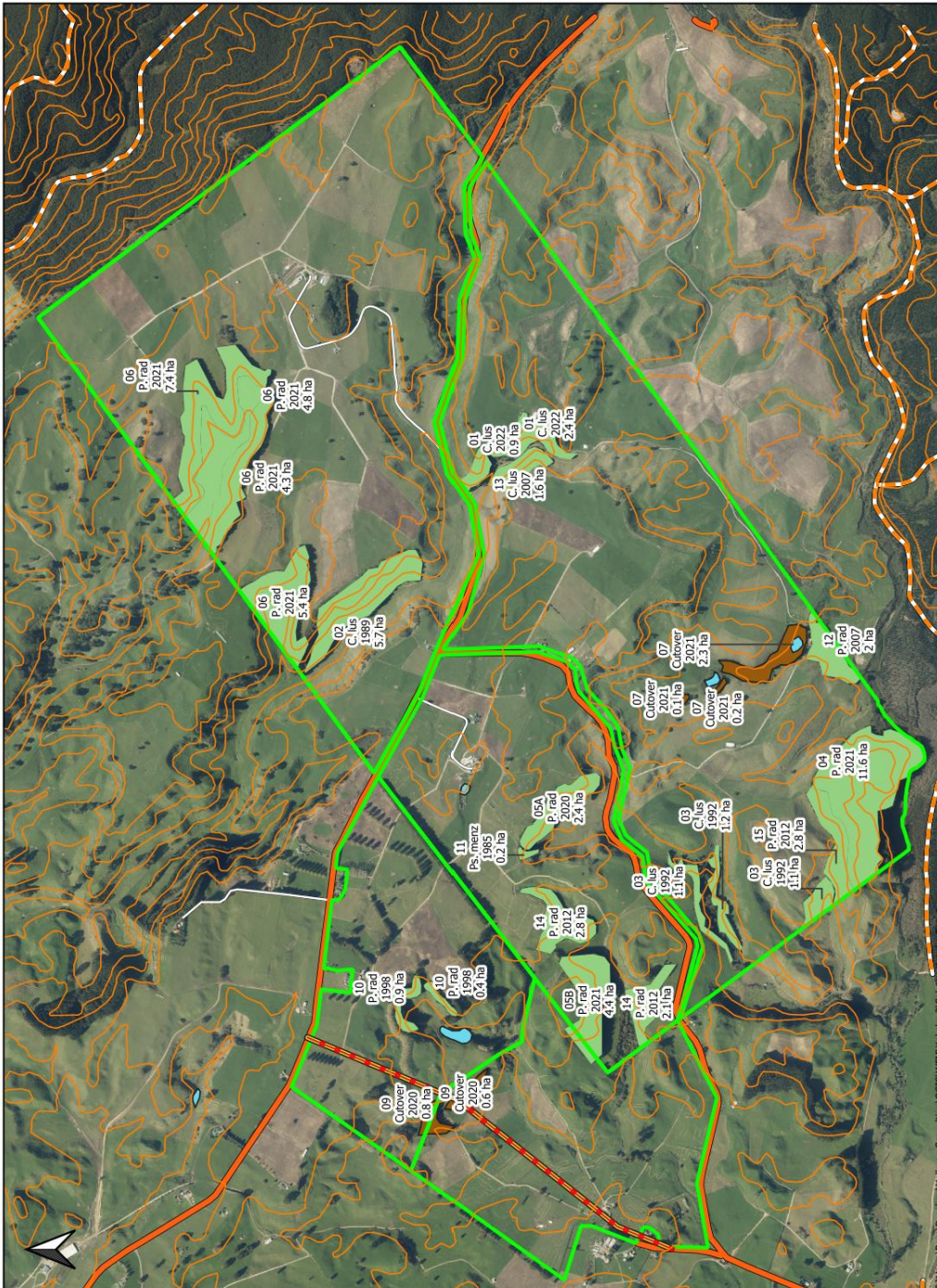
Species	Year Established	Area (ha)
P.rad	1998	1.3
P.rad	2007	2.0
P.rad	2012	7.7
P.rad	2021	40.3
P.rad	2022	3.3
C.lus	1989	5.7
C.lus	1992	3.4
C.lus	2007	1.6
<b>Total</b>		<b>65.3</b>

#### Forest Health

Other than some dothistroma infection the forest is in good health. The new plantings over the past 3-4 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, Waipa Forest Management accepts no responsibility or liability for any error in the mapping.

## **Operations**

### Dothistroma

A survey for dothistroma was carried out and found that most areas of Radiata have a level of infection that requires treatment.

Dothistroma is a fungi that kills pine needles, affecting tree growth and wood quality. The fungi is spread through water droplets. The recent 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.

The areas at Kokako were mapped, and the information was sent to the Dothistroma Control Committee for spraying. The areas are due for spraying in the coming weeks.



Above: example of dothistroma infection (note the brown needles)

### MPI Native Planting

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 trees were planted in August 2024 with help from a local Kura along with some of Gloria's family. It was a wet but very successful and enjoyable day.



Above: Spring planting area



Above: The tree planting mahi in action

### Upcoming Operations

- Monitoring will continue for Dothistroma.
- Harvesting planning for 1989 planted Lusitanica
  - To ensure we are ready to harvest when market conditions are suitable
- Crop check of 2021 planted areas to assess timing for potential pruning

Ngā mihi

Todd Cheesman, Director

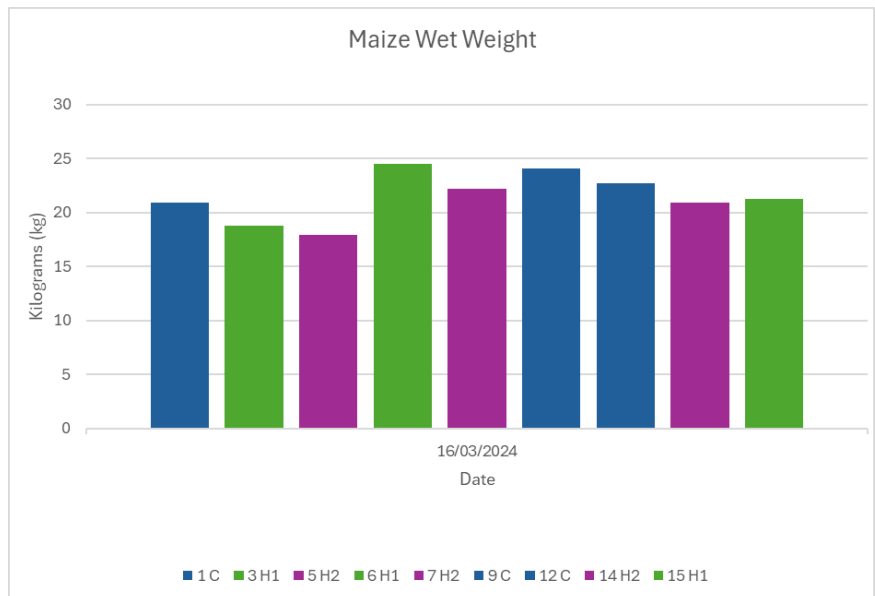
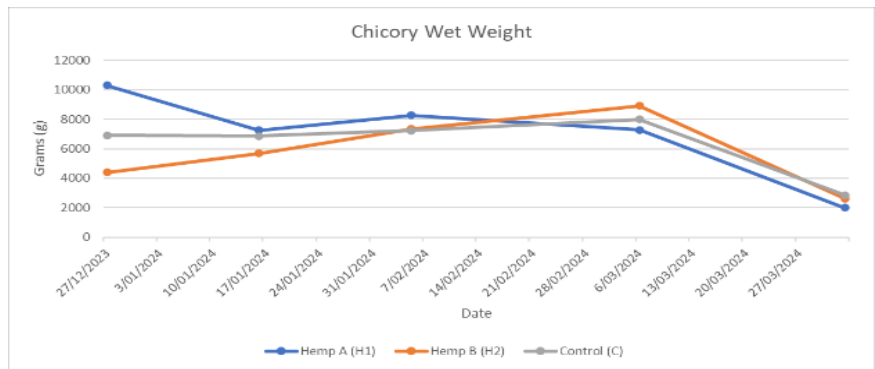
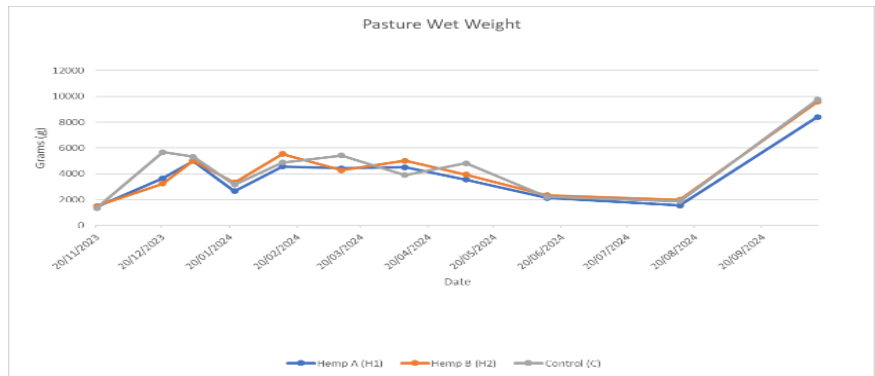
Waipa Forest Management Ltd

Kai ngā iwi, kai ngā hoa kai ngā karanga maha tēnā koutou,

Trials were funded by the Ministry of Primary Industry (MPI) to assess the potential of hemp as a liquid fertiliser. The findings of these trials will be shared by the Manager of Tuarima Ceyline Te Whare.

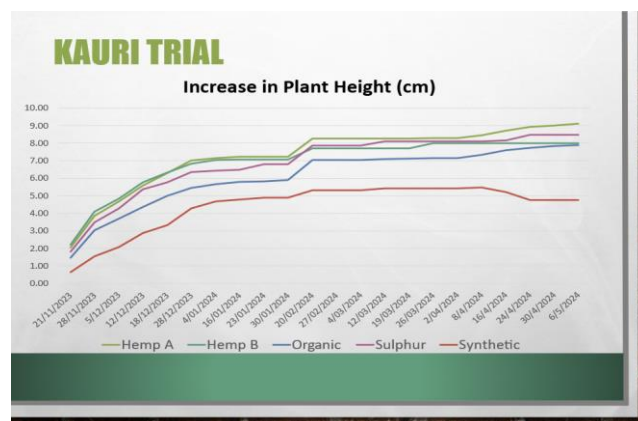
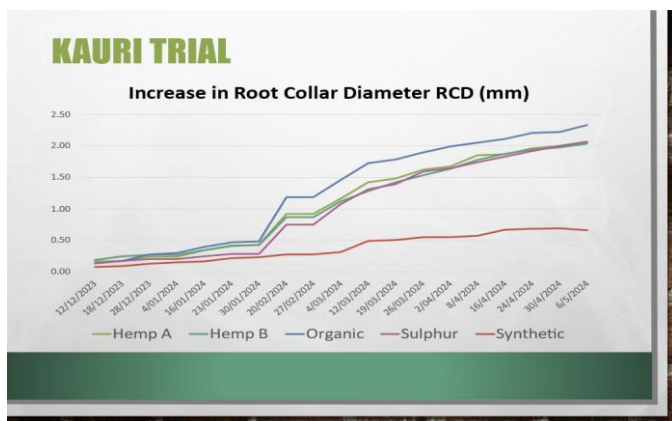
The first part of the report summarizes the key points and findings of the trials, highlighting the methodologies and the results from the **Mixed Pasture, Chicory and Maize**. The aim was to quantify the biomass produced per square metre at various times throughout the year by measuring the wet weight of the pasture chicory and maize samples.

The findings indicated no significant difference in biomass production between the present Control used (synthetic fertilizer) and the hemp-based treatments. The trials showed that the synthetic and hemp-based fertilizers effectively support plant growth and biomass production. *‘This research highlights the potential of hemp-based fertilizer as an alternative to synthetic fertilizers.’* To fully quantify this statement a robust trial with more data collection points would need to be done.



The Kauri Trial: Involved 80 trees, 5 treatment groups, 16 plants per group.

Five different fertiliser treatments were used to evaluate the effects of growth to young Kauri saplings.



We found that the performance of the hemp is significantly better than synthetic alternatives. There showed very little difference in effectiveness between the hemp and organic with each outperforming synthetic options. In conclusion, there is potential for the hemp treatment to accelerate the growth of native plants in nurseries.

Three months into the trial it became apparent that the **CONCENTRATION LEVEL OF THE HEMP** to be used in the liquid fertilizer solutions needs to be **Known**. Further funding was provided by MPI for a six-week trial to be established that focuses on the minimum effective concentration of the hemp fertiliser to achieve the same yield results as synthetic fertiliser. The results for this trial will be known at the end of this month.

Scion scientists see great potential with the Hemp Fertiliser. Recognising its qualities as a Biostimulant to promote growing of natives. Therefore a further application for funding has been placed with Forest Growers Researchers to assess the potential of the hemp fertiliser to speed up the growth of Totara and Puriri. The directors will know whether we have been allocated funding on the 31 December 2024.

Nō reira e te whānau ‘Ahakoa he iti te whenua a Tuarima ko ngā kaupapa nui mō te Ao mō ngā whenua Māori. ‘

Ngā mihi,

Riria McDonald (Director/Trustee)

& Ceyline Te Whare (Manager of Tuarima)



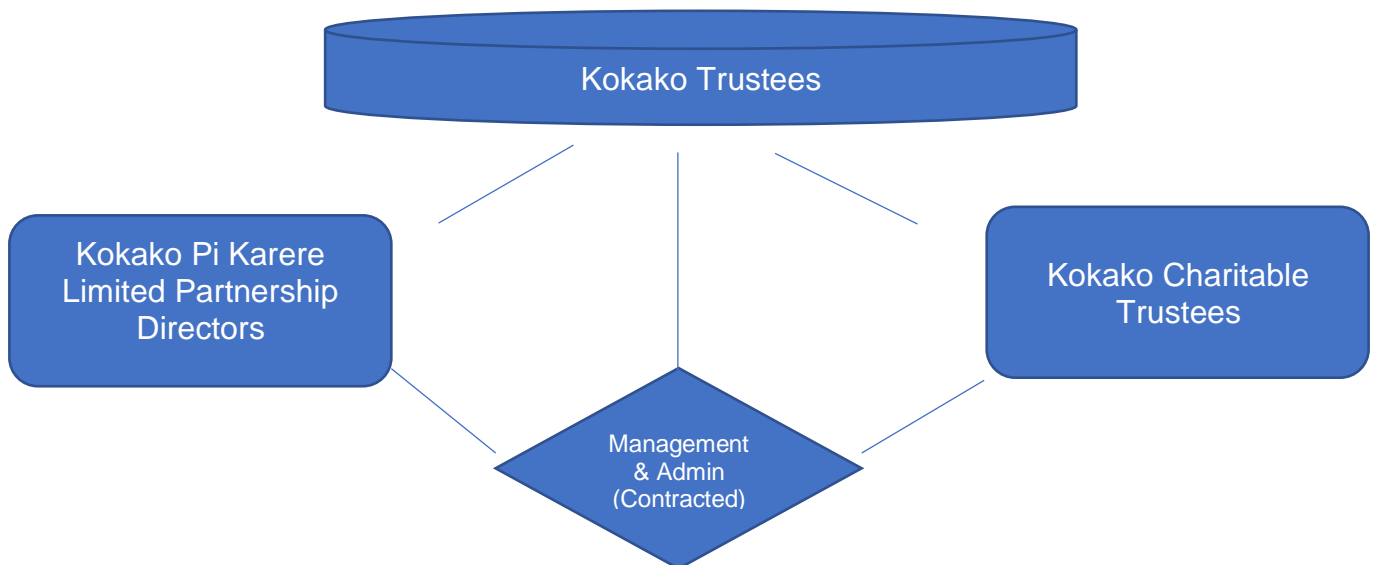


# KOKAKO TRUST

## 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>	<p>Ahu Whenua Trust under s215 of Te Ture Whenua Act 1993</p> <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>	<p>Limited Partnership under Limited Partnerships Act 2008. General (silent) Partner is Kokako Te Manu Taiko Limited</p> <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>	<p>Registered Charity under Charities Act 2005</p> <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 2024. Below is a summary of the financial results for the year. Full detailed financial statements are available on request.

**Kokako Trust Financial Results:**

INCOME AND EXPENDITURE	2023	2024
<b>INCOME</b>		
Lease Income (from Kokako Pi Karere LP)	280,000	280,000
Farm Income (from Kokako Pi Karere LP)	19,006	474,257
NZU's sold	173,601	
Interest Received		2,128
	<b>\$472,607</b>	<b>\$756,385</b>
<b>LESS EXPENSES</b>		
Accounting	15,365	17,963
AGM costs	855	5,512
Depreciation	1,941	1,375
Entertainment	3,613	
Forestry	8,500	10,288
General Expenses	1,262	671
Insurance	6,000	6,299
Interest	891	3,446
Owner Services	22,235	24,746
Printing Stationery and Advertising	6,708	2,006
Secretarial and advisory	12,188	9,136
Subscriptions	2,082	2,105
Trustee Fees	12,150	8,206
Valuation Fees	7,482	2,705
Website Fees	225	2,801
	<b>\$100,606</b>	<b>\$97,259</b>
<b>NET SURPLUS</b>	<b>\$372,001</b>	<b>\$659,126</b>
<b>LESS</b>		
Deductible Donations to the Charitable Trust	22,000	10,000
Taxation	136,598	102,976
	<b>\$93,874</b>	<b>\$112,976</b>
<b>NET SURPLUS (DEFICIT) AFTER DEDUCTIONS</b>	<b>\$213,403</b>	<b>\$546,150</b>

The Trust land is leased to Kokako Pi Karere Limited Partnership as the farm operations entity. The buildings, equipment, stock and farm related shares are all held in the LP.

There were no transactions with NZ Carbon Credits during the year.

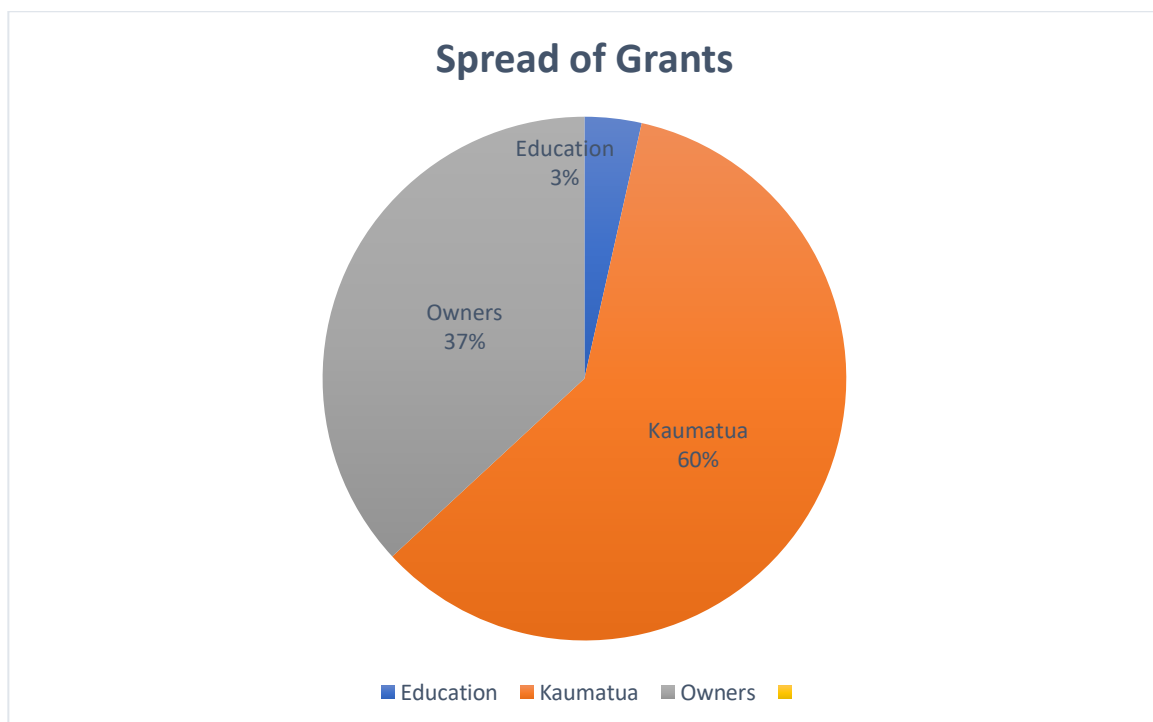
Donations to the Charitable Trust are fully deductible saving 17.5% on the amount paid (Total tax saved to date \$61,075).

ASSETS AND LIABILITIES	2023	2024
Bank deposits	114,997	44,990
Current Assets (Receivables)	26,833	26,833
NZ U's (Carbon Credits)	209,514	215,784
Trees	161,200	171,045
Advance to Kokako Pi Karere LP	8,492,011	8,412,421
Land & Improvements	17,148,614	17,148,262
<b>TOTAL ASSETS</b>	<b>\$26,153,169</b>	<b>\$26,019,335</b>
<b>LESS LIABILITIES</b>		
Trade Creditors	71,395	48,892
Unclaimed Dividends	153,626	153,278
	<b>\$225,021</b>	<b>\$202,170</b>
<b>NET ASSETS</b>	<b>\$25,928,148</b>	<b>\$25,817,165</b>

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

Grants paid totaled \$137,293 made up of:

- Owners Grants \$52,483
- Kaumatua Grants \$84,810
- Education Grants \$5,000



## **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>2023</b>	<b>2024</b>
<b>INCOME</b>		
Milk Revenue	3,832,159	3,891,645
Maize Revenue	318,302	378,690
Grazing Income	280,787	392,560
Dividends Received	119,548	295,013
MBIE Funding		133,829
Grass Silage Income	87,239	66,400
Dairy Cattle Sales	77,018	92,009
Sheep Sales	51,991	47,629
Livestock Movements	(46,747)	21,173
Sundry Income	14,012	17,312
Rebates Received	11,648	
Depreciation Recovered	5,306	
Interest Received		3,900
Wool Proceeds	3,564	4,178
<b>TOTAL INCOME</b>	<b>\$4,754,827</b>	<b>\$5,344,338</b>
<b>LESS EXPENSES</b>		
Farm Working Expenses	3,659,864	3,626,943
Standing Charges (rates and insurance)	109,996	124,159
Administration (see below)	395,879	312,295
Lease rental (to Kokako Trust)	280,000	280,000
Directors Fees and travel	48,807	95,364
Depreciation	137,153	281,534
Bank Interest	104,122	149,786
<b>TOTAL EXPENDITURE</b>	<b>\$4,735,821</b>	<b>\$4,870,081</b>
<b>NET SURPLUS</b>	<b>\$19,006</b>	<b>\$474,257</b>

Depreciation is a non cash item and an increased tax deduction is claimed due to the depreciation claimed on the effluent upgrade. If Depreciation is added back the net surplus would be \$755,791 and if the lease rent is added back the underlying farm cash surplus is \$1,035,791.

Although bank debt is reducing the interest cost increased due to higher interest rates in 2023/24.

The Limited Partnership Net Surplus of \$474,257 is transferred across to Kokako Trust profit statement.

### **Administration Costs:**

Analysis of administration costs for last 2 years:

	<b>2023</b>	<b>2024</b>
ACC	8,772	6,823
Accounting	23,049	30,736
Bank Charges	1,942	1,913
Electricity	29,560	18,274
General Expenses	6,603	517
Lease rental - Ngatira	54,499	59,795
MBIE project costs	5,229	(5,229)
Secretarial and advisory costs	14,789	4,843
Subscriptions	6,869	7,247
Supervision	5,928	3,270
Telephone & Tolls	2,104	1,991
Valuation Fees	1,500	
Wages (Farm Workers)	235,032	182,116
<b>TOTAL</b>	<b>\$395,876</b>	<b>\$312,296</b>

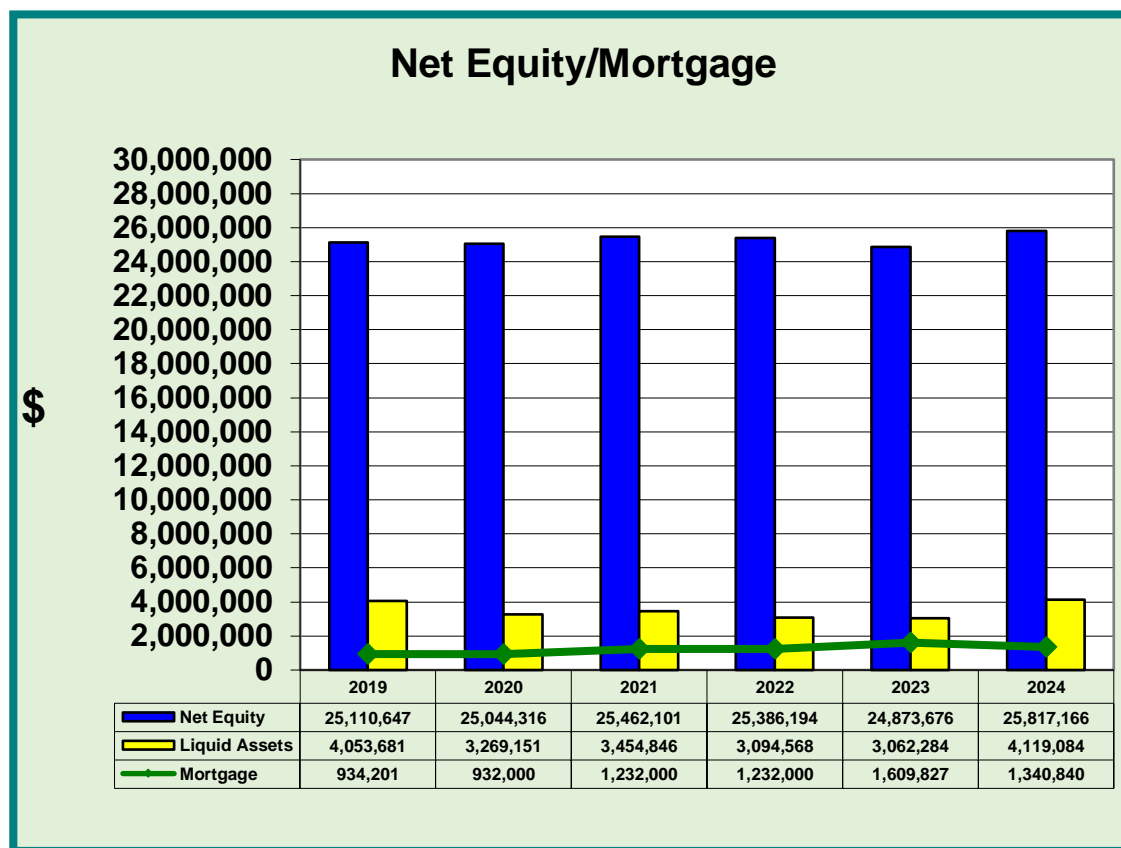
### **Assets and Liabilities:**

<b>ASSETS AND LIABILITIES:</b>	<b>2023</b>	<b>2024</b>
Bank deposits		283,879
Trade Receivables and prepayments	714,972	461,230
Silage	31,318	292,660
Livestock	1,320,370	1,344,645
Shares	1,429,811	1,687,258
Buildings, plant and equipment	5,467,295	5,971,160
Work in progress (capex underway)	728,727	0
	<b>\$9,692,493</b>	<b>\$10,040,832</b>
<b>LESS LIABILITIES:</b>		
Bank Overdraft	160,589	
Trade Creditors	243,549	112,234
Employee Benefits	30,048	54,139
Bank Loan	1,598,704	1,340,840
Finance Company Loan (for Tractors)	222,065	121,198
Kokako Trust Loan	8,492,011	8,456,137
	<b>\$10,746,966</b>	<b>\$10,084,548</b>
<b>NET EQUITY</b>	<b>(\$1,054,472)</b>	<b>(\$43,716)</b>

Bank Fixed interest rates ranged between 8.6 – 8.95%. currently all loans are on floating rates which have dropped to 7.25%

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

Bank debt of \$257,864 was paid off during the year and a further \$200,000 has been paid off since balance date. The current balance is \$1,122,052. A redraw facility of \$400,000 is available if required.



Overall Net equity increased by \$943,490 (3.8%) in the year ended 30<sup>th</sup> June 2024. The loan balance of \$1.3m is well covered by liquid assets (including cash, livestock, silage, shares and NZ Carbon Credits) worth over \$4m which means there is no risk to the land.

## **Kokako Manaaki Charitable Trust**

Kokako Manaaki Charitable Trust is a registered charity.

INCOME AND EXPENDITURE	2023	2024
<b>INCOME</b>		
Grants Received	22,000	10,000
Investment Income	21,571	34,174
	<b>\$43,571</b>	<b>44,174</b>
<b>LESS EXPENDITURE:</b>		
Accounting	5,170	2,300
Advertising	179	210
Portfolio Management	558	958
Secretarial	2,318	3,445
Subscriptions	730	340
	<b>\$8,955</b>	<b>\$7,253</b>
<b>SURPLUS FOR THE YEAR</b>	<b>\$34,616</b>	<b>\$36,921</b>
<b>LESS EDUCATION GRANTS</b>	<b>\$13,500</b>	<b>\$5,000</b>
<b>NET SURPLUS AFTER GRANTS</b>	<b>\$21,116</b>	<b>\$31,921</b>

ASSETS:	2023	2024
Cash at Bank	1,127	132
Craigs Investment Portfolio	320,974	354,182
	<b>\$322,101</b>	<b>\$354,314</b>

The Charitable Trust does not have any liabilities.

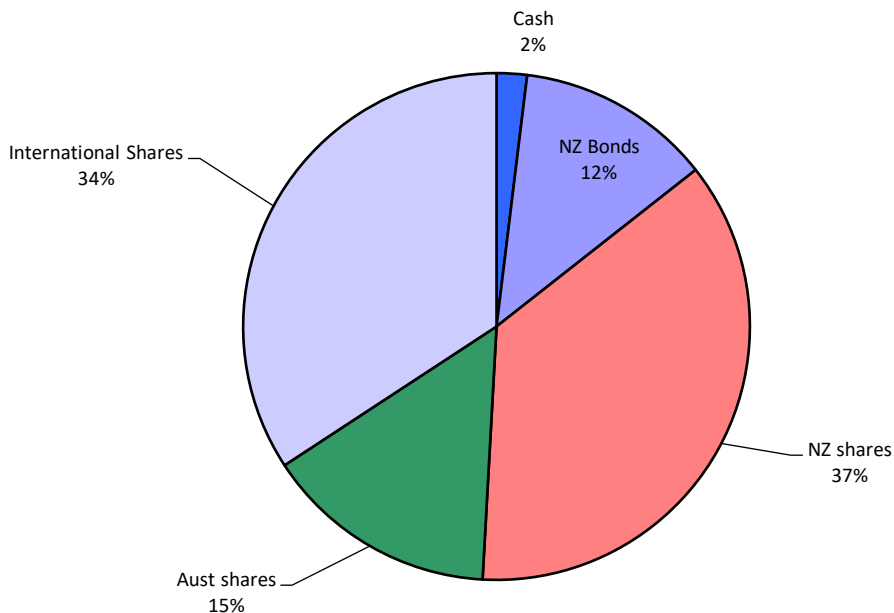
The Investment return for the year ended 30 June 2024 was 11.25%. and since inception to date is 10.09%.

The current value of the Portfolio is \$403,000 which means the portfolio has grown 13.7% in just 5 months.

Most of that growth has come from global tech stocks.

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

## 2024 Education Grants

10 grants of \$500 each amounting to \$5,000 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 Airini Hepi who received \$500 from Massey University under our tripartite agreement. In total our students received \$7,500 in grants.

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

The online form for 2025 will be available early February at [www.kokakotruster.co.nz](http://www.kokakotruster.co.nz) or through the Maori Education Trust [www.maorieducation.org.nz](http://www.maorieducation.org.nz). Applications will close on Wednesday 30<sup>th</sup> April 2025.

First Name	Surname	Institute	Course
Aorere	Waaka	Otakou Whakaihu Waka - University of Otago	Bachelor of Science
Ted	Batters	Waipapa Taumata Rau - University of Auckland	Bachelor of Arts / Bachelor of Laws (conjoint)
Rachel	Fraser	Toi Ohomai Institute of Technology	Bachelor of Social work
Awanuiarangi	Gardiner	Te Pūkenga	Certificate in Electrical Pre-Trade
Airini	Hepi	Te Kunenga ki Purehuroa - Massey University	Bachelor of Social Work
Kimai	Hireme	Te Aho a Maui - Eastern Institute of Technology	Bachelor of Maori Visual Arts
Josephine	Tahapehi	Media Design School - Auckland	Bachelor of Media Design
Te Popoki	Tait-Olsen	Te Whare Wananga o Awanuiarangi	Bachelor of Education
Kai Xiong	Tan	Waipapa Taumata Rau - University of Auckland	Bachelor of Specialization in Law. International Business, Management
Sara	Hona	Te Whare Wananga o Waikato - University of Waikato	Bachelor of Law



## **EDUCATION GRANTS POLICY 2025**

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.





## **2024 OWNERS GRANT POLICY**

An Owners grant in lieu of a dividend was approved for the AGM on 7 December 2024. This grant is payable to the Owners registered at 7 December 2024 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 2024 Owners Grant is as follows:-

1. For identification purposes the grant will be called the “2024 Owners Grant”.
2. The sum of \$70,000 has been set aside for 2024 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 606 owners

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### KAUMATUA GRANT

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Policy is \$300 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. Unregistered owners who would have been eligible for a grant on the payment date if they had provided a bank account may apply for the grant up until the next

Registration forms are available to download from the Kokako Trust website.