

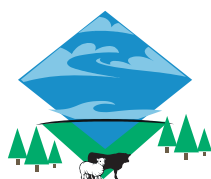
Pārengarenga Incorporation



Annual Report 2024 Pūrongo 2024



Fire fighting training ahead of the summer season



Pārengarenga Incorporation

Annual Report • 2024

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Our Vision / Our Values - Overview

Te Moemoea / Nga Mana

Our Vision

Te Wawata

Growing our people and communities, shaping the Te Hiku future through a world-class, sustainable enterprise of the land and sea

Our Mission

Te Aronga

By 2030, generate \$1m in community value every year through jobs and shareholder returns by serving our wellbeing to the world

Our Five-Year Plan and Goals

Te Take me Ngā Whāinga

Develop a diversified and sustainable portfolio of commercial investments that leverages our land assets to deliver \$12m annual revenue by 2026 (see outline, page 40).

Ngā Whāinga

Sustainable annual revenue streams, shareholder return, community prosperity and growth in asset value

Our Shared Values

Ngā Tikanga

WHAKAPONO ME TE TIKA

Integrity, Honesty, Trust

We believe in an open, respectful, and honest approach to achieve trust in all that we do

KAITIAKITANGA ME TE WAIRUA

Guardianship Spirituality

We protect our whenua and wai, and value our cultural inheritance

MANAAKITANGA

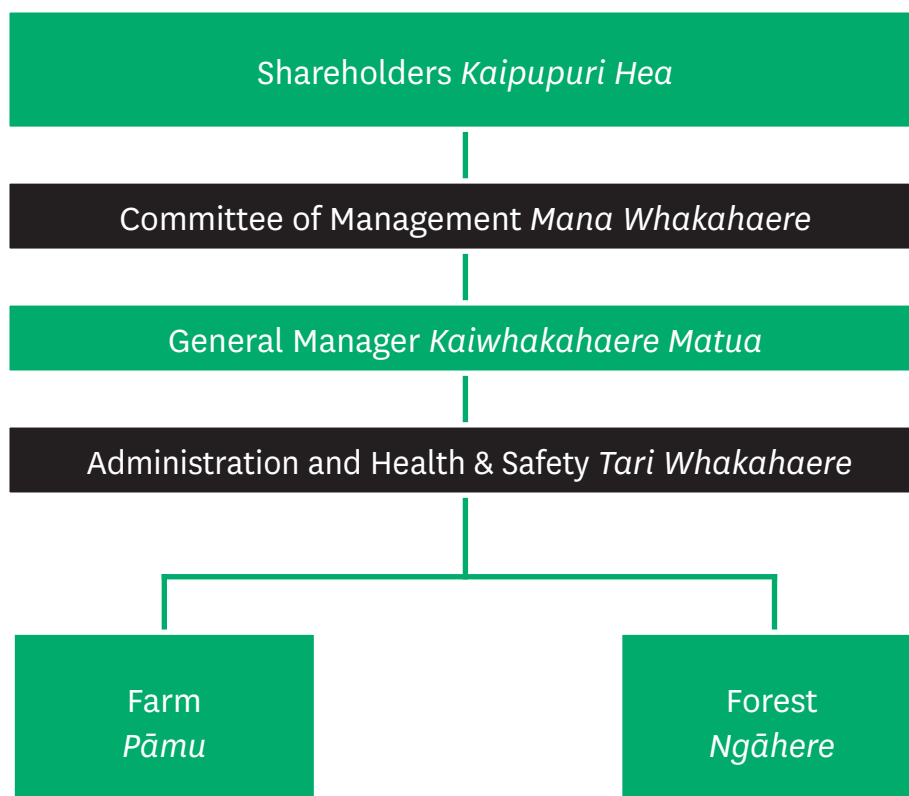
Respect, Generosity & Care for others

We respect and care for everyone in our work and workplaces

RANGATIRATANGA

Leadership, Team Work, Growth

We work with our leaders to build a strong team to produce business growth within our community





Agenda

Rārangi Take

9.00am	<ul style="list-style-type: none">• KARAKIA AND MIHI• APOLOGIES Ngā Tono Aroha• OBITUARIES Ngā Maumahara
9.45am	<ul style="list-style-type: none">• MANAGEMENT COMMITTEE ELECTION Pōtitanga Komiti Whakahaere
10.30am	<ul style="list-style-type: none">• CONFIRMATION OF ANNUAL GENERAL MEETING MINUTES 2023 Ngā Minitī 2023 kia Whakatūturutia
11.15am	<ul style="list-style-type: none">• CHAIRMAN'S REPORT Te Rīpota o te Heamana
12.00pm	<ul style="list-style-type: none">• ANNUAL FINANCIAL ACCOUNTS Ripoata Pūtea mo te Tau• APPOINT AUDITOR AND SHARE VALUER APPOINTMENT Whakaritenga Kaitaatari Pūtea me te Kaiwariu Hea• GENERAL BUSINESS Umanga Whānui
1.15pm	<ul style="list-style-type: none">• CLOSE OF AGM Mutunga
1.30pm	<ul style="list-style-type: none">• LUNCH Tina

Full printed copies of the Annual Accounts are available [to shareholders](#) upon request from our office.



Notice of Motions

Ngā Mōtini Panui

Apologies

1. **THAT** the Apologies for the combined 2024 Parengarenga A Incorporation and Parengarenga B3C Trust AGM be accepted.

Minutes (Confirmation of previous Special General Meeting Minutes and Annual General Meeting Minutes)

2. **THAT** the circulated Minutes of the previous combined Parengarenga A Incorporation and Parengarenga B3C Trust AGM held on 25 November 2023 be confirmed as a true and accurate record.

Reports

3. **THAT** the Annual Chairman's Report 2024 be adopted.

4. **THAT** the combined 2024 Parengarenga A Incorporation and Parengarenga B3C Trust audited consolidated annual accounts for the year ending 30 June 2024 be adopted.

Appointment of Auditor and Share Valuer

5. **THAT** Silks Audit of Whanganui be appointed as auditors for Parengarenga A Incorporation and Parengarenga B3C Trust for the 2024/2025 financial year and

6. **THAT** BDO Northland of Kerikeri be appointed as Share Valuers for Parengarenga A Incorporation and Parengarenga B3C Trust for the 2024/2025 financial year.

Setting of the next Annual General Meeting date

7. **THAT** the date be set down for Friday 29 November 2025.



Minutes

Ngā Minitī 2023

OF THE COMBINED PARENGARENGA A INCORPORATION AND B3C TRUST
ANNUAL GENERAL MEETING HELD AT POTAHU MARAE, TE KAO 25th NOVEMBER 2023

Start:

9.00am

Opening Whakamoemiti:

Maringinoa Wood

Mihi:

Heta Conrad, Mark Nathan, Clayton Wiki

Trustees:

Chad Paraone, Clayton Wiki, Ngainanga Kapa, Pereniki Conrad, Huia Cooper, Joyce Munns, and Jack Ratu

Present:

Ana Rae Carpenter
Ann Oneroa
Annita Bruce
Arthur Subritzky
Barry Bouton
Bella Nathan
Brendon Peters-Tahitahi
Brett Pako
Bryar Crewther-Abraham
Carmel Pako
Chad Paraone
Clayton Wiki
Connie Hassan
Dave Greaves
Dot O'Carroll
Gerald White
Hemowai Minty
Heta Conrad
Huia Cooper
Ian Smith
Jack Ratu
John Paitai
Josephine Nathan
Joyce Munns
Kahi Harawira
Kaneihana Kaaka
Ken Palmer
Marama Nathan
Maringinoa Wood
Mark Nathan
Mary-Alice Olliver
Meri Wiki
Mike Wikitera
Morehu Kaaka
Morris Kiriwi
Ngainanga Kapa
Ngarui Harris (Everitt)
Nik Karena
Paapu & Parae Mete WT
Pereniki Conrad
Phyllis Kapa
Rata Matiu
Raumati O Tahere
Raymond Subritzky
Richard Job

Richard Wiki
Rihari Wiki
Rosina G Clarke
Rosie Conrad
Sandra Everitt
Susan Peters
Ted Tahere
Tutangiora Nathan
Winiata Brown

Apologies:

Aaron Wetere
Abbey Brown
Barry Carey
Bruce Greaves
Catheryn Dangen
Chelsea Brown
Chloe Cooper
Clair Smith
Connie Hassan
Dan Henderson
Douglas Warren
Erica Pearson
Edward Greaves
Fred Wiki
Freddie-Allen Wiki
Georgina Peters
Gillian Harper
Helena Rewi
Henry Tahana
Jerry (Squid) Brown
Joan Dangen
Joe Nathan
John Tahana

Julian Peters
Keita Kaaka
Kredence Brown
Luke Piripi Kaaka
Mitch Dangen
Narissa Reti
Nassah Steed
Phillipa Wiki
Phillipa Steed
Prime Cooper
Robert Kaaka
Sammara Greaves
Sari Steed
Stuart Warren
Tawhiri Wiki
Taylor-Jade Greaves
Temepara/Kuini Kaaka Whanau
Tiwha Everitt
Tom Allen
Tom Nathan
Toni-Melanie Wi
Wiremu C Kaaka

1. **THAT** the apologies of the combined 2023 Parengarenga A Incorporation and Parengarenga B3C Trust Annual General Meeting be accepted.

Moved by Heta Conrad **Seconded by** Hemowai Minty **Carried**

Obituaries:

Duncan Kapa
Garry Harris
Jimmy Norman
Karena Albert Turner
Keita Hoani (Waenga)
Lloyd Brown
Mabel Norman
Max Everitt
Netawai Tavita (Norman)
Norma Karena

Pari Etana
Rafael Sio
Rawden (Cheeky) Yates
Rithia (Rita) Carey (Subritzky)
Tipene Karena
Tui Matthews (Nathan)
Wayne Brown
Whitiora Abraham

A minute silence was observed as a mark of respect for those who had passed on



2. Motion: THAT the circulated Minutes of the combined Parengarenga A Incorporation and Parengarenga B3C Trust Annual General Meeting held on 26th November 2022 be confirmed as a true and correct record.

Moved by Winiata Brown **Seconded by** Heta Conrad **Carried**

Matters Arising:

Query regarding lease agreements – relevant info can be found in Farm Income and Expenses in Audit Report

Annual Chairman's Reports

The Chairman spoke to the 2023 report.

Key discussion points arising:

There was an acknowledgement of external factors affecting export timber prices and a recognition that there has been significant investment in our forestry business, which is investing in young kaimahi.

Query – Training and employment opportunities for local young people. Our training plan provides for this.

Query – Biochar production timeline. This is dependent on the outcomes of research, but no likely investment for at least 3 years.

Query – Unsuccessful carting contracts. A tender process was followed.

Suggestion – Agreeing with JNL to allow our shareholders/ haukainga apprenticeship opportunities.

Concern - About slash wood causing damage in flooding. Our terrain is different to Tairāwhiti, and there has been no significant concern.

Are the production crew on track with felling areas (sustainability)? This has been recently reviewed, and it has been identified that the crew is ahead of its predicted plan.

Bigger solar investments – Suggestion to talk to Marae Chairperson as they have received funding for a solar installation.

Fire risk mitigation – A Fire Plan is in place.

FSC accreditation – What is being done regarding sites of significance and wahi tapu? Environmental Impact Assessments are done before working in a new compartment. Hui are held with iwi and community members to identify sites/wahi tapu.

Acknowledgement – To Parengarenga Inc. for closing the harbour access via Parengarenga land to boats.

Culling of Wild Horses – Has always been an issue with many practices used over many years, and the outcomes have not been successful.

Culling of Canadian Geese – Pest Control with 1,200 geese eradicated in the calendar year.

3. Motion: THAT the Annual Chairman's Report 2023 be adopted.

Moved by Rihari Wiki **Seconded by** Brendon Peters **Carried**

Audited Accounts

4. Motion: THAT the combined Parengarenga A Incorporation and Parengarenga B3C Trust audited consolidated accounts for the year ending 30 June 2023 be adopted.

Moved by Heta Conrad **Seconded by** by Rosie Conrad **Carried**

Appointment of Auditor and Share Valuer

5. Motion: THAT Silks Audit of Whanganui be retained as Auditors for the Parengarenga A Incorporation for the 2023/2024 financial year.

Moved by Clayton Wiki **Seconded by** Rihari Wiki **Carried**

6. Motion: THAT BDO Northland, Chartered Accountants of Kerikeri be appointed Share Valuers for the Parengarenga A Incorporation for the 2023/2024 financial year.

Moved by Clayton Wiki **Seconded by** Rihari Wiki **Carried**

General Business

Mutton

Tangihanga - Maximum reduced from six(6) to four(4).

Shareholder - Price remains the same.

Live-Buy Shares (held by Te Tumu Paeroa, formerly known as Maori Trustee)

How will we buy back the shares? The commitment is to buy back at an agreed price. The Legislation is clear: shares will be returned and distributed to the existing Shareholder base.

Do we have a moral obligation to make these available to whanau who lost them during the original process? A discussion with shareholders will be held when the time comes.

We are waiting for the MLC to appoint a surveyor to conduct the necessary work to complete the process. MLC has consistently delayed this.

Acknowledgements

Potahi Marae Chairman for continual support and assistance throughout the year.

Aupouri Rugby Football & Sports Club Chairperson for ongoing support to the Annual Club Fishing competition fundraiser.

Shareholder Dividend

Will there be a dividend this year? No.

Te Pua Reserve

Due to the threat of CAULERPA, an invasive seaweed that has the potential to decimate "our pataka", Te Pua Reserve will be closed till further notice.

Fish farm query – Potential aquaculture-related works and conversations are happening in the background.

Setting of the Next Annual General Meeting Date and Closing

7. Motion: THAT the date be set down for Saturday 30th November 2024.

Moved by Rosie Conrad **Seconded by** Hemowai Minty **Carried**

Meeting finished: 12.05pm

Mihi: Mark Nathan



Committee of Management

Komiti Whakahaere



Chad Paraone
Chairman



Pereniki Conrad
*Deputy Chair &
Farming Chair*



Huia Cooper
Policy



Clayton Wiki
*Finance, Risk
and Audit*



Ngainanga Kapa
*Culture &
Environment*



Joyce Munns
Forestry Chair



Jack Ratu
Forestry



Barry Bouton
*General
Manager*



Chairman's Annual Report 2023-24

Ripoata Heamana

Tēnā rā koutou, e ngā kaupupurihea.

I am pleased to present this summary of Parengarenga Incorporation's performance and major activities for the last financial year, 2023-2024.

This has been another year of development and progress towards our long-term strategic objectives for Parengarenga Incorporation, in a business environment that has been very challenging for both our farm and forestry teams.

From a long-term direction perspective, we continue to position ourselves to provide sustainable returns for shareholders in the medium term and for future generations. This was reiterated in our strategic planning session in April 2023, which set us up for the 2023-24 financial year. That session was a collaborative effort that included professional advisors, stakeholders, local community members, shareholder representatives, staff, and the Committee of Management.

Financial result

Given the particularly challenging trading conditions in both the forest and farming sectors over the past year, we can report a satisfactory operating and financial performance by Parengarenga Incorporation. This should reassure all our stakeholders about the stability of our business.

In a year of falling stock prices, low log prices and higher costs (interest and inflation), the Incorporation managed a combined total revenue for the year of over \$16 million. Interest and depreciation charges had a material impact due to our recent significant investment in forestry. Interest charges (relating to purchasing Te Kao Forest - B Block - and new forestry machines) were \$884k. Depreciation was \$945k. Our Forestry operations delivered substantial positive profit results after accounting for this significant debt servicing expense.

As a result, we would have reported a pre-tax net profit of \$396k, up from \$362k last year, an operating result that we can be proud of in this difficult business environment.

However, this year the decision was made to write-off the remainder of the original fishfarm loan, between the Incorporation and the fishfarm entity. This meant a significant negative hit to our financial results this year. This one-off impairment, just shy of \$1.2 million, results in an overall combined net loss after tax for the Incorporation of \$910k.

Despite the final overall result, our operational performance has been robust, a testament to our team's dedication and expertise. We successfully commenced harvesting our main tree crop in January 2023 and incorporated the gains of our farm re-development plan over the financial year. This underscores our ability to execute our strategic plans and deliver positive results, demonstrating our commitment to progress and development.

In terms of our assets, there is usually an adjustment of our asset base every three years, based on the QV valuation of our whenua, but it hasn't been done since 2020. There was a significant adjustment in land values this time, resulting in an increase of \$28.6 million in our asset base. Overall, total assets for the Incorporation now sit at \$107 million. Net assets are \$94.9 million.

I sincerely thank all staff, management and Committee of Management members for their hard work in achieving this result in very challenging trading conditions. We'll continue to push to build on this.

Forestry

The tree crop value increased slightly, from \$37.2 million to \$37.5 million. The valuation was undertaken under the New Zealand Institute of Forestry (NZIF) forest valuation standards and in accordance with the New Zealand International Accounting Standard 41 Agriculture. The standards require a value to reflect what a willing buyer would expect to pay to a willing seller in an arms-length transaction.

Forest revenue of \$11.8 million is up \$4.5 million on last year's sales of \$7.3 million. This reflects a full year of 2nd rotation harvesting, compared to six months in the 2023/24 financial year.

The net profit from Forestry was \$767k in 2024, compared to \$780k in 2022, down \$13k.

During the course of the year, we:

- clearfell harvested 219.1 hectares (171.2 mature + 47.9 Special Block) to sell 102,202 tonnes;
- production thinned 159 hectares to sell 11,264 tonnes;
- thinned to waste a further 471.6 hectares, and
- re-planted 320.7 hectares.
- Areas lying fallow, awaiting re-plant, 126.1 hectares.

It has been a bumpy ride this year, however. Market conditions for log supply have been terrible, particularly over the second half of the financial year. Export prices remained soft due to shrinking Chinese demand and an oversupply of logs, which continued conditions created by Cyclone Gabriel. The New Zealand recession has also had a substantial negative impact on domestic demand.

We funded the purchase of \$5.5 million of new equipment to allow us to harvest our second rotation crop ourselves in January 2023. After meeting our loan repayment schedules, we can be justifiably proud of our profit of \$767k. This is on par with an excellent performance recorded last year. Interest and depreciation charges totalled \$1.8 million, which can be added to our actual net profit when calculating the operational profit of \$2.6 million for our forestry operations. Noting that many forestry contract businesses did not do so well and were forced to close their doors over the same period.

We had to revisit our forestry operational models and options during the year because of the adverse market conditions. We continued to face a "perfect storm" of negative drivers, including:

- a very depressed Chinese export market, due to their poor domestic economic performance and demographics
- a slump occasioned by an economic recession here in New Zealand
- a substantial reduction of volumes by our (previously) largest customer, particularly in higher-value woodcuts
- an overstock of house frames and trusses in the market that remain unsold.

We have successfully managed our forestry operations in these adverse conditions by being nimble and adapting quickly to altered market conditions. We have expanded our customer base, introduced new wood grades to our customers, minimised our volumes put into export, and, above all, reacted very quickly to customer needs.

We have entered into a 10-year supply agreement with Mt Pokaka



Timber Products Limited, a cornerstone of our strategy to reduce our reliance on international markets and sell most of our logs in domestic markets.

The Te Kao Forest (B Block) purchase led to a new mechanised thinning-to-waste operation in this forest. This has been a learning process because of rugged terrain, wet conditions, and a significant wattle weed infestation. Despite that, the team has done well in progressing the work programme.

Thinning options were re-evaluated, including the option to contract out production thinning, but we stayed with the previous plan to do production and waste thinning, utilising our crew and the clearfell operations of the Special Block.

In summary, forestry has seen another turbulent year, but this has had a silver lining as we had to find and progress ways to manage our forests more efficiently in the future. Forestry is making a notable favourable contribution to the Incorporation's performance. Whilst improvements are ongoing, forestry is in a better position than a year ago.

Farm

Once again, it has been another challenging trading year for our farm team, facing lower schedule prices and high inflation driving up our input costs.

We made a net farm profit of \$201k, less than the \$265k we made last year, which was also a relatively poor year. Livestock on hand was down \$439k from the previous year. Our decision to invest heavily in our farmhouses, some long overdue for extensive renovations, partly impacted net profit. That investment will continue into next year and beyond.

The livestock plan stabilises breeding cow and ewe numbers at current levels while increasing the bull-finishing component. To this end, the development plan enabled the finishing systems to be achieved. Suitable areas of the farm that matched the policy of two-hectare fenced cell systems with reticulated water were identified.

Cattle sales were down 124 head, with purchases up 198 head compared to 2023. Together with lower schedule prices, this resulted in a reduction of cash proceeds by \$248k. Stock on hand increased by 292 head, from 5040 in 2023 to 5322 head.

The number of sheep sold increased marginally, but revenue decreased by \$281k. This was due to a lower per-head price in 2023, reflecting a very poor market and low schedule prices. Purchase numbers were minimal compared to 2023, resulting in a total decrease in cash proceeds of \$90k. The natural increase was 10,319, which was a 1,093 improvement on 2023. Deaths and missing were 444 head versus 745 the previous year. There was an overall increase in stock numbers by 419 head at year-end.

We expect the development plan's results to add to our profit margins next year through productivity increases.

The Team / Human Resources

Morale has remained strong across Incorporation employees this year. The 2023 employee survey showed that the gains in staff morale and the positive shifts in attitudes and perceptions of staff compared to 2019, and reflected in the 2021 survey, have become entrenched. The results indicate that we continue to head in the right direction on leadership and workplace relations.

Our performance management approach is in place, ensuring all staff clearly understand the Incorporation's expectations of them and are mentored by their supervisors to achieve their agreed-upon individual development plan.

Health and Safety

Health and Safety remains a priority for the Incorporation and is deeply

embedded in how we operate in the forest and on the farm. The Committee of Management tracks Health and Safety reporting every month and we ended the year with a fairly good record. We had one serious incident occur last December, which led to further changes in work practice and behaviour. Thankfully, the staff member recovered and was fully back at work earlier this year.

The Incorporation conducts regular random drug and alcohol testing of our workforce, and all new employees are subject to a test before entering employment. Given the wide range of heavy machinery, equipment, and vehicles used every day across the business, this is but one part of keeping all our staff safe and protected from potential mishaps.

Takutai Moana

The Crown's recent "turnaround" on Takutai Moana, including their intent to make it harder for applicants to be successful (i.e. to overcome the recent Supreme Court Edwards ruling that made it somewhat easier) has thrown a spanner in the works. There is a Waitangi Tribunal urgent inquiry underway right now (Wai 3400) about the changes being introduced by the Coalition Government. Some parties have chosen to halt work on their applications, pending outcomes from the Tribunal. In addition, the Government has made it more difficult to access funding to support work on applications / claims. These events have combined to negate progress with our application. On the upside, we do have an agreed memorandum of understanding with Te Runanga Nui o Te Aupōuri and Maunganui Bluff Trustees to work together to progress our collective applications.

Share Register amalgamation

It is quite frustrating to report that little progress has been made by the Māori Land Court on our application. The next steps were agreed (as per the late Judge Ambler's 2016 decision and acknowledged by Judge Miharo Armstrong in 2021). We continue to chase this and will provide a verbal update at the AGM if any progress is made.

Research

We continue to progress several development/research projects reported on previously.

Biochar: We have previously received research funding to investigate biochar production. Biochar is wood converted by heat in a large "kiln" into a granular carbon product with various beneficial uses. It can be spread over pastures to prevent the leaching of soil nutrients, potentially reducing fertiliser costs. It can supplement cattle feed, with likely positive animal health impacts. There are many other potential uses of biochar, including carbon sequestration benefits.

This research was phase 1 of a project conducted in tandem with scientists from AgResearch and Scion and included developing the science behind biochar and our operation. A stage 2 application to the New Zealand Agricultural Green House Gas Research Centre has been made. It will include field trials on our farm to quantify the benefits of biochar when applied to our pastures. This research and scientific validation are essential to proving the overall business case for investing in biochar.

Water: As reported previously, Parengarenga Incorporation joined with Ngāti Kuri in successfully applying for a government loan at advantageous terms to research water availability on our respective lands, given the Aupōuri aquifer does not extend to our lands. The intent remains to identify and design possible reservoir (dam) sites that could provide irrigation for potential horticulture developments.

We obtained funding from the Ministry of Primary Industries (MPI) to drill an exploratory well on the farmlands behind Te Ahu Road and a further exploration well at Steamers Point Flats. This funding also provided for detailed soil analysis of prospective horticultural sites. Unfortunately, these wells did not find sufficient water for horticulture,



and the soil analysis showed very restricted opportunities for horticulture. This means that we are proceeding with a reservoir (dam) feasibility study instead. It will likely take another calendar year to come up with definitive results.

Partner, shareholder and local community contributions

Once again, I take this opportunity to thank the Committee of Management and our team of managers, staff, advisors, business partners, shareholders and local community members who have supported Parengarenga Incorporation throughout the year. It is your collective efforts that enable the Incorporation to build towards our future.

I would note that the Incorporation continues to support our local community in various ways. We have supplied mutton to numerous organisations for fundraising, sponsorship, hunting, and fishing competitions and made financial contributions to religious commemorations and other causes. We have also committed funding to contribute to an audio-visual technology solution for Waimirirangi Haere ki te Rā to enhance our wharenui for larger community hui and events.

The two fishing competitions held at Great Expedition Bay are regular community events, and we have been happy to approve access across our estate for those attending the events. This approval is subject to the usual requirements around protecting and minimising risk to our forest and lands.

Finally, in closing, I have made the difficult decision to not stand for re-election this year. After 24 years as a member of the Committee of Management (CoM), including the past 18 years as Chairman, my

circumstances have changed and I am no longer able to provide the time, energy and service that I believe is required of a CoM member. The recent passing of our father, Winiata Paraone, with his decades of service to the Incorporation, added to this decision.

I will not attempt to outline the many highlights (and occasional lowlights) of my time with the Incorporation and the many good people involved over the years. Suffice to say that I am grateful for the opportunity to have served you, our shareholders and local community, the lessons and learnings, and for the support I have enjoyed from so many along the way, both personally and professionally. My deep thanks to you all, particularly past and present CoM members, managers, staff, business partners, community members and our own whānau, as it is only with your support that we have been able to achieve our goals and keep building forward. As they say: Mā tini mā mano, ka rapa te whai.

The Incorporation has developed and built so much from 24 years ago, and that journey continues. I wish it well, including all those who will carry it forward and those who support it along the way.

Mauri ora ki a tātou katoa.

Chad Paraone, Chairman



Statistics

Tatauranga



5,332
Cattle



11,222
Sheep



7,102
Hectares in forest



280,000
Pine trees planted



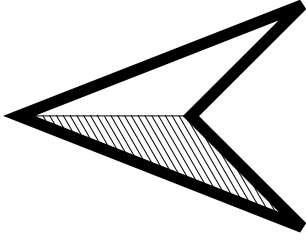
38
Staff



3,586
Shareholders



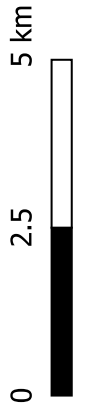
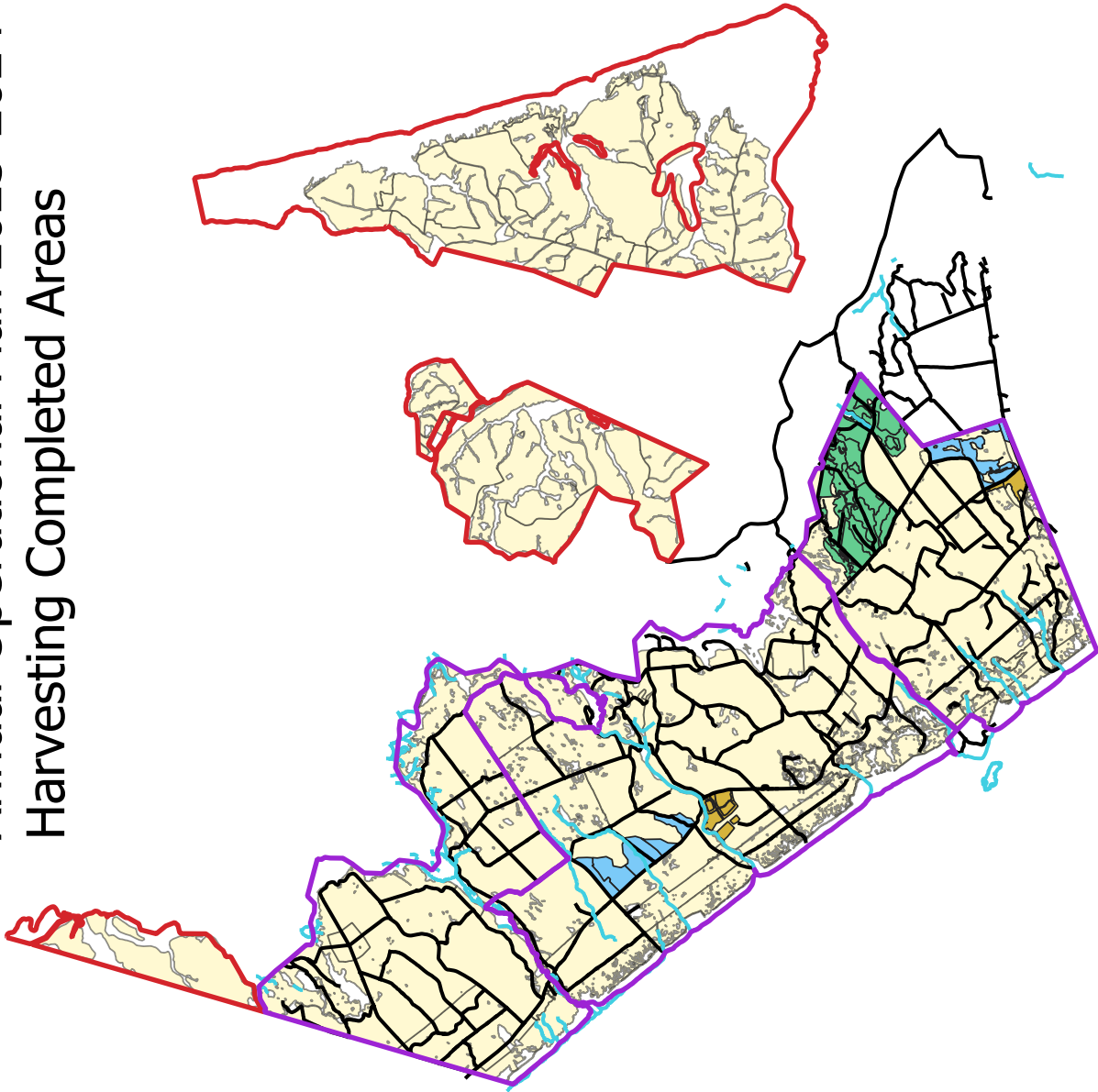
Annual Operational Plan 2023-2024 Harvesting Completed Areas



Completed areas

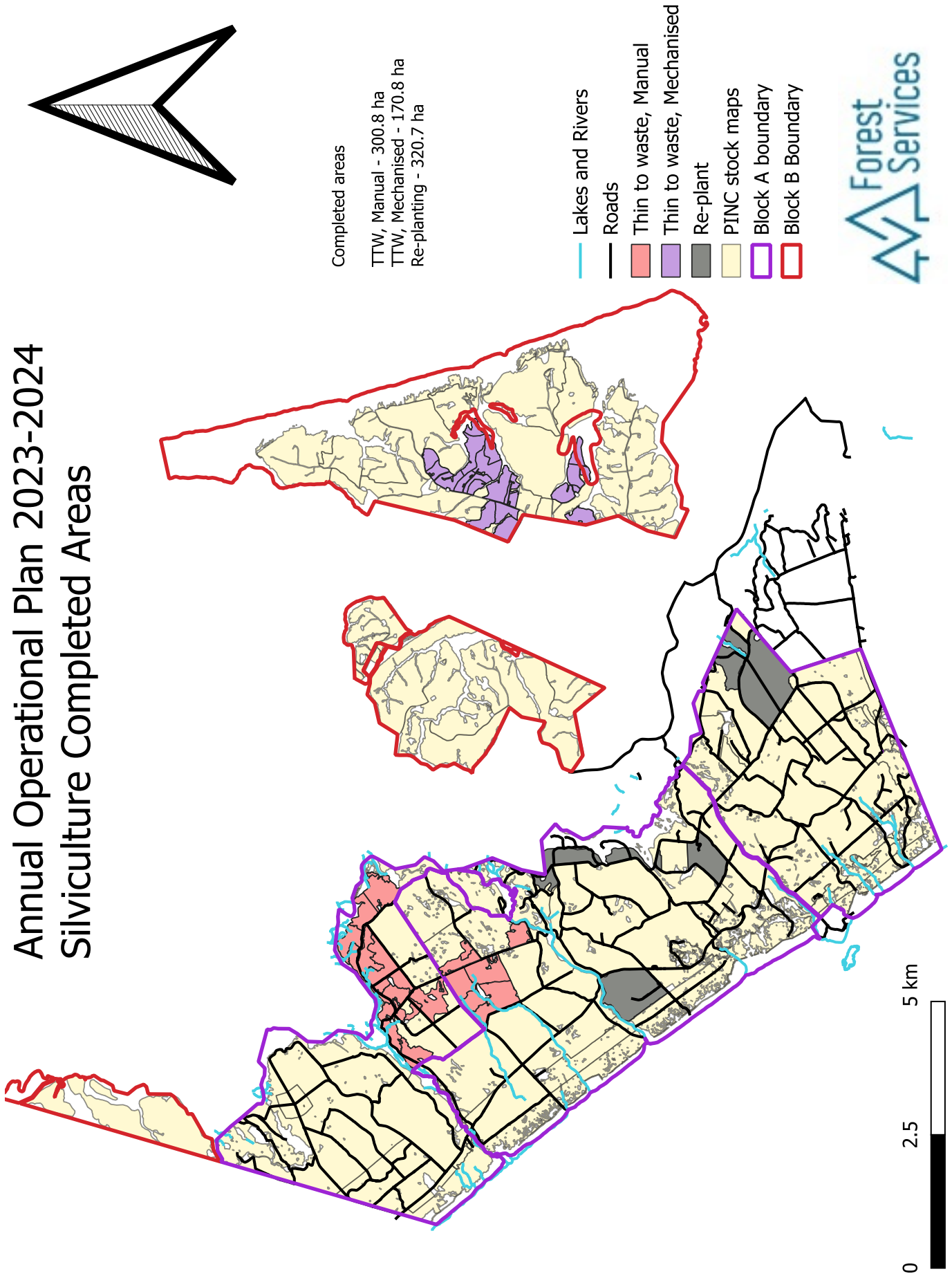
- Clearfell Mature - 172.1 ha
- Clearfell Short Rotation - 47.9 ha
- Production Thin - 113.8 ha

- Lakes and Rivers
- Roads
- Clearfell Mature
- Clearfell Short Rotation
- Production Thin
- PINC stock maps
- Block A Boundary
- Block B Boundary





Annual Operational Plan 2023-2024 Silviculture Completed Areas





Financial Summary

Whakarāpopototanga o Ngā Pūtea

Pāren-garenga Incorporation

For the year ended 30 June 2024

The following pages provide a consolidated statement of financial performance for Pāren-garenga Incorporation and its subsidiaries for the year ended 30 June 2024.

[A full copy of the audited accounts is available from the Pāren-garenga Incorporation office.](#)

Incorporation Directory

Pāren-garenga Incorporation

For the year ended 30 June 2024

Nature of Business

Farming / Leasing / Forestry

Registered Office

16 Te Rawhitiroa Road
Te Kao 0484

Committee of Management

Chad Paraone (Chair)
Huia Cooper
Ngainanga Kapa
Pereniki Conrad (Vice Chair)
Clayton Wiki
Jack Ratu
Joyce Munns

Chartered Accountant

BDO Northland Limited
Kerikeri

Bankers

BNZ Kaitaia

Solicitors

Law North Partners
Kerikeri

Independent Auditors

Silks Audit Chartered Accountants



Approval of Consolidated Financial Report

Parengarenga Incorporation For the year ended 30 June 2024

The Trustees are pleased to present the approved financial report including the historical financial statements of Parengarenga Incorporation for the year ended 30 June 2024.

Approved

For and on behalf of the Trustees:

Chad Paraone - Chairperson

Clayton Wiki - Trustee

Date: 18 October 2024



Consolidated Farm Income & Expenses

Parengarenga Incorporation For the year ended 30 June 2024

	2024	2023
Farm Working Account		
Beef Cattle, Sheep & Wool Gross Profit	3,721,658	3,874,270
Sundry Farm Income	267,408	278,358
Total Farm Working Account	3,989,066	4,152,628
Gross profit	3,989,066	4,152,628
Direct expenses		
Farm Working Expenses	1,187,782	1,236,115
Repairs & Maintenance	452,582	528,259
Vehicle Expenses	289,771	244,345
Staff Expenses	1,207,214	1,308,016
Administration Expenses	93,766	78,215
Standing Charges	299,270	240,726
Finance Expenses	40,411	32,802
Non Cash Expenses	216,888	219,005
Total Direct expenses	3,787,684	3,887,483
Net profit (loss) from trading before taxation	201,382	265,145

This statement should be read with the Auditor's Report and the Notes to the Financial Statements.





Consolidated Land, Lease, Forestry & Fishfarm

Parengarenga Incorporation For the year ended 30 June 2024

	NOTES	2024	2023
Trading income			
Funding Income		118,581	191,088
Interest Received - IRD UOMI		-	809
Forestry Income		11,823,684	7,303,120
Apiculture - Hives & Honey Revenue		-	13,043
Interest Received		12,269	9,655
Rent Received		26,000	27,537
Royalties, Licence to Occupy & Access Fees		2,277	16,837
Sundry Income		26,572	45,400
Total Trading income		12,009,383	7,607,489
Gross profit		12,009,383	7,607,489
Direct expenses			
Forestry Expenses	3	7,417,545	3,947,078
Biochar Expenses		-	37,500
Repairs & Maintenance		9,719	9,714
Vehicle Expenses		17,384	14,363
Staff Expenses		1,765,776	1,479,553
Trustees Fees		73,958	71,230
Operating & Administration Expenses		220,147	279,141
Te Ringa Hapai Whenua Fund Expenses		95,957	185,700
Standing Charges		363,840	293,379
Finance Expenses		904,734	528,262
Development Expenses		-	50
Depreciation		944,574	664,111
Exceptional Items			
Impairment Losses		1,199,051	-
Total Exceptional Items		1,199,051	-
Total Direct expenses		13,012,686	7,510,081
Net profit (loss) from trading before taxation		(1,003,303)	97,409
Taxation			
Taxation		(108,043)	(27,416)
Total Taxation		(108,043)	(27,416)

This statement should be read with the Auditor's Report and the Notes to the Financial Statements.





Consolidated Statement of Profit or Loss

Parengarenga Incorporation For the year ended 30 June 2024

	NOTES	2024	2023
Income			
Total Profit from Farm, Land Lease & Forest		397,130	362,553
Impairment - Loan Parengarenga Fishfarm Ltd.		(1,199,051)	-
Share of Profit(Loss) in Equity Accounted Investees		(424)	(18)
Total Income		(802,345)	362,536
Gross consolidated income		(802,345)	362,536
Net surplus / (deficit) for the year before taxation		(802,345)	362,536
Taxation			
Taxation		(108,043)	(27,416)
Total Taxation		(108,043)	(27,416)
Net surplus / (deficit) for the year after taxation		(910,388)	335,120

This statement should be read with the Auditor's Report and the Notes to the Financial Statements.





Consolidated Statement of Changes in Equity

Parengarenga Incorporation For the year ended 30 June 2024

	2024	2023
Equity		
Equity Opening Balance	67,231,497	68,166,494
Retained Earnings - Opening Balance	18,728,422	18,393,302
+/- Earnings Current Year	(910,388)	335,120
+/- Consolidation Minority Interests	(362,682)	-
Retained Earnings - Closing Balance	17,435,660	18,728,422
Capital Reserves Opening Balance	3,068,130	3,068,130
Capital Reserves Closing Balance	3,068,130	3,068,130
Asset Revaluation Opening Balance	45,796,369	47,066,487
+/- Forest Revaluation	300,000	(1,500,000)
+/- Herd Scheme Revaluation	(749,892)	229,882
+/- Share Price Revaluation Silver Fern & Ballance Agri	7,997	-
+/- Land Revaluation	24,827,300	-
+/- Development Revaluation	4,053,682	-
+/- Impairment Reversal Development	186,882	-
Asset Revaluation Closing Balance	74,422,338	45,796,369
Portion Attributable to Minority Interest - Opening Balance	(361,424)	(361,424)
+/- Impairment Fishfarm	362,682	-
Portion Attributable to Minority Interest - Closing Balance	1,258	(361,424)
Equity Closing	94,947,078	67,231,497

This statement should be read with the Auditor's Report and the Notes to the Financial Statements.





Consolidated Balance Sheet

Parengarenga Incorporation

As at 30 June 2024

	NOTES	30 JUN 2024	30 JUN 2023
Assets			
Current assets			
Cash and short-term deposits		659,950	1,012,701
GST receivable		-	65,071
Accounts Receivable		1,347,141	1,158,761
Livestock on Hand	4	7,368,703	7,807,669
Prepayments		241,535	218,861
Fuel on Hand - Petrol/Diesel		9,248	78,791
Staff Advances		-	4,007
Total Current assets		9,626,577	10,345,862
Non current assets			
Property, plant and equipment	5	59,578,679	31,157,317
Investments	7	330,699	322,702
Tree Crop at Valuation - A Inc	8	37,500,000	37,200,000
Investment Property - Fishfarm		-	1,237,285
Investments in equity accounted entities - Fishfarm		38,233	-
Loan to B3C Trust (BNZ Loan)		-	34,690
Total Non current assets		97,447,611	69,951,994
Total Assets		107,074,188	80,297,855
Liabilities			
Current liabilities			
BNZ Credit Cards		4,498	4,568
Farmlands		8,132	7,088
GST payable		109,907	-
Income tax payable	20	85,798	24,749
Trade Accounts Payable			
Accounts Payable		1,226,751	1,043,423
PAYE Payable		73,398	75,901
Rounding		-	(5,402)
Total Trade Accounts Payable		1,300,149	1,113,922
Employee Entitlements		360,869	346,664
Accruals		48,745	29,300
CARL Loan - Current Portion	10	81,358	113,530
Forest Machinery CreditPlus 3440-16 Overdraft	10	4,049,165	5,371,101
Hire Purchase - Current Portion	12	72,671	33,127
Total Current liabilities		6,121,293	7,044,049
Non current liabilities			
Loan - Term Portion	10	5,101,441	5,183,640
Te Tumu Paeroa - Share Purchase	11	800,850	800,850
Hire Purchase - Term Portion & Interest not yet due	12	102,298	35,141

This statement should be read with the Auditor's Report and the Notes to the Financial Statements.





Notes to the Consolidated Financial Statements

	NOTES	30 JUN 2024	30 JUN 2023
Spark Digital - iPhones payment plan		786	2,661
Investments in equity accounted entities - Te Mana O Te Wai	13	441	18
Total Non current liabilities		6,005,817	6,022,310
Total Liabilities		12,127,110	13,066,358
Net assets		94,947,079	67,231,497
Equity			
Retained earnings		17,455,352	18,728,422
Capital Reserves		3,068,130	3,068,130
Asset Revaluations		74,422,338	45,796,369
Portion Attributable to Minority Interest		1,258	(361,424)
Total Equity		94,947,079	67,231,497

Chad Paraone - Chairman

Clayton Wiki - Treasurer

18 October 2024

Date



Notes to the Consolidated Financial Statements

Parengarenga Incorporation For the year ended 30 June 2024

1. Statement of Accounting Policies

Reporting entity

Parengarenga Incorporation ("the group") comprises of Parengarenga B3C Trust, Parengarenga A Incorporation and its subsidiary Parengarenga Fishfarm Limited and Parengarenga Wai Limited. Parengarenga A Incorporation and Parengarenga B3C Trust are Maori incorporations established under Te Ture Whenua Maori Act 1993. The group holds a 96.71% interest in Parengarenga Fishfarm Limited being a limited liability company established under the Companies Act 1993.

Basis of preparation

These consolidated financial statements have been prepared in accordance with Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by the New Zealand Institute of Chartered Accountants. The Trustees/Directors have determined that this is the most appropriate reporting framework. They are a for-profit entity, not required under legislation or constitution to prepare general purpose financial reports therefore are eligible to elect to apply the NZICA special purpose framework.

Nature of business

The incorporation is engaged in Farming / Leasing / Forestry. The nature of the incorporation's business has not changed during the year under review.

Historical cost

These consolidated financial statements have been prepared on a historical cost basis, except for certain assets which have been revalued as identified in specific accounting policies below. Reliance is placed on the fact that the business is a going concern.

Accrual accounting is used to recognise expenses and revenue when they occur.

Changes in accounting policies

There have been no changes in accounting policies. All accounting policies have been applied on bases consistent with those used previous years.

Accounts receivable

Accounts receivable are stated at expected realisable value, after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to the incorporation and revenue can be reliably measured.

Sales of goods and livestock are recognised when the entity has transferred the significant risk and rewards associated with ownership of goods to the customer.

Lease income is recognised on a straight line basis over the life of the lease.

Forestry income is recognised on sale or harvest of the forest.



Notes to the Consolidated Financial Statements

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Dividends received are recognised on receipt, net of nonrefundable tax credits.

Government grants are recognised as revenue on receipt where no performance conditions have been specified on receipt of the grant.

Royalty revenue is recognised on receipt.

Livestock

Livestock is measured at Herd & NSC values as issued by Inland Revenue, high-priced livestock is valued at cost price for the tax year of purchase and depreciated in following tax years. Change in Herd Scheme Value gains and losses are recognised in the livestock revaluation reserve. If the revaluation reserve has a deficit for a type of livestock, that deficit is recognised in the Statement of Profit or Loss in the period that it arises. Any revaluation surplus that reverses previous revaluation deficits in subsequent periods is recognised as revenue in the Statement of Profit or Loss. The gains or losses due to livestock number changes are recorded directly in the Statement of Profit or Loss.

Functional currency

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except where otherwise indicated.

Investment Property

Investment property are stated at historical cost less any impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

Issued Capital

	2024	2023
1,146,766 ordinary shares, fully paid (2023: 1,146,766)	32,345,456	32,345,456
3,261,000 ordinary shares, fully paid (2023: 3,261,000)	4,465,716	4,465,716

There are 1,146,766 shares for Parengarenga A Inc and 3,261,000 shares for Parengarenga B3C Trust fully paid at balance date.

Each share conveys the right to a vote.

Financial Instruments

Financial Assets

At initial recognition the incorporation determines the classification of financial assets as either held at fair value, cost or amortised cost. Financial assets are initially measured at fair value, estimated at the transaction price less any associated transaction costs.

Amortised cost

Amortised cost includes assets where the incorporation intends to earn contractual cash flows in the nature of principal and interest payments. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, as well as through the amortisation process.



Notes to the Consolidated Financial Statements

Cost

Equity instruments are classified as held at cost. Assets are stated at cost less any accumulated impairment loss. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired.

Fair value

Financial assets not held at amortised value or cost are held at fair value and include financial derivatives such as forward contracts and interest rate swaps. Assets are subsequently measured at fair value only when the fair value of the instrument can be reliably measured based on a quoted price for an identical asset in an active market. Where no active market price is available the instrument shall be measured at prior year's fair value less any accumulated impairment loss.

Increases in fair value are recognised in the asset revaluation reserve, decreases in fair value are recognised in the asset revaluation reserve to the extent that there is a reserve balance in relation to the asset. If the fair value of the asset falls below cost this is recorded as an impairment in the profit and loss.

Financial Liabilities

Financial liabilities, including borrowings and bank overdrafts, are initially measured at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

Interest expenses are recognised in profit or loss on an effective yield basis.

Property, Plant & Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Depreciation is provided at the maximum rates permitted by the Income Tax Act 2007.

Land and Buildings vested to Parengarenga A Incorporation under the Te Ture Whenua Maori Act 1993 have been revalued to the Government valuation dated 2024 as specifically allowed by the NZICA SPFR standards. The transfer of the land as freehold property is for a total land area of approximately 6.248 hectares, with the date of transfer (with no consideration) being 14 March 1965. Valuations take place with intervals no greater than 5 years.

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

Buildings	0-30%	diminishing value
Development	3-20%	diminishing value
Land	0%	diminishing value
Office Equipment	18-60%	diminishing value
Plant & Equipment	8-67%	diminishing value
Vehicles	18-36%	diminishing value

Land vested to the Parengarenga B3C Trust under the Te Ture Whenua Maori Act 1993 has been revalued to the government valuation dated 2024. The transfer of the land as freehold property is for a total land area of approximately 9,842 hectares, with the date of transfer (with no consideration) being 16 August 1991. The total land area relating to the B3C freehold farms (included in the above) is 5,805 hectares. The Maori Land Court has approved the portioning out to approximately 257.7 hectares known as Ngatekawa included in the above total.

Buildings transferred from the Maori Trustee (1992) have been valued at their 1992 insurance indemnity value less depreciation. Allowance has been made for the revaluation of improvements to the valuation dated 2024.

The total pastoral area of Parengarenga B3C Trust is 4,288 hectares, and has a valuation (2024) of \$31,950,000.



Notes to the Consolidated Financial Statements

Exceptional items

Exceptional items are large income and/or expense items that do not arise as a result of normal business operations and are not expected to recur. Exceptional items are disclosed separately in the statement of profit or loss where the total value exceeds 5% of revenue.

Goods and services tax

The financial statements are stated exclusive of goods and services tax (GST) except for accounts receivable and accounts payable, which are stated inclusive of GST. The entity is group registered for goods and services tax (GST).

Income tax

Provision is made for taxation after taking full advantage of all deductions and concessions permitted using the taxes payable method.

Impairment of non financial assets

At each balance date, non-financial assets are classified into four categories: assets measured at fair value, assets currently available that the incorporation intends to use to the end of its useful life; assets intended to be sold prior to the end of their useful life; and assets damaged or idle at balance date. Assets measured at fair value or assets the incorporation intends to use to the end of its useful life, are not reviewed for impairment at balance date. Assets intended to be sold prior to the end of their useful life or assets damaged or idle at balance date are reviewed to determine if any indicators of impairment exist. If indicators exist the asset is tested for impairment to ensure that the carrying amount of the asset is recoverable. If the recoverable amount of an asset is determined to exceed its carrying amount then the resulting difference is recognised as an impairment loss in profit or loss for that period.

Comparative figures

The comparative figures shown are for a twelve month period.

Consolidated Land, Lease, Forestry & Fishfarm: Since the comparative period, various Forestry-related expenses have been reclassified to Wages and Standing Charges (insurance, interest expenses, rates). Also income tax expenses of \$27,416 had been grouped with depreciation in error.

2. MPI Government Grants

In 2024 no MPI Government Grants have been received for Afforestation Manuka Stem Planting. (NIL received in 2023)

3. Forestry expenses

Due to the gradual surrender of the forestry lease from the Crown, Parengarenga A Incorporation is now responsible for the costs of maintaining the forestry. These services have not been contracted out for the 2024 year.



Notes to the Consolidated Financial Statements

4. Livestock

Beef Cattle Trading Statement

	2024			2023		
	Qty	Avg Price	\$	Qty	Avg Price	\$
Sales						
MA Cows	235	1,108.17	260,421	250	1,152.06	288,016
R2 Heifers	108	1,486.86	160,581	66	1,351.54	89,202
R1 Heifers	-	-	-	91	625.03	56,878
Breeding Bulls	3	1,468.39	4,405	9	2,398.76	21,589
R2 Bulls	1,375	1,847.42	2,540,203	1,465	1,911.79	2,800,769
R1 Bulls	163	736.44	120,040	64	1,232.00	78,848
R2 Steers	25	1,961.07	49,027	-	-	-
Autumn Heifer Calves	-	-	-	88	975.91	85,880
Sales total	1,909		3,134,676	2,033		3,421,181
Purchases						
R2 Heifers	30	1,550.00	46,500	-	-	-
Breeding Bulls	21	2,576.19	54,100	14	6,092.86	85,300
R2 Bulls	80	1,488.65	119,092	201	1,561.61	313,884
R1 Bulls	715	767.19	548,540	434	941.48	408,601
R1 Steers	1	1,661.60	1,662	-	-	-
Purchases total	847		769,894	649		807,785
Net Cash Proceeds			2,364,783			2,613,396
Opening Stock on Hand						
Opening Stock on Hand	5,040		5,903,829	5,104		5,373,239
Herd Scheme Adjustment			(295,227)			436,063
Adjusted Opening Stock on Hand	5,040		5,608,602	5,104		5,809,302
Plus: Closing Stock on Hand						
Herd Scheme						
MA Cows	1,195	1,304.00	1,558,280	1,284	1,334.00	1,712,856
R2 Heifers	620	1,145.00	709,900	329	1,153.00	379,337
R1 Heifers	682	671.00	457,622	536	742.00	397,712
Breeding Bulls	71	2,878.00	204,338	56	3,533.00	197,848
R2 Bulls	1,530	1,292.00	1,976,760	1,468	1,353.00	1,986,204
R1 Bulls	894	855.00	764,370	1,055	920.00	970,600
R1 Steers	1	855.00	855	-	-	-
Autumn Heifer Calves	169	671.00	113,399	156	742.00	115,752
Autumn Bull Calves	170	855.00	145,350	156	920.00	143,520
Total Herd Scheme Valuation	5,332		5,930,874	5,040		5,903,829
Total Closing Stock on Hand	5,332		5,930,874	5,040		5,903,829
Gross Surplus from Trading			2,687,055			2,707,923
Reconciliation of Quantities						
	2024			2023		

This statement should be read with the Auditor's Report and the Notes to the Financial Statements.





Notes to the Consolidated Financial Statements

Opening Stock on Hand	5,040	5,104
Purchases	847	649
Natural Increase	1,400	1,452
Total Increase	2,247	2,101
Sales	1,909	2,033
Deaths and Missing	46	132
Total Decrease	1,955	2,165
Closing Stock on Hand	5,332	5,040

Sheep Trading Statement

	2024			2023		
	Qty	Avg Price	\$	Qty	Avg Price	\$
Sales						
MA Ewes	1,309	76.79	100,519	2,354	109.61	258,022
Two-tooth Ewes	-	-	-	241	86.96	20,957
Ewe Hoggets	443	119.85	53,095	-	-	-
Ewe Lambs	2,503	104.67	261,993	2,525	124.43	314,178
Mixed Lambs	-	-	-	77	153.26	11,801
Wether Lambs	5,213	112.54	586,694	4,239	160.18	679,004
Sales total	9,468		1,002,301	9,436		1,283,962
Purchases						
MA Ewes	-	-	-	383	151.63	58,073
Two-tooth Ewes	-	-	-	441	131.69	58,073
Ewe Hoggets	-	-	-	300	193.58	58,073
Breeding Rams	12	1,950.00	23,400	34	1,208.82	41,100
Purchases total	12		23,400	1,158		215,320
Net Cash Proceeds			978,901			1,068,642
Opening Stock on Hand						
Opening Stock on Hand	10,803		1,903,840	10,600		2,057,513
Herd Scheme Adjustment			(454,665)			(206,181)
Adjusted Opening Stock on Hand	10,803		1,449,175	10,600		1,851,332
Plus: Closing Stock on Hand						
Herd Scheme						
MA Ewes	4,505	134.00	603,670	5,692	177.00	1,007,484
Two-tooth Ewes	2,005	159.00	318,795	2,598	205.00	532,590
Ewe Hoggets	2,010	101.00	203,010	2,326	136.00	316,336
Ewe Lambs	2,576	101.00	260,176	-	-	-
Mixed Lambs	31	101.00	3,131	93	134.00	12,462
Breeding Rams	83	309.00	25,647	94	372.00	34,968
Total Herd Scheme Valuation	11,210		1,414,429	10,803		1,903,840
Market Value						
Breeding Rams	12	1,950.00	23,400	-	-	-
Total Market Value Valuation	12		23,400	-		-
Total Closing Stock on Hand	11,222		1,437,829	10,803		1,903,840

This statement should be read with the Auditor's Report and the Notes to the Financial Statements.





Notes to the Consolidated Financial Statements

Gross Surplus from Trading 967,555 1,121,150

Reconciliation of Quantities	2024	2023
Opening Stock on Hand	10,803	10,600
Purchases	12	1,158
Natural Increase	10,319	9,226
Total Increase	10,331	10,384
Sales	9,468	9,436
Deaths and Missing	444	745
Total Decrease	9,912	10,181
Closing Stock on Hand	11,222	10,803

5. Property, plant & equipment and depreciation

2024	Cost/Valuation \$	Accumulated depreciation \$	Net book value \$
Land - valuation	\$44,493,300	-	\$44,493,300
Buildings - valuation	\$3,170,264	\$864,114	\$2,306,150
Development - valuation	\$6,559,105	\$533,255	\$6,025,850
Office Equipment - cost	\$50,099	\$39,048	\$11,051
Plant & Machinery - cost	\$7,931,613	\$2,343,372	\$5,588,241
Motor vehicles - cost	\$2,410,211	\$1,256,124	\$1,154,087
TOTALS	\$64,614,592	\$5,035,913	\$59,578,679

2023	Cost/Valuation \$	Accumulated depreciation \$	Net book value \$
Land - valuation	\$19,666,000	-	\$19,666,000
Buildings - cost	\$3,170,264	\$856,027	\$2,314,237
Development - cost	\$2,296,669	\$498,643	\$1,798,025
Office Equipment - cost	\$46,729	\$33,960	\$12,769
Plant & Machinery - cost	\$7,684,519	\$1,430,513	\$6,254,005
Motor vehicles - cost	\$2,285,549	\$1,173,269	\$1,112,280
TOTALS	\$35,149,730	\$3,992,412	\$31,157,316

Land, buildings and development have been restated to valuation in accordance with the rateable purposes.

6. Land valuation

Land vested by the Maori Land Court has previously been revalued to Government Valuations. An independent market valuation was undertaken by Zane Lucich, B.Appl.Sc (Rural & Farm Management) Dip. BS (Urban Valuation), Registered Valuer in January 2012. In 2024 the land was revalued to Government Valuations. Revaluations undertaken are as follow:



Notes to the Consolidated Financial Statements

A Incorporation

Land Valuation	1974	480,000
Land Valuation	1982	1,244,000
Land Valuation	1992	406,000
Land Valuation	1995	2,130,000
Land Valuation	1998	1,470,000
Land Valuation	2001	290,000
Land Valuation	2004	880,000
Land Valuation	2007	100,000
Land Valuation	2010	(1,400,000)
Land Valuation	2012	<u>(290,000)</u>
Market Valuation at 12 January 2012		\$5,310,000
Land Valuation	2017	(396,500)
Land Valuation	2020	1,302,500
Land Valuation	2024	6,327,300
Closing Valuation		12,543,300

B3C Trust

Land Valuation	1977	320,000
Land Valuation	1982	1,412,000
Land Valuation	1989	(575,000)
Land Valuation	1992	113,000
Land Valuation	1995	1,335,500
Land Valuation	1998	197,000
Land Valuation	2001	(119,000)
Land Valuation	2004	73,500
Land Valuation	2007	352,000
Land Valuation	2010	(507,000)
Land Valuation	2012	<u>13,804,000</u>
Market Valuation at 12 January 2012		16,406,000
Land Valuation	2017	(2,506,000)
Land Valuation	2020	(450,000)
Land Valuation	2024	18,500,000
Closing Valuation		31,950,000

This statement should be read with the Auditor's Report and the Notes to the Financial Statements.





Notes to the Consolidated Financial Statements

7. Investments

Investments in subsidiaries are recognised at the lower of cost or net asset backing. Increases in fair value are recognised in the asset revaluation reserve, decreases in fair value are recognised in the asset revaluation reserve to the extent that there is a reserve balance in relation to the asset. If the fair value of the asset falls below cost this is recorded as an impairment in the profit and loss.

Shares have been revalued to current market values.

	Quantity	Cost	Year Purchased	Market Value
Balance Agri-Nutrients	32,097	\$193,038	1997-2008	\$288,873
SFF Ltd - Ordinary	33,694	\$47,117	2009-2010	\$29,651
Farmlands	12,175	\$12,175	1997-2010	\$12,175

8. Tree crop valuation

An independent market value of Parengarenga A forest was undertaken by Forest Services Limited as at 30 June 2024.

Forestry is measured at fair value less estimated costs to sell as assessed by independent forest managers. The basis of valuation of young stands not yet ready for harvest has been to determine the net present value of each stand. The revenue from future timber sales is predicted along with the costs of producing, harvesting and marketing the timber. The pre-tax cash flow is discounted at the appropriate market rate to derive a net present value.

Revaluation gains and losses are recognised in the forestry revaluation reserve. If the revaluation reserve has a deficit, that deficit is recognised in profit or loss in the period in which it arises.

The 2024 tree crop valuation is a full valuation, and replaces the full valuation prepared in 2023.

Movements in value of Forest are:

Year	Value	Movement
2013	\$4,100,000	Valuation
2017	\$20,859,000	Interim Valuation
2018	\$31,833,000	Valuation
2019	\$32,190,000	Valuation
2021	\$33,700,00	Valuation
2022	\$38,700,000	Valuation
2023	\$37,200,000	Valuation
2024	\$37,500,000	Valuation

9. Impairment of Fishfarm Assets

As the liabilities of Parengarenga Fishfarm Limited exceed its assets, the trustees resolved to recognise an impairment in the 2015 financial year. As the building is a special purpose building in a remote location it would be very difficult to obtain an accurate market value assessment. The trustees performed a valuation exercise as at 30 June 2015 to estimate the value of the assets of Parengarenga Fishfarm Limited. This resulted in recognising an impairment from a cost price less depreciation of \$3,859,921 to an assessed value of \$1,804,416. A further impairment was determined at 30 June 2017 to allow for depreciation for the 2016 and 2017 year. In 2018 another further impairment was determined at 30 June 2018 to allow for depreciation for the



Notes to the Consolidated Financial Statements

2018 year. In 2019 a further impairment was determined to allow for depreciation for the 2019 year and this was made again for the following years.

The sublease agreement between A Inc and Parengarenga Fishfarm Limited has not been renewed and as per lease agreement the leased assets have fallen back to Parengarenga A Inc Corporation & B3C Trust. This has been recorded in the 2024 tax year along with a further impairment. The only remaining asset is the Resource Consent \$38,233

10. Secured loans

BNZ CARL Loan -03028 is a secured loan with a balance of \$982,800 at 30 June 2024. Repayments are \$6,780 per month, interest rate is 8.42% per annum and maturity date is 26/02/2026.

BNZ CARL Loan -03030 is a secured loan with a balance of \$4,200,000 at 30 June 2024. No monthly repayments, interest bearing only loan, interest rate is 8.53% per annum and maturity date is 02/11/2026.

BNZ CREDITPLUS 3440-16 (Forest Machinery) is an overdraft facility with a balance of \$4,049,165 at 30 June 2024.

The limit reduces as it is repaid, the interest rate is 10.03% per annum and maturity date is 28/04/28.

Security on the BNZ loans is by registered stock security, all at Far North Road pastured at land situated at Parengarenga Station.

Perfected Security interest in all present and after acquired property of The Proprietors of Parengarenga A.

	Current	Non-Current	Total
BNZ CARL 3028	\$81,359	\$901,441	\$982,800
BNZ CARL 3030	\$0	\$4,200,000	\$4,200,000
	\$81,359	\$5,101,441	\$5,182,800

11. Te Tumu Paeroa share purchase fund

The Maori Trustee currently holds 26% of the shares in Parengarenga A Incorporation and Parengarenga B3C Trust. These were acquired by the Maori Trustee in accordance with the Maori Affairs Act 1953 which allowed the Maori Trustee to purchase share interest in Maori Land, amalgamate and on sell those shares to other owners.

Under the Maori Affairs Amendment Act 1987 the value of the shares held by the Maori Trustee were deemed to be an advance made by the Maori Trustee to the owners of the other shares. A Deed of Agreement was entered in January 1995 between the Maori Trustee and Parengarenga Incorporation to repay the advance of \$843,000. This was to be paid by half yearly instalments of \$21,075. Upon repayment of the full advance to the Maori Trustee the shares will be vested to the other owners of the shares. The advance was due to be repaid in 2016.

Due to the length of time before the shares would be vested in the Incorporation the Trustees decided to suspend payments to the Maori Trustee until the amalgamation has been signed off by the Maori Land Court.

A further agreement was entered into during the 2016 financial year whereby on the amalgamation being signed off by the Maori Land Court, Te Tumu Paeroa will transfer their shares back to the incorporation and the incorporation will resume repayments over a number of years.

At 30 June 2024 there is a balance of \$800,850 outstanding and this amount is recorded as a liability in the consolidated balance sheet.



12. Leases

B3C Trust

The entity leases land being the Te Kao 107 block (40.225ha) from the Maori Trustee. The term of the lease is for five years commencing 1 October 2012. The annual lease charged is considered by the Trustees to be an operating lease. This lease expired 30 September 2017 and has not been renewed yet. The lease is still ongoing under a month to month arrangement with the terms of the expired agreement.

The entity leases land being the Te Kao 87 & 91 block (22.4626ha) from Riwa Wiki. The term of the lease is for ten years commencing 1 August 2011. The annual lease charge is considered by the Trustees to be an operating lease. This lease expired 1 August 2021 and has not been renewed yet. The lease is still ongoing under a month to month arrangement with the terms of the expired agreement.

The entity leases land being the Te Kao 100, PT 101, 102 blocks (33.6218ha) from W & M Brown. The term of the lease is for ten years commencing 1 August 2011. The annual lease is considered by the Trustees to be an operating lease. This lease expired on 1 August 2021 and has not been renewed yet. The lease is still ongoing under a month to month arrangement with the terms of the expired agreement.

The entity leases land being the Te Kao 103 block (54.5187ha) from Te Kahuwhero Herepete Whanau Trust. The term of the lease is for ten years commencing 1 August 2011. The annual lease is considered by the Trustees to be an operating lease. This lease expired on 1 August 2021 and has not been renewed yet. The lease is still ongoing under a month to month arrangement with the terms of the expired agreement.

The entity leases land being the Te Kao 49 & 50 blocks (60.58ha) from Jackie, Priscilla and Kody Wiki. The term of the lease is for eight years commencing 10 August 2015 with a two year right of renewal. The annual charge is considered by the Trustees to be an operating lease. This lease expired on 7 August 2023 and has not been renewed yet. The lease is still ongoing under a month to month arrangement with the terms of the expired agreement.

The entity leases land being the Te Kao 60, 67 and 68 blocks (56.67ha) from The Estate of Matengaroa Wiki. The term of the lease is for eight years commencing 15 August 2005 with a two year right of renewal. The annual lease is considered by the Trustees to be an operating lease. This lease expired 15 August 2017 and has not been renewed yet. The lease is still ongoing under a month to month arrangement with the terms of the expired agreement.

The entity leases land being the Te Kao 47 and 58 blocks (75.00ha) from Kiri Pako. The term of the lease is for eight years commencing 1 November 2008 with a five year right of renewal. The annual lease is considered by the Trustees to be an operating lease. This lease was renewed for a further 5 years in 2016 and expired on 1 November 2021 and has not been renewed yet. The lease is still ongoing under a month to month arrangement with the terms of the expired agreement.

The entity leases land being the Te Kao 43A block (3.985ha) from Huria Subritzky. The term of the lease is for ten years commencing 1 April 2012 with a three year right of renewal. The annual lease is considered by the Trustees to be an operating lease. This lease expired on 31 March 2022 and has not been renewed yet. The lease is still ongoing under a month to month arrangement with the terms of the expired agreement.

The entity leases land being the Te Kao 43B, 58A2 and 59 blocks (71.2089ha) from Tregaea Subritzky Trust. The term of the lease is for ten years commencing 1 April 2012 with a three year right of renewal. The annual lease is considered by the Trustees to be an operating lease. This lease expired on 31 March 2022 and has not been renewed yet. The lease is still ongoing under a month to month arrangement with the terms of the expired agreement.



Notes to the Consolidated Financial Statements

Lease disclosures

Finance lease - future minimum lease payments under non-cancellable leases

	2024	2023
Leases		
Not later than one year	72,671	33,127
Later than one year	102,298	35,141

The entity leases the following assets: 2 x John Deere Tractor & Loader

A263571 - start date 28 Aug 2021: Amount financed \$159,412.50; interest rate 0.99% pa; term 48 months; total amount repayable \$162,131.88; monthly repayment \$2,760.56.

A304465 - start date 15 April 2024: Amount financed \$172,315; interest rate 3.30% pa; term 48 months; total amount repayable \$182,717.82; monthly repayment \$3,295.36

Finance lease

Finance leases which effectively transfer to the company substantially all of the risks and rewards incidental to ownership of the leased item are capitalised at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit and loss.

13. Equity Accounted Investees - Te Mana O Te Wai - Te Hiku Limited Partnership

Parengarenga Wai GP Limited has a 50% interest in the Te Mana O Te Wai - Te Hiku Limited Partnership, which was registered on 2 December 2021 and started trading in 2023.

Movements in the carrying amount of the investment in equity accounted entities:

Investment in equity accounted entities as 1 July 2023	(\$18)
Share of profit/loss	(\$424)
Investment in equity accounted entities at 30 June 2024	(\$442)

	Assets	Liabilities	Revenue	Profit
Summarised financial information of equity accounted entities	\$250,162	\$250,604	(\$424)	(\$424)
Details for assets & liabilities as per 30 June 2024:				

Current Assets: \$77,378 Westpac bank account / \$171,355 asset under construction / \$1,429 GST

Current Liability: \$604 Accounts Payable

Non-current Liability: \$250,000 Provincial Growth Fund Loan

The Facility is secured with 50% by Parengarenga Wai GP Limited in favour of the Ministry by a registered first ranking general security deed or agreement to be granted in favour of the Ministry in respect of all of its present and after acquired property. A contingent liability of \$250,000 (partnership share) exists for the PGF Loan, shall the partnership fail to create a working asset.

14. Ownership

In 1992, the Maori Trustee transferred 74% of the shares to the Maori Owners. This transfer removed the Taxation exemption previously confirmed with the Inland Revenue Department. The owners of Parengarenga B3C Trust are now responsible for the taxation of 74% of the entity.



15. Contingent assets and liabilities

The directors of Parengarenga Fishfarm Limited are currently looking for equity partners to utilise the fish farm plant.

Parengarenga Incorporation drew down on a loan for Forestry equipment. This guarantee was supported by:

- Existing Registered Stock Security over sheep and cattle.
- A Deed of Lease over the Forestry Lease owned by Parengarenga A Incorporation.

There are no other known contingent liabilities at balance date.

16. Capital expenditure

Parengarenga Incorporation has no commitments for significant capital expenditure at balance date.

17. Intended business combination

It is the intention of the Trustees to combine the Parengarenga B3C Trust, and the Parengarenga A Incorporation, into one reporting entity. The effect of this combination will be that only one set of financial statements will be prepared for the entity which will reflect the trading activities of both entities. At the time of preparing the 2018 financial statements, approval had been received from the courts to carry out this combination. The shareholders present at the 2013 AGM agreed to the amalgamation of Parengarenga B3C Trust and Parengarenga A Incorporation into a single share register. The Maori Land Court is yet to ratify the methodology for this amalgamation.

18. Subsequent events

There were no other events after balance date which materially affect these reports.

19. Related parties

Transactions with M & C Hire Limited in which Huia Cooper is a shareholder/director, contracting expenses \$2,668 (2023: \$8,473).

Transactions with Te Runanga Nui O Te Aupouri Trust in which Pereniki Conrad is an employee, lease block water fees, fencing & riparian planting expenses (materials & labour) \$26,411, owed at balance date \$25,596. (2023: \$5,199 and \$1,218 owed)

Transactions with Te Kao Local Store in which Joyce Munns is a shareholder/director, general & workshop supplies expenses \$2,151, owed at balance date \$283. (2023: \$1,379 and \$56 owed)



Notes to the Consolidated Financial Statements

20. Taxation

As a Maori Authority, tax is charged at 17.5% of the taxable earnings related to the Maori Owners. The details for the year ended 30 June 2024 are as follows:

	2024	2023
Taxation		
Net Surplus / (Deficit)		
Net Surplus / (Deficit)	(802,345)	362,536
Adjusted for		
Less Taharoa Block C Write Off	-	-
Plus Holiday Pay Accrual	14,205	73,554
Less Capital Profit on Sale of Assets	-	-
Plus Parengarenga Fishfarm Expenses	-	-
Plus Gross Dividends	-	12,093
Less Net Dividends	-	(8,707)
Non Ded Parengarenga Fishfarm	1,199,051	50,520
Total	1,213,256	127,460
Total	410,911	489,996
Deduct:		
26% Maori Trustee Share	(106,837)	(127,404)
Total	(106,837)	(127,404)
74% Maori Owned	304,074	362,592
Brought Forward:		
Loss brought Forward	460,275	654,426
Total Brought Forward:	460,275	654,426
Taxation at 17.5%		
Taxation at 17.5%	108,043	27,415
Total Taxation at 17.5%	108,043	27,415
Less:		
Withholding Tax Paid	3,681	2,666
Provisional Tax Paid	18,564	-
Provisional Tax Paid Post Balance Date	106,000	-
Imputation Credits Paid	-	3,386
Imputation Credits to carry forward to next year	-	(3,386)
Taxation Payable / (Refundable)	(20,202)	24,749
Loss to be Carried Forward	773,590	460,233

21. Maori authority credit account

The balance of the Maori authority credit account as at 2024 is \$1,161,694. (Last Year: \$1,114,702)



INDEPENDENT AUDITORS REPORT

To the Shareholders of Parengarenga Incorporation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Parengarenga Incorporation and its subsidiaries (the Group) on pages 5 to 24, which comprise the consolidated balance sheet as at 30 June 2024, and the consolidated farm income and expenses, consolidated land, lease, forestry and fishfarm, consolidated statement of profit or loss, consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of 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, the Incorporation or any of its subsidiaries.

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the owners, Inland Revenue Department and the Entity's financiers. As a result, the financial statements may not be suitable for another purpose.

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Other information

The committee of management are responsible on behalf of the Group for the other information. The other information comprises the Incorporation Directory but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Committees' Responsibilities for the Consolidated Financial Statements

The committee of management are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with SPFR Framework, and for such internal control as the committee of management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the committee of management are responsible on behalf of the Group 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 of management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditors 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.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.



The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Distribution or Use

This report is made solely to the Shareholders, as required by section 277 of the Te Ture Whenua Maori Act. Our audit has been undertaken so that we might state to the Incorporation's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Incorporation Shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Other Matter

The consolidated financial statements of Parengarenga Incorporation for the year ended 30 June 2023 were audited by another auditor who expressed an unqualified opinion on those statements on 6 November 2023.

Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 18 October 2024

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PARENGARENGA INCORPORATION

Statement Pursuant To Section 278(4) Of Te Ture Whenua Maori Act 1993

PARENGARENGA A INCORPORATION'S SHARE VALUATION

The Parengarenga A Incorporation valuation includes the net assets of:

- (i) Forestry & Leasing

The valuation has been prepared on the net asset position in the audited financial statements as at 30 June 2024.

Asset Valuation

The method of valuation of fixed assets is as follows:

- (a) Land & Improvements - 2024 government valuations
- (b) Other fixed assets (including plant) - cost less accumulated depreciation
- (c) Tree crop valuation - independent market value undertaken as at 30 June 2024

Share Valuation

Parengarenga A Incorporation	\$45,361,362
Total Net Assets	<u>\$45,361,362</u> =====
Number of Shares	3,261,000
Net Assets per Share	\$13.91
VALUE PER SHARE	\$13.91



PARENGARENGA INCORPORATION

Statement Pursuant To Section 278(4) Of Te Ture Whenua Maori Act 1993

PARENGARENGA B3C TRUST'S SHARE VALUATION

The Parengarenga B3C Trust valuation includes the net assets of:

- (ii) Forestry Leasing and Royalties
- (iii) Farming Operations

The valuation has been prepared on the net asset position in the audited financial statements as at 30 June 2024.

Asset Valuation

The method of valuation of fixed assets is as follows:

- (d) Land & Improvements - 2024 government valuation
- (e) Buildings - 2024 government valuation less accumulated depreciation
- (f) Other fixed assets (including plant) - cost less accumulated depreciation

Livestock has been valued at the 2024 National Average Market Values released by the Inland Revenue.

Share Valuation

Parengarenga B3C Trust	\$49,581,248
Total Net Assets	<u>\$49,581,248</u> =====
Number of Shares	1,146,766
Net Assets per Share	\$43.24
VALUE PER SHARE	\$43.24

It must be recognised there are special factors governing the Parengarenga Incorporation share values as there are several restrictions on the selling, purchasing and transfer of shares in Maori Incorporations (Section 264 and 268 of Te Ture Whenua Maori Act 1993).

Yours faithfully

A Edwards BBS FCA
Share Valuer

Dated



Our Priorities and Targets

Whakaarotau me Whāinga

Our 3 Year Priorities

Farm	Develop a sound understanding of the Incorporation's needs and requirements of, and the priorities for the farm business.	Develop and implement a clear, long-term plan to invest in future sustainable growth for the farm business, to maximise yields and financial returns.	Develop and implement a comprehensive plan of best practice adoption and continuous improvement.
Forest	Develop and implement a comprehensive plan of best practice adoption and continuous improvement.	Implement a programme of staff development and mentoring to ensure that a credible succession plan is in place for every key role in the business.	Investigate and, if approved, pursue a strategic partnership to maximise yields and financial returns in the downstream activities of the Forestry Business, including but not restricted to milling and haulage operations
Emergency Planning	Develop comprehensive and detailed plans for Emergency Response, for both assistance to the community and protection of the Incorporation, so that all employees know exactly what to do for each specific type of emergency.		
Biochar	Complete a business case for biochar and if positive, move to production within 3 years		
Horticulture	Complete water and soil investigations and if positive, move to water supply infrastructure within 3 years.		



Our Annual Priorities

	2023	2024	2025
Farm	<ul style="list-style-type: none"> Develop an annual farm business plan template that includes performance benchmarking, environmental requirements as well as staffing and training plans Refine and improve on farm KPI monitoring and reporting. 	<ul style="list-style-type: none"> Develop a 3-year farm business plan that focuses on sustainable growth and maximising yields and the investment outlays that are necessary to achieve this. 	<ul style="list-style-type: none"> Develop and refine monitoring and reporting systems to ensure that targets and progress associated with year 1 and year 2 plans are being achieved. Ensure that the monitoring outcomes are communicated concisely and effectively to senior management, staff, the Farm Committee and the Committee of Management on a monthly basis.
Forest	<ul style="list-style-type: none"> Develop best practise standards for measurement Develop a succession plan for all senior forest staff Investigate milling and haulage vertical integration opportunities and assess viability, including thorough due diligence 	<ul style="list-style-type: none"> Develop best practice measurement models and commence performance analysis Implement on-site and / or tertiary training to provide for up-skilling of identified staff. Proceed to contractual arrangements for any proposed joint venture partnership (downstream activities) 	<ul style="list-style-type: none"> Identify best practice performance shortfalls and action plans to improve. Assess the performance of succession planning candidates and adjust the succession plan as necessary. Finalise an implementation plan for (if any) for a joint venture partnership.
Emergency Planning	<ul style="list-style-type: none"> Ensure that the mechanisms and plans are in place for full participation by PINC in any community emergency response Ensure that PINC has a business continuity plan (emergency response) and budgets for the provision of identified shortfalls 	<ul style="list-style-type: none"> The business continuity plan is communicated to and fully understood by all staff and COM A prevention programme for community response is developed. 	<ul style="list-style-type: none"> Annual testing of business continuity contingency plans takes place.



Our Annual Priorities

	2023	2024	2025
Biochar	<ul style="list-style-type: none"> Develop a business case and business model for capital investment in biochar, based on carbon sequestration benefits only. If positive, secure an investment funding agreement with Shell or an alternative funding institution and; Order capital equipment and build physical infrastructure Apply for additional research funding from NZAGRC (NZ Agricultural Greenhouse Gas Research Centre) 	<ul style="list-style-type: none"> Install equipment and commence biochar production. Commence new research (if funding has been approved) focussing on field (pasture) research and animal trials (animal health and methane emissions) Optimise production / operations and feedstock collection efficiencies 	<ul style="list-style-type: none"> Utilize production and feedstock collection operations learnings to assess the viability of expansion Continue field research and animal trials and utilize the findings to commence marketing research for the biochar product. Develop a marketing and distribution plan for biochar Investigate the business case for building additional biochar capacity utilizing pulp wood as a feedstock.
Horticulture	<ul style="list-style-type: none"> Commission an exploratory bore within the basal dome in the area of the proposed horticultural development. Commission soil testing for the proposed horticulture sites. If needed, commission an expert wetland ecologist to confirm the appropriateness of the preferred reservoir site. If positive: Commission geotechnical investigations to determine the suitability of the ground for construction. Commission the design of the reservoir and the lodging of resource consents 	<ul style="list-style-type: none"> Resource consents approved Reservoir build completed Decide which crop(s) we are most interested in pursuing and developing more detailed market analysis, and a comprehensive business plan for the staged development of the orchard and water supply. 	<ul style="list-style-type: none"> Commence implementation of the business plan for the staged development of the orchard and water supply.



Our 3-YEAR TARGETS

	2023	2024	2025
Farm	<ul style="list-style-type: none"> \$4.46m revenue \$548k net profit Business plan KPI targets are met 	<ul style="list-style-type: none"> \$5m revenue \$720k net profit Business plan KPI targets are met 	<ul style="list-style-type: none"> \$5.5m revenue \$800k net profit Business plan KPI targets are met
Forest	<ul style="list-style-type: none"> \$10.5m revenue \$233k net profit Benchmarking KPI targets are met FSC certification attained 	<ul style="list-style-type: none"> \$11.3m revenue \$494k net profit Benchmarking KPI targets are met Annual FSC audit passed 	<ul style="list-style-type: none"> \$11.9m revenue \$825k net profit Benchmarking KPI targets are met Annual FSC audit passed
Biochar	Complete a business case for biochar and make an investment decision	Install the production system	Evaluate performance and develop a business case for expansion
Horticulture	Complete water and soil investigations	Gain resource consents and develop water supply infrastructure	Implement the business plan for the staged development of horticulture and water supply.
People, values, processes and technology	<ul style="list-style-type: none"> Implement a shared IT solutions platform Develop a business continuity plan All annual performance plans to include a values component. All annual performance plans to include a personal development plan component 	<ul style="list-style-type: none"> The staff survey shows that overall responses are at least as good as the previous survey. The staff survey shows that staff and managers operate within PINC value expectations 	PINC values are firmly entrenched in operational and personal behaviours
Environment	<ul style="list-style-type: none"> Farm Environmental Plan expanded to include revitalisation of nature element Forest Environmental plan developed that includes revitalisation of nature element 	Environmental monitoring systems are in place and being used to manage the taiao.	The birdsong is coming back.....



2024 Strategic Targets

	Targets	Progress
Farm	<ul style="list-style-type: none"> \$4.46m revenue \$548k net profit Business plan KPI targets are met 	\$4.0m revenue \$201k net profit
Forest	<ul style="list-style-type: none"> \$10.5m revenue \$233k net profit Benchmarking KPI targets are met FSC certification attained 	\$11.8m revenue \$767k net profit FSC certification achieved and benchmarking KPI targets completed
Biochar	<ul style="list-style-type: none"> Complete a business case for biochar and make an investment decision. 	Business case completed and awaiting research results.
Horticulture	<ul style="list-style-type: none"> Complete water and soil investigations. 	On track
People, values, processes, technology	<ul style="list-style-type: none"> Implement a shared IT solutions platform. Develop a business continuity plan. All annual performance plans to include a values component. All annual performance plans to include a personal development plan component. 	Completed. Completed. Completed. Completed.
Environment	<ul style="list-style-type: none"> Farm Environmental Plan expanded to include revitalisation of nature element. Forest Environmental plan developed that includes revitalisation of nature element. 	Not yet commenced Completed and managed through the FSC process.





Stunning Early morning view

Pārengarenga Incorporation

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