



NEWSLETTER



Newsletter of Wellington Tenth's Trust and Palmerston North Maori Reserve Trust

September 2014

Regular Newsletter Restarts

It has been some time since the Wellington Tenth's Trust and Palmerston North Maori Reserve Trust have prepared and distributed a newsletter to beneficial owners.

The Trustees of both Trusts have asked that a regular newsletter again become a key communication tool for the Trusts. The intention is to produce the newsletter on a quarterly basis. It will be sent to all beneficial owners for whom a current postal address is held, but will also be available through email, the Trusts' website and links on the Trusts' Facebook page.

The Trusts are attempting to move all communications to new platforms and changes will be noticed on the website as these progress. This will include an enhanced "members only" area.

Communicating with beneficial owners

Trustees are keen to engage with beneficial owners regularly. They see electronic means as a key part of that process.

The Trusts website (www.tekau.maori.nz) and Facebook page are now being regularly maintained with up to the minute information.

Another key tool in communicating with beneficial owners is to obtain email addresses which can be added to our database. This will enable communications to be sent directly to owners as needed.

Annual General Meetings Held

Both Trusts have recently held their Annual General Meetings, The Wellington Tenth's Trust meeting was held on September 6 at the Wharewaka in Wellington while the Palmerston North Maori Reserve Trust meeting was held on September 13, at the Distinction Hotel in Palmerston North.

In this newsletter we provide information on various reports presented to those meetings.

"I am pleased that we are again able to provide a regular newsletter to our owners."

- Morrie Love, Chair, Wellington Tenth's Trust

"I would urge beneficial owners to give us their email addresses, so we can get key messages out in a timely manner."

- Liz Mellish, Chair, Palmerston North Maori Reserve Trust

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Above: Trustees, staff and advisers of both Trusts at Hikoikoi, July 2014



Trustees and advisers at a joint meeting held in Raumati at Hikoikoi

Trust Deed Changes

Trustees have been for some time considering changes to the Trust Deed

The Trustees of both Wellington Tenth Trust and Palmerston North Maori Reserve Trust have for some time been considering changes to their Trust Deeds. The changes are to modernise the documents and ensure that a robust foundation document exists to assist with governance. In total 20 changes are to be made.

Having received approval from beneficial owners to the changes at the AGMs, an application will be made to the Maori Land Court to formalise the deeds.

“The changes to the Trust Deeds proposed by Trustees are to modernise the deeds and give a good governance foundation.”

- Bruce Farquhar, Bisson Moss

Trustee Fees

Beneficial owners at each AGM were asked to consider recommendations to increase Trustee fees.

Advisers presented the proposals, and after some positive comments from beneficial owners, resolutions were carried unanimously agreeing to the recommended increases.

Trustee fees for the Wellington Tenth Trust were agreed as:

- ◆ Chair: \$45,000 gross pa
- ◆ Trustees: \$15,000 gross pa

Trustee fees for the Palmerston North Maori Reserve Trust were agreed as:

- ◆ Chair: \$40,000 gross pa
- ◆ Trustees: \$12,000 gross pa

This fee structure will take effect immediately. A full independent review of the fee structure will be undertaken and a further proposal brought to the next AGMs.

Maara Kai at Hikoikoi

Vegetable gardens created

Originally the Maara Kai project was established with funding assistance from Te Puni Kokiri, about two years ago. The initiative was so well received that the gardens continue to flourish with volunteer time given to their maintenance.

Particular thanks is expressed to Roger Hollywell who creates and maintains the planter boxes.

If you would like to use the area for maara kai, why not come along to Hikoikoi and have a chat with Vicki Hollywell.



“Trustees, particularly the Chairs of the Trusts, commit significant time and energy in fulfilling their responsibilities and should be remunerated accordingly.”

- Euan Playle, BDO Wellington

The Site

The property at 383-387 Adelaide Road, Wellington is one of the last one acre sections set aside by the New Zealand Company in the late 1840s.

The property currently has buildings which are at the end of their economic life. Tenants have been given notices to vacate the premises.

The property bounds Village at the Park and Macalister Heights on Adelaide Road, and as can be seen below right is an eyesore.

The preliminary concept plan will now be worked on further to determine more specific details of a development. Once Trustees approve a final concept plan, costings will be worked out for the development. The costings will cover all work required including installation of infrastructure and the construction of the building. Once those costings are done, the Trustees will need to consider how to complete the development in terms of financing.



Concept Plan for development on 383-387 Adelaide Road, Wellington

Development Opportunity

Above is a preliminary concept plan of a housing development that could be completed on the site. The concept plan provides for 16, one, two and three bedroom units to be built on the property. Each unit would be two levels. While there would be on-site parking there will be no garaging. This stock would be owned by the Trust and used for rental accommodation.



Kaumatua Mondays—Hikoikoi



Kaumatua on a recent visit to Matiu (Somes) Island

Kaumatua meet every Monday at Hikoikoi. This group is made up of not only beneficial owners but others who feel affiliated to the Trusts. These hui are used as a time for whakawhanaungatanga.

Over time other activities have been included such as learning te reo, mirimiri, acupuncture, Zumba and other activities that they may want from time to time..

81-87 Thorndon Quay, Wellington

Property owned jointly by the Trusts

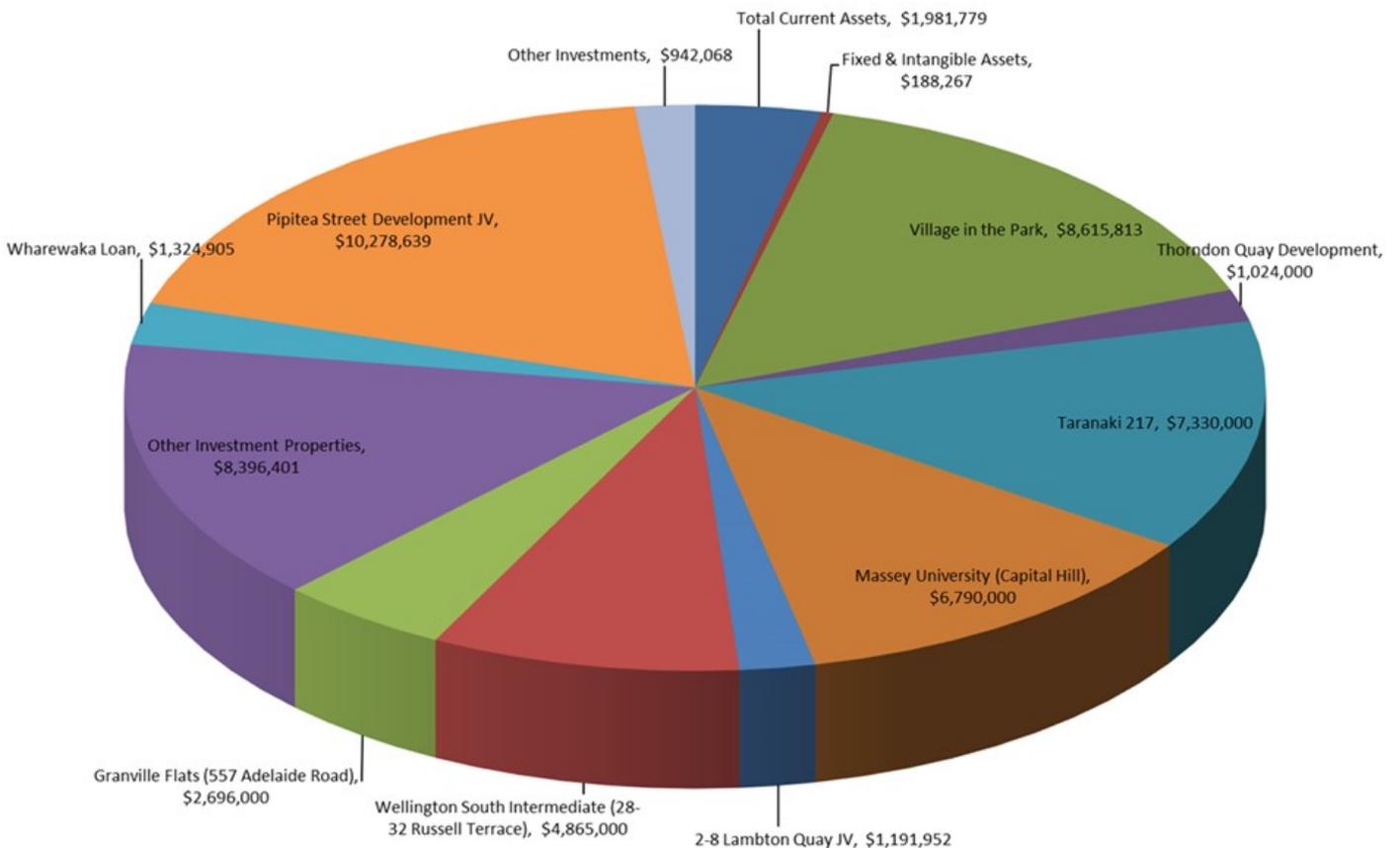
This property is owned jointly by the Trusts in equal shares and has significant commercial development potential. Until a commercial development can be secured, it is leased to Wilson Parking which is providing sufficient income to cover the outgoings of the property.

The resolution carried unanimously at the two AGMs allows a transfer (technical sale) of the Trusts' shares to Haukawakawa Limited Partnership which will be jointly owned and controlled by the Wellington Tenths Trust and Palmerston North Maori Reserve Trust. Each Trust will appoint an equal number of directors to the entity.



81-87 Thorndon Quay, Wellington

Wellington Tenths Trust Assets



Wellington Tenths Trust Trustee Election

Three Trustees retired by rotation at the recent AGM and all three offered themselves for re-election. One further nomination was received from Mahara Okeroa.

The result of the Trustee election was that Venessa Ede, Lennox Love and Mahara Okeroa were elected.

The unsuccessful candidate was Grant Knuckey who had been a Trustee for over 30 years. We wish Grant every success in his future endeavours and publicly acknowledge the sizeable contribution he made over a considerable period of time.

We will farewell Grant in an appropriate manner at the end of the year.



Above: Pipitea House on Pipitea

Owners Agree to Possible Technical Disposition

Beneficial owners were asked to approve a resolution which is a technical disposition of the property at 1-15 Pipitea Street, Thorndon, Wellington.

Pipitea House on Pipitea Street is the development undertaken by Pipitea Street Trust. It was always the intention that Pipitea Street Trust would exit the arrangement once it was completed. To enable this the Trust has a 'call option' which they can exercise to remove Pipitea Street Trust.

Negotiations have been ongoing for a considerable period with a potential new joint venture partner. That party cannot be revealed due to a confidentiality agreement, Trustees can assure beneficial owners that the partner is a New Zealand blue chip entity based in Wellington.

Pipitea House on Pipitea Street

The resolution passed at the AGM by beneficial owners approved the technical disposition of the general land if the Trust purchases the 75% interest of Redwood Group and then sells 100% of the property to a new joint venture vehicle in which the Trust will have a 50% ownership interests.

Trustees appreciate the unanimous support of those beneficial owners at the AGM to allow this transaction to proceed. However that will only occur if the Trustees are convinced that any risk is minimised and the Trust increases its investment and return from the property.

Wellington Tenths Trust Distribution

At the recent AGM, Trustees recommended to beneficial owners that they approve a distribution payment of \$2.90 per share. This was passed unanimously and the payment will be made towards the end of November 2014.

This is a total commitment of \$530,467 for the year and is an 11.5% increase on the distribution paid last year.

"We elect the Trustees to look after our interests, we need to put our trust in their abilities and judgment. I would like to move the resolution "

*- Poiria Erskine,
beneficial owner*

Office of the Chairs & Trustees

A secretariat office has been established for the Chairs and Trustees of the Trusts in Wellington at the Wharewaka on Level 1.

The Executive Office and most functions remain at Hikoikoi. Support for the Chairs and Trustees is in place and is largely what they need in terms of fulfilling their roles.

Village at the Park

Development continues

The Wellington Tenth Trust's joint venture with the Hurst Group at Village at the Park is continuing with further developments occurring on the site. The construction of a second block of apartments is now well underway. It was pleasing for the Trust to receive a repayment of capital from Village at the Park prior to the end of the financial year.



Villas at Village at the Park, with construction of new apartment blocks in background

Resource consent has been received for the construction of a swimming pool at the Village together with some other amenities. The completion of the recreation centre in 2013 has proven a much valued and used facility for the residents at the Park.



Little Wonders Early Child Care Centre

The Little Wonders Early Child Care Centre on Rintoul Street has been a valuable addition to the community surrounding Village at the Park. The centre can cater for up to 100 children.

The opportunities for interaction between the residents of Village at the Park and Little Wonders abound with the residents taking time to interact with the children on a regular basis.

The centre has developed a very good reputation in the area.

National War Memorial Park



Above is an artist's impression of the completed National War Memorial Park

The development of the National War Memorial Park by the Government is well underway. The underpass on Buckle Street will be opened towards the end of September 2014. The park is due for completion in April 2015. A blessing ceremony will be held about a week prior to the official opening of the park which will occur on April 18, 2015. The opening coincides with the 100th anniversary of the landing at Gallipoli.

The park includes what is known currently as the 'tangata whenua gardens', an area set aside to commemorate the contribution and sacrifices Maori made to times of conflict in our history.

"The Trust is seeking compensation for the taking of a portion of its land for the creation of the Park.

- Morrie Love



Palmerston North Maori Reserve Trust Properties

The coloured map above illustrates the property holdings (and type of holding) of the Palmerston North Maori Reserve Trust in Palmerston North. It is noted that this does not include Baxter's which is on Ranfurly Street. Obviously the interests the Trust now have in Wellington are not included either.

Ngahuru Charitable Trust Incorporated

The Wellington Tenth Development Trust no longer has charitable status, it is being wound up. In its place is a new registered charitable entity—Ngahuru Charitable Trust.

Both land Trusts are settlor entities of the new trust. Mark Te One has been appointed Chair and the other trustees are Liz Mellish, Wikitoria Michalanney, Jeanie Hughes, Morrie Love and Grant Knuckey.

Ngahuru Trustees have held initial meetings to establish themselves and to commence discussions around the strategic direction of the new trust.

The objects of Ngahuru are focused on social, cultural and environmental outcomes.

Palmerston North Maori Reserve Trust Property Portfolio

The property portfolio of the Palmerston North Maori Reserve Trust is varied. This deliberate spread of investment ensures that risk is minimised.

Our holdings include both residential and commercial properties, with some being freehold and others being leasehold. Freehold means the Trust owns the land and buildings, while leasehold means the Trust owns the land only and leases it to an owner of the building.

The Trust has in recent years pursued a policy of reducing the leasehold properties it holds. By concentrating the freehold properties into blocks (demonstrated by the 'green' blocks) the Trust is presented with varied opportunities moving forward. This is particularly true in the Ngata, Nash, Featherston Street areas where the zoning changed a few years ago to Fringe Business.

Poutu Wipa Jackson



Tributes were paid to the late Uncle Sam. Together with Auntie June, Sam was a staunch supporter of the two land trusts and attended every meeting in support of the Trustees. His passing has left a huge hole and as the AGMs in 2014 were the first since his passing, it was important to all Trustees, that special tribute was paid to him. Acknowledgement of Auntie June's contribution was also made.

Mega Mitre 10

Our best performing asset

The Mega Mitre 10 development is one of the flagship properties for the Palmerston North Maori Reserve Trust. The development completed in 2012 by Carrus Developments provides a substantial cash flow to the Trust. On completion of the development in 2012, the Trust purchased the entire development. This meant taking on increased debt funding, but given the very good long-term lease that had been negotiated the risk of servicing the increased debt level was minimised.

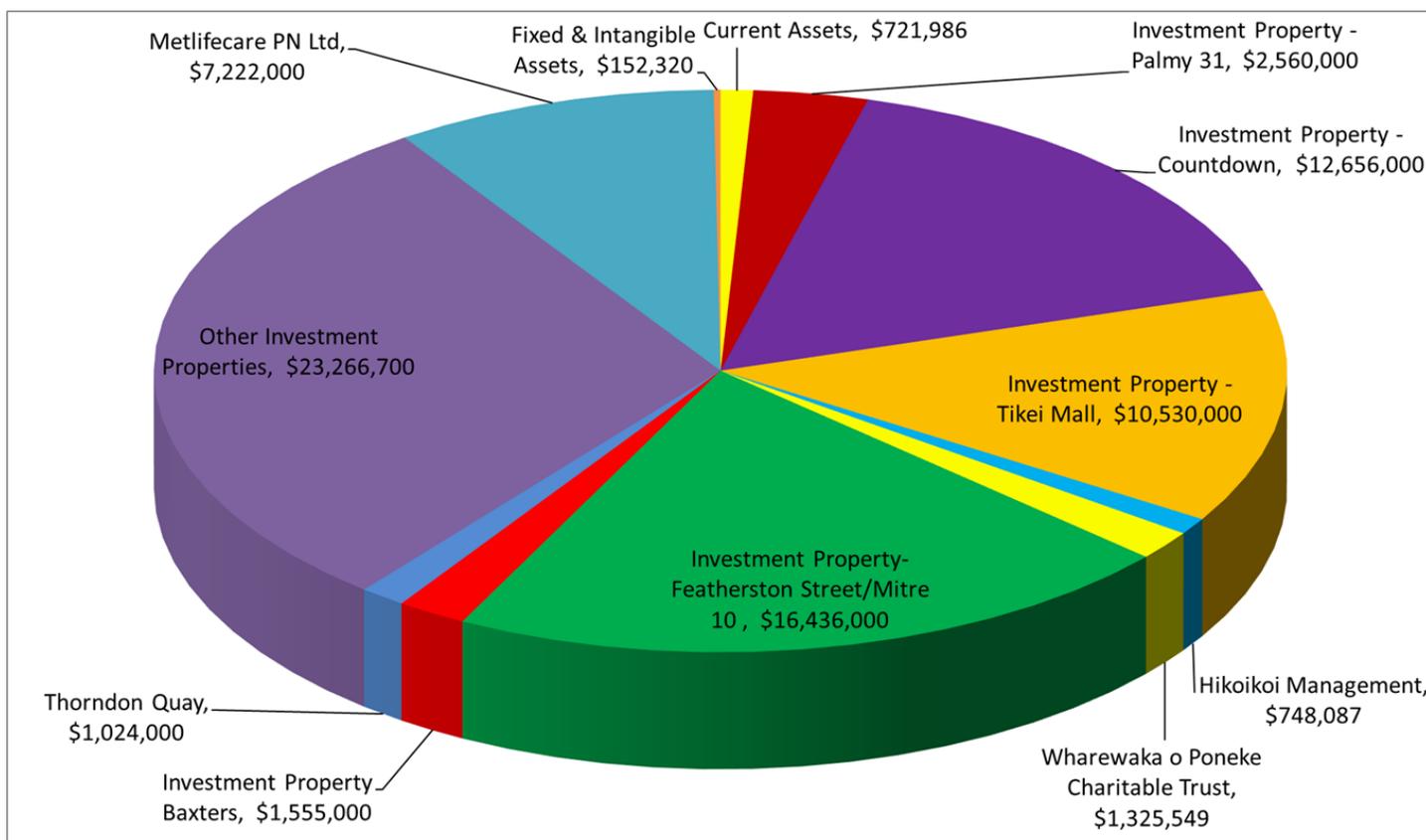
“Mega Mitre 10 is our best performing asset.”

- Liz Mellish, Chair, Palmerston North Maori Reserve Trust



Mega Mitre 10 (left) and Lighting Direct, Reduced to Clear and FCO (right)

Palmerston North Maori Reserve Trust Assets





Above: A display of the works from the Raranga Roopu—Waitangi Day, Wharewaka

No Trustee Election Required for Palmerston North Maori Reserve Trust

When nominations closed for Trustee positions of the Palmerston North Maori Reserve Trust, no additional nominations had been received. Therefore the three Trustees who retired by rotation at the recent AGM were re-elected unopposed.

Raranga Roopu

A group of weavers meet on a regular basis at Hikoikoi to work their magic. The group have made a koha of several works to the Trusts and these have been installed in the buildings at Hikoikoi. If you want more details about the raranga roopu, you should contact the Executive Office on 04 4732502.



Palmerston North Maori Reserve Trust Distribution

At the recent AGM, Trustees recommended to beneficial owners that they approve a capital distribution payment of \$5.00 per share. This was passed and the payment will be made towards the end of November 2014.

This is a total commitment of \$954,160 for the year and is an 25% increase on the distribution paid last year.

Metlifecare Palmerston North

The Palmerston North Maori Reserve Trust joint venture with Metlifecare Limited continues to provide the Trust with a very good income. The Trust receives a dividend from the joint venture on an annual basis.

The Trust has three representatives on the board of Metlifecare Palmerston North Limited and meetings are held about twice a year.

The joint venture is currently considering the possibility of expanding its facilities in Palmerston North. This could occur on land owned by the Trust in Carroll Street. The concept plan is for a 'gated community' of independent living facilities.

"Metlifecare has continued to perform well and is regarded as one of the best, if not the best, in Palmerston North ."

- Keith Hindle, Director



Wharewaka o Poneke

Our cultural icon on Wellington's waterfront

Te Raukura, the Wharewaka on Wellington's waterfront is the cultural focus for the Trusts. Each Trust has invested further cash into the Wharewaka to enable Port Nicholson Block Settlement Trust to be removed from all financial involvement in the Wharewaka.

This move by the two land Trusts (Wellington Tenth Trust and Palmerston North Maori Reserve Trust) shows their commitment to the building and its continued success into the future.

The waka located at Te Raukura—*Te Rerenga Kotare, Te Hononga, Poutu and Whio*—will again become an integral activity during the summer months. They have been out during the cooler months on occasion.

"It is pleasing that the Wharewaka is now experiencing an increased level of commercial activity."

*- Mark Te One, Director,
Wharewaka o Poneke
Enterprises Limited*

Tourism Based Activities

Commercial tourism based activities at the Wharewaka have become a focus. Between the Wharewaka, four waka and Te Aro Pa the initial drive will be to focus on the history of Wellington from the mana whenua perspective.

Already well advanced in planning are walking tours. A pilot walking tour was undertaken in August and has provided a platform for ensuring that the information shared will be relevant to those participating.

Similarly, waka based activities are being developed on a commercial basis. While the primary target group will be the "cruise ship market", this is an activity that will be targeted at the local domestic market as well. Already, several 'outings' have been undertaken for corporate entities which have been hugely successful.



Te Aro Pa

Our whare ponga in Taranaki Street

Readers will recall the discovery of the whare ponga at a development site in Taranaki Street some years ago. In working jointly with the developer, Wellington City Council and NZ Historic Places Trust, the site was preserved and ownership sits with the Trusts.

Recent discussions have resulted in agreement that further work will commence on the site in November 2014. This work will include more conservation work on the whare ponga themselves, a review and upgrade of the interpretation works, a review of funding applications to support a complete internal refurbishment and the addition of audio and visual components in the space. Funding is being sought from Heritage New Zealand for this work to be completed.

Report on Financial Positions of Trusts

Both Trusts show a Net Surplus for Year Ending March 31, 2014

The beneficial owners at both AGMs learnt that each Trust had turned a net surplus for the financial year. For Wellington Tenth Trust the surplus was \$1,485,100 and for Palmerston North Maori Reserve Trust the surplus was \$3,063,213. These results are after tax and unrealised increases/decreases in property revaluations.

“Both Wellington Tenth Trust and Palmerston North Maori Reserve Trust are performing very well financially.”

- Aaron Titter, BDO Wellington

Wellington Tenth Trust

Beneficial owners at the Annual General Meeting were given a full financial report, which can be summarised as follows:

- Net Property Income is \$1,565,704 compared to \$1,325,241 last year
- Total Income is \$1,714,888 compared to \$1,470,245 last year
- \$290,000 has been accounted for in back rent from Massey University. This back rent is the interim position until the arbitration process determines the fair market rent
- Operating expenses were \$990,947
- Net Operating Surplus is \$669,322 compared to \$434,317 last year – a 50% increase on last year
- Income from Joint Ventures and Associates include \$540,000 from Pipitea House. This is the Trust's 25% share of rent and is received monthly at \$45,000. Euan noted that the matter to be resolved in respect of the Joint Venture is interest owed on the original \$9 million investment of the land by the Trust
- Surplus before tax is \$1,786,642 compared to \$1,524,727 last year
- Tax expense has increased from \$117,860 to \$253,205
- Net Surplus After Tax is \$1,533,437 compared to \$1,406,867
- There has been a slight write down in property revaluations of \$48,337 (this compares to an increase last year of \$337,757)
- Net Surplus for the year is \$1,485,100 compared to \$1,744,624 last year
- The Trust's value in Pipitea House has increased during the year by \$1m (from \$9,153,668 to \$10,278,639). Therefore a move to a 50% interest is significant for the Trust to achieve even better results.
- The reduction for Village at the Park from \$9,730,597 to \$8,615,813 is due to the distribution of capital returned by Village at the Park.
- Trust liabilities are \$13,453,466 compared to \$14,029,881 last year.

Palmerston North Maori Reserve Trust

A summary of the Financial Report provided at the Annual General Meeting follows:

- * Net rental income is up from \$5,226,564 to \$5,4015,996
- * Property expenses have reduced from \$607,869 to \$520,280
- * Interest has reduced from \$1,687,562 to \$1,521,499
- * Therefore Net Property Income is \$3,364,217 compared to \$2,931,133 last year
- * Administration expenses have increased from \$627,429 to \$764,180. This is due to a full amalgamation of activities into Hikoikoi Management Limited.
- * Net Operating Surplus is \$2,565,499 compared to \$2,314,412 last year
- * Net gain on Metlifecare JV and Associates is a \$1 million swing with a \$649,939 gain this year compared to a loss last year of \$524,772
- * Net Surplus before tax is \$3,215,438 compared to \$1,789,640 last year
- * Tax Expense for the year is \$541,261, similar to last year's of \$527,401
- * Property revaluations have increased slightly for the year by \$389,036
- * Net Surplus after unrealised gains is \$3,063,213 compared to \$1,467,145 last year
- * The Trust has 61% equity in its assets. This equity to debt ratio is conservative
- * Current assets (being cash at bank, debtors) is \$721,986 (2013: \$769,071)
- * Other investments (Hikoikoi Management Limited, Wharewaka) are \$2,073,636 (2013: \$973,461)
- * Metlifecare Palmerston North is \$7,222,000 (after the dividend paid of \$400,000) compared to \$7,069,500 last year
- * Fixed assets include office equipment at Hikoikoi and various items at the hostels
- * Current liabilities are \$2,338,585 (2013: \$16,525,267). This includes unclaimed dividends of \$916,601
- * Term liabilities are \$28,349,821 (2013: \$15,511,658)

Waka Activities

Now spring has arrived in Te Whanganui a Tara all expectations are that Hikoikoi Waka Ama Club will once again be training teams to compete in the events on our waka ama calendar and supporting those events involving waka tete at Te Raukura.

The Club holds its Annual General Meeting on Monday, September 22 and we welcome whanau who wish to come along and join in any of our club activities. One of our focus events this November will be taking teams to Kaiteriteri Beach to compete in Waka Tasman 2015. Along with regional and national sprint competitions for the club and schools we are anticipating a lot of action on the water.

A big thanks to our paddlers, volunteers, supporters and whanau who contribute to the success of Hikoikoi Waka Ama particularly our J16 girls team that competed well at Nationals 2014. Now our strategic plan has been developed through to 2019 a drive to increase much needed resources have been submitted to funding organisations, with our wish list including a support boat that will assist with coaching, events including Waitangi Day and Matariki, education and long distance paddling.



Hikoikoi
WAKA AMA

Thanks to Wellington Tenth Trust, Palmerston North Maori Reserve Trust and Ngahuru Charitable Trust for your ongoing support and encouragement.

Check out our website and Facebook page for updates on open days, events and news.

www.sportsground.co.nz/hikoikoiwakaama
hikoikoiwakaama@gmail.com



Contact Us

If you have any queries, give us a call or flick us an email

Executive Office
24d Marine Parade
Hikoikoi, Petone;

P O Box 39294, Lower
Hutt 5045, Wellington
Mail Centre

Telephone: (04)473-2502
or free call (0508)
44564564

Secretariat: (04)901-3332

info@tekau.maori.nz

Visit us on the web at
www.tekau.maori.nz

Below: Poutu (right) and Te Hononga (left) on Whairepo Lagoon



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