



Te Whenua, Te Tāngata, Te Ao Āmua
The Land, The People, The Future

PALMERSTON NORTH MĀORI
RESERVE TRUST

Annual Report 2022





Palmerston North Māori Reserve Trust

Objective

The Palmerston North Māori Reserve Trust is an Ahu Whenua Trust constituted under Section 244 of Te Ture Whenua Māori Act 1993.

The Trust is governed by a board of nine Trustees being Chairman Liz Mellish, MNZM, and Trustees Paula King, Wiki Michalanney, Ann Reweti, Takiri Cotterill, Jeanie Hughes, Aisha Ross and Matthew Love-Parata.

Mihi

Tuia i runga, Tuia i raro
Tuia i te here tāngata, ka rongo te pō ka rongo te ao.
E ngā whānau whānui
Kei roto i ngā kainga, i runga i ngā marae huri noa
te motu me te waipounamu rānei.
Tēnā koutou katoa.
E ngā tini me ngā mano haere atu rā.
Oti atu.
E te hunga ora, kia kaha, kia māia, kia manawanui.



Te Ōhākī o Te Wharepōuri

**“I muri nei kia pai ki aku taonga
Māori, taonga Pākehā, kia tae ake te
haruru o to reo ki ahau i Te Reinga”**

“After I have gone be good to my Māori people and my European
people, let the thunder of your voice reach me in the spirit land”

Te Wharepōuri 1842



07

Section One: General

Notice of Annual General Meeting	8
Report from the Chairman and Trustees	9
Statistical Information	12
Property Map	14
PNMRT Properties - By the Numbers	16

25

Section Two: Summarised Consolidated Financial Statements

Summarised Consolidated Financial Statements	26
Independent Auditor's Report	34

37

Section Three: Appendices

Appendix One – Minutes AGM 2021	38
Appendix Two – Trustee Profiles	50
Appendix Three – Proxy Form 2022	57



section one

General

Notice of Annual General Meeting



*Te Whenua, Te Tāngata, Te Ao Āmua
The Land, The People, The Future*

PALMERSTON NORTH MĀORI RESERVE TRUST ANNUAL GENERAL MEETING

Saturday 3 September 2022, 10:00am
Palmerston North Conference & Function Centre
354 Main Street, Palmerston North, 4410

Agenda

Mihi whakatau / Karakia

Apologies

Minutes of 2021 Annual General Meeting

Election of Managing Trustees

Report from the Chairman and Trustees

Discussion and Resolution: Alienation of Land
- 19 & 21 Ngata Street & 121 Grey Street, PN

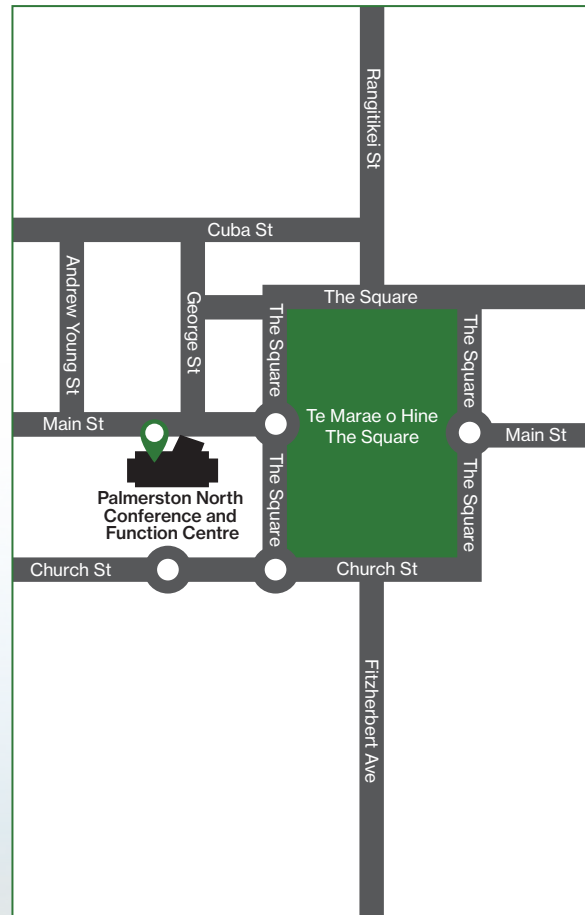
Financial Report

Appointment of Auditor

Trustee Remuneration

Annual Distribution

Karakia Whakamutunga



Report from the
**Chairman
and Trustees**

**“Tū Tama Roto,
Tū Tama Waho.**

**Tēnā koutou katoa kua tae mai nei
ki tēnei pānui ki te mau mai i ngā
kaupapa.**

**Ka nui te hari mo tō koutou
manawa nui ki te huihui mai ki te
whakatakoto i ngā pitopito kōrero e
pā ana ki tēnei hui.”**



It is with pleasure I present to you the Annual Report the journey of 2021-2022 on behalf of our Trustees and management team.

I acknowledge those tūpuna who have passed within this year and those who have made personal impact on our lives. I acknowledge those leaders around the motu who have passed and as I write in this time of Puanga, Matariki the time of reflection and preparation, it is right to begin our journey gathering all those who passed and placing them in our hearts to be the shining stars of the heavens. Haere atu rā.

We have made some major changes in the Trust this year and the resignation of Mark Te One is uppermost in my mind as a pillar of this Trust for so many years. We wish Mark all the best for the future and agree he should have the rest he deserves for his unrelenting support and mahi.

The Trust is going through some significant changes in our management company, Hikoikoi Management Limited. Hikoikoi Management Limited has farewelled Mike Helleur, CEO who will

be moving to Perth to join his whānau. This gave us time to pause and consider our direction to manage the day to day business of our Trusts and other entities such as Te Raukura, Te Wharewaka o Pōneke.

Trustees, our Advisors BDO and Directors of Hikoikoi Management Limited agreed to take a comprehensive look at what the organisation needs as we continue our projected growth strategy. We have with careful fiscal eyes managed the business but as the Trust has grown we recognise the need to expand the management team to address the opportunities the Trusts are pursuing. With that in mind we have appointed Vicki Hollywell to the role of General Manager of Hikoikoi Management Limited. We will expand the team introducing three new positions including a Senior Accountant, Office Manager and Manager at Te Raukura for our business arm Wharewaka o Pōneke Limited. This will increase our ability to manage operations efficiently and well. Our staff have worked very hard in the time of COVID-19 and it has brought many pressures as we have entered the strong development growth



of both Trusts. This growth is well reflected in our financial gains over the last four years as demonstrated in our Annual Report. Trustees have been determined to reduce the amount of land in our portfolio controlled by the Māori Reserve Land Act and our latest map shows how much red we have turned to green.

As we progress with the growth in Metlifecare we seek beneficial owners' approval to transfer 19 and 21 Ngata Street and 121 Grey Street into the Metlifecare portfolio. The purpose of this is to increase the number of villas in the village as these have been proven to be very popular in Palmerston North. Trustees have taken professional advice and have considered that the transfers are in the commercial interest of the Trust and will improve the Trust's financial position. Forms will be available for voting at the AGM hui.

A copy of our Annual Report 2022 will be available at the Annual General Meeting for those who attend in person. An electronic copy will be available on our website www.pnmrt.maori.nz and copies available on request from the team

at Hikoikoi by calling them on 0508 445 645. We will continue to use the methods of advertising the AGM through the newspapers, newsletters, website and Facebook.

Ngā Mihi

Liz Mellish, MNZM

Chairman

Palmerston North Māori Reserve Trust



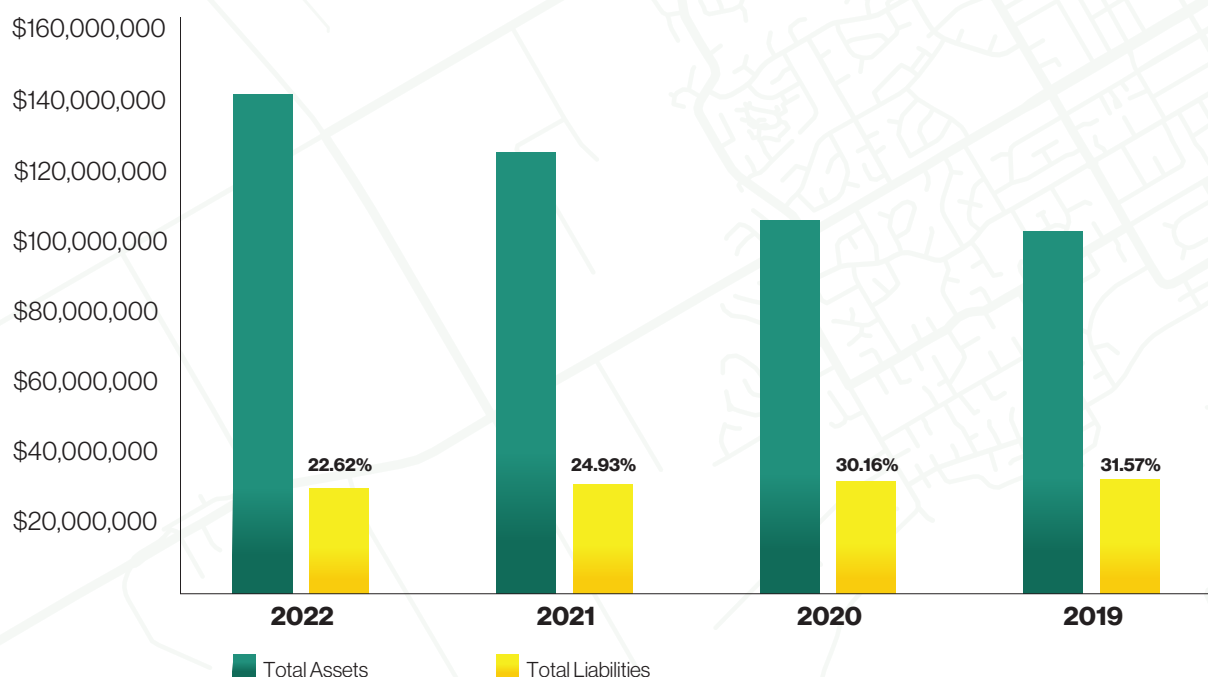
Palmerston North Māori Reserve Trust

Statistical Information

STATISTICAL INFORMATION	2022	2021	2020	2019
Number of Owners	1,138	1,111	1,089	1,062
Number of Shares	190,831,866	190,831,866	190,831,866	190,831,866
Total Assets	\$142,661,726	\$126,275,864	\$106,866,812	\$103,551,766
Total Liabilities	\$32,267,981	\$31,483,338	\$32,227,472	\$32,693,479
Total Equity	\$110,393,745	\$94,792,526	\$74,639,340	\$70,858,287
Indicative Value per Share	\$578.49	\$496.73	\$391.13	\$371.31
Revenue	\$7,258,787	\$6,709,747	\$6,962,983	\$6,685,786
Operating Profit After Net Financing Costs	\$3,506,535	\$3,106,334	\$2,814,819	\$2,494,796
Investment Property Revaluation	\$8,414,060	\$16,287,518	\$1,788,500	\$5,423,062
Profit for the Year	\$16,547,127	\$21,099,093	\$4,733,444	\$7,512,696
Distribution Declared	\$954,159	\$954,159	\$954,159	\$954,159
Distribution Paid per Share during the Year	\$5.00	\$5.00	\$5.00	\$5.00

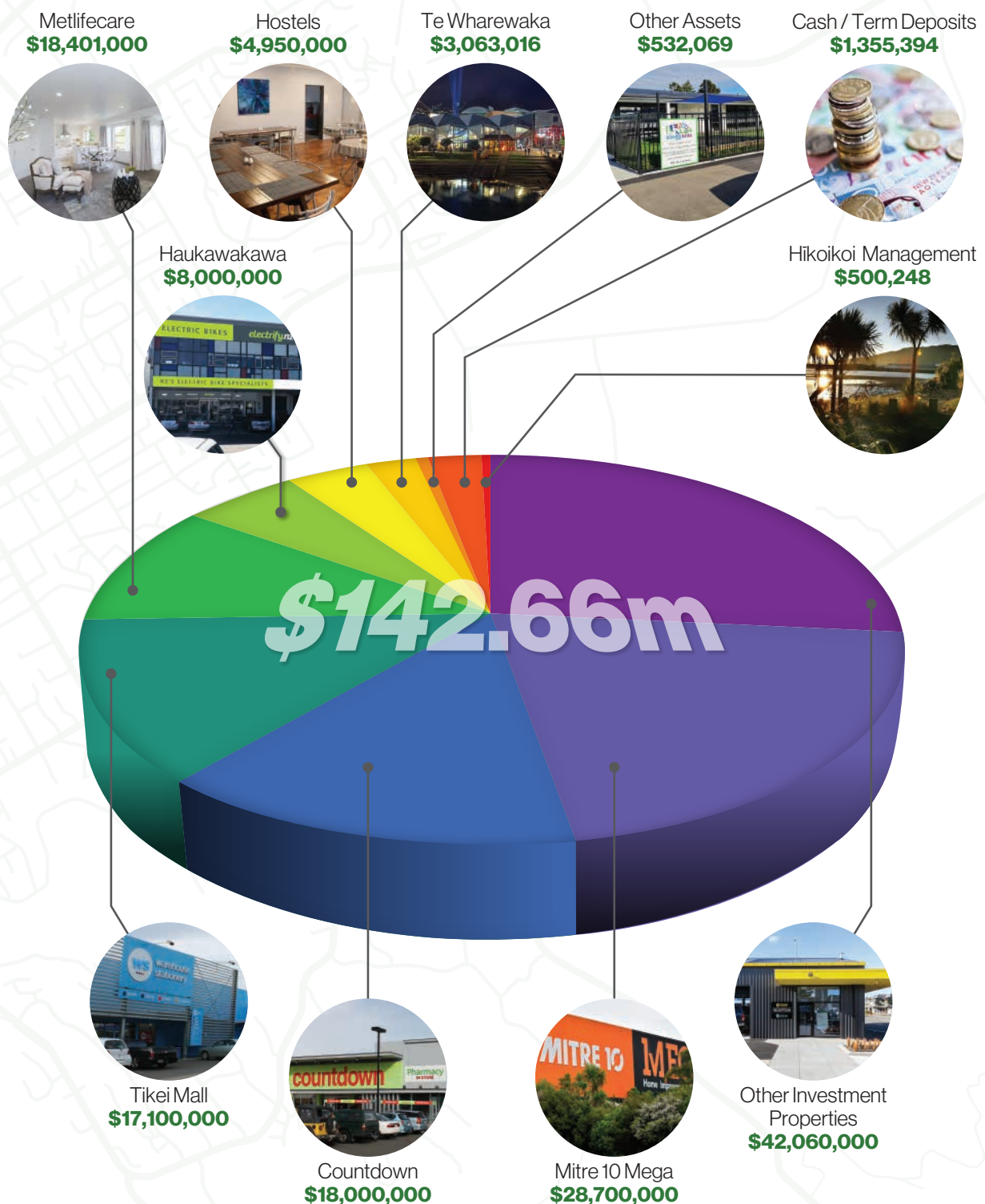
DEBT TO TOTAL ASSETS RATIO

The illustration below shows the movement in the debt to total assets ratio over the past four years. As at 31 March 2022 the debt to total assets ratio is 22.62%, that is, the total liabilities of the Trust is 22.62% of the Trust's total assets. This is a strengthening of 2.31% from 31 March 2021.



TOTAL ASSETS

The illustration below shows the breakdown of the total assets of the Trust in graphical form. The graph shows in dollar terms the holdings of the Trust as at 31 March 2022. The diversified nature of the portfolio means that any risk is spread across a range of holdings and returns are generated from a range of sources reducing any potential losses in one particular area.



Palmerston North Māori Reserve Trust

Property Map



MAP KEY

- Freehold
- Leasehold
- Metlifecare Retirement Village (PNMRT JV)
- Palmy 31 Accommodation Facility
- Nash Street Group (Freehold)
- Tikei Mall (Freehold)
- Metlifecare Extension Development





Metlifecare Palmerston North Village

Palmerston North Village is set amongst established gardens and has a wonderful sense of community and companionship. Located in the heart of Palmerston North, residents are close to shops, cafes, restaurants, galleries and many other attractions that the city has to offer.

Metlifecare New Development

Our Metlifecare PAN Development Directors have been working closely with Metlifecare Board as Stage 1 construction of 23 independent living units on the land between Carroll & Ngata Streets continues. Construction is on track and it is anticipated they will be ready for occupancy in April 2023. Expressions of

interest in purchasing the villas is high with seven units being sold off the plans to date. As we progress with the growth in Metlifecare we seek beneficial owners' approval to transfer 19 and 21 Ngata Street into the Metlifecare portfolio. The purpose of this is to increase the number of villas in the village as these have been proven to be very popular in Palmerston North. We also take this opportunity to seek beneficial owners' support to transfer 121 Grey Street to Metlifecare for the same purpose, that is of increasing the number of villas in the village. Trustees have taken proper and professional advice and have considered that the transfers are in the commercial interest of the Trust and will improve the Trust's financial position.

By the Numbers

38 BED REST-HOME
HOSPITAL CARE-HOME

32 SERVICED
APARTMENTS

17 STUDIO APARTMENTS CERTIFIED
TO PROVIDE REST-HOME LEVEL CARE

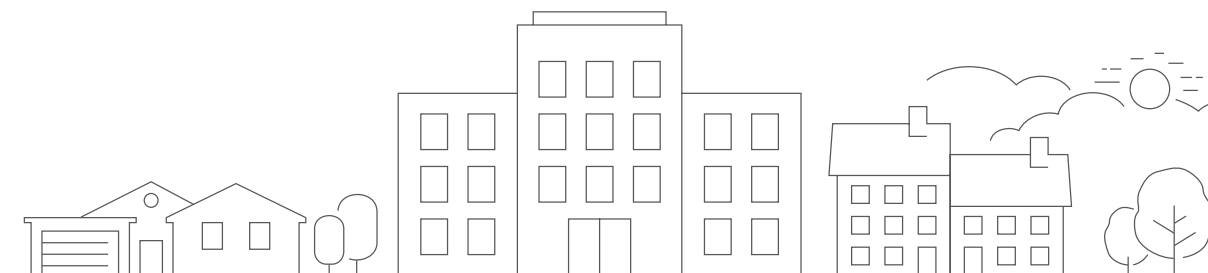
49 INDEPENDENT
VILLAS

\$18.4 MILLION
CURRENT ASSET VALUE

50% JOINT VENTURE
OWNER

60 STAFF
EMPLOYED

23 INDEPENDENT LIVING UNITS
STAGE ONE CONSTRUCTION

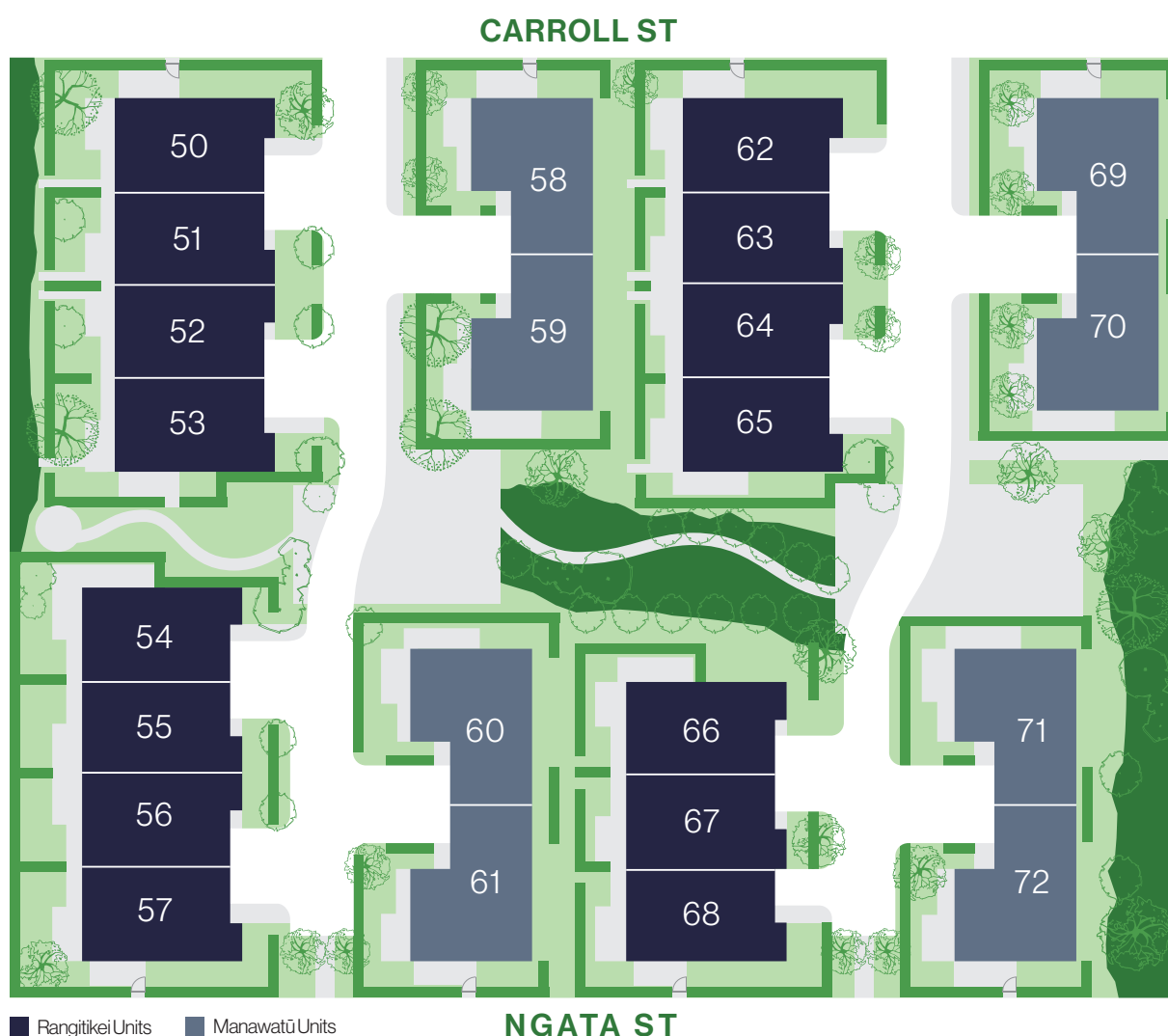




Metlifecare Palmerston North Village

Metlifecare New Development

Introducing Metlifecare Stage One Villas - Rangitikei and Manawātū Units.





Showcasing Mitre 10 Mega

Anchor tenant, Mitre 10 Mega

Mitre 10 Mega have been a great success story since the Trust developed this CBD fringe location for them in 2011. They have a lease renewal in 2026 and well before then, would like to expand the current footprint to allow for more retail, more storage, an expansion of the garden centre offering and more car

parking. The Trust are working closely with Mitre 10 Mega to design a suitable extension plan, which will not only secure this flagship tenant for a further term, but will provide an increase in return from this great retail precinct.

By the Numbers

1 LARGE ANCHOR TENANT
MITRE 10 MEGA

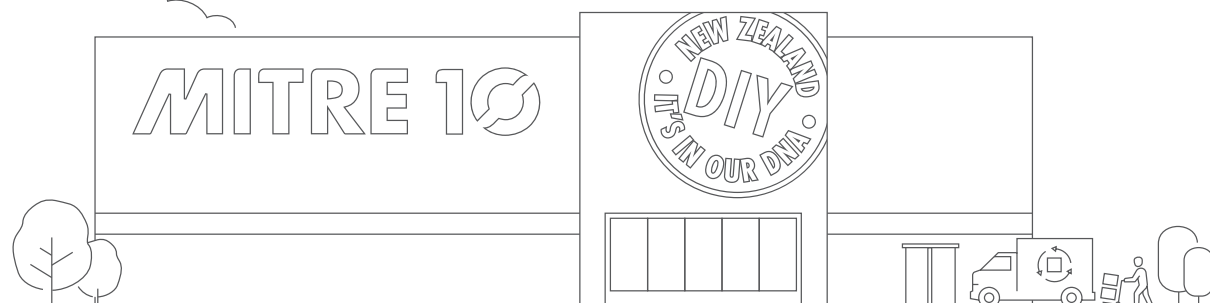
4 TENANCIES
IN TOTAL

100% OWNED
PROPERTY

\$28.7 MILLION
CURRENT ASSET VALUE

\$1.57 MILLION
RENTAL INCOME

10,150 SQUARE METRE
FLOOR AREA





Showcasing Tikei Mall

Rangitikei Street's large format retail mall

Tikei Mall is a large format retail development on Rangitikei Street that currently houses eight tenancies.

We have worked closely with all our tenants in this popular complex to ensure they have navigated their way through a difficult couple of years affected by the disruptions of COVID-19. With a good mix of varying retail tenancies, the location is very popular. Warehouse Stationery are vacating the anchor tenancy in August and it is a fantastic result that we have managed to

secure a replacement national tenant in Smiths City who take over in September, leaving next to no vacant period and a marked increase in rental income.

We have also negotiated with another of our national tenants, Supercheap Auto, to expand into the soon-to-be vacated VR Concepts tenancy. This will provide for little vacancy period again, an increase in rental income and a great tenant.

By the Numbers

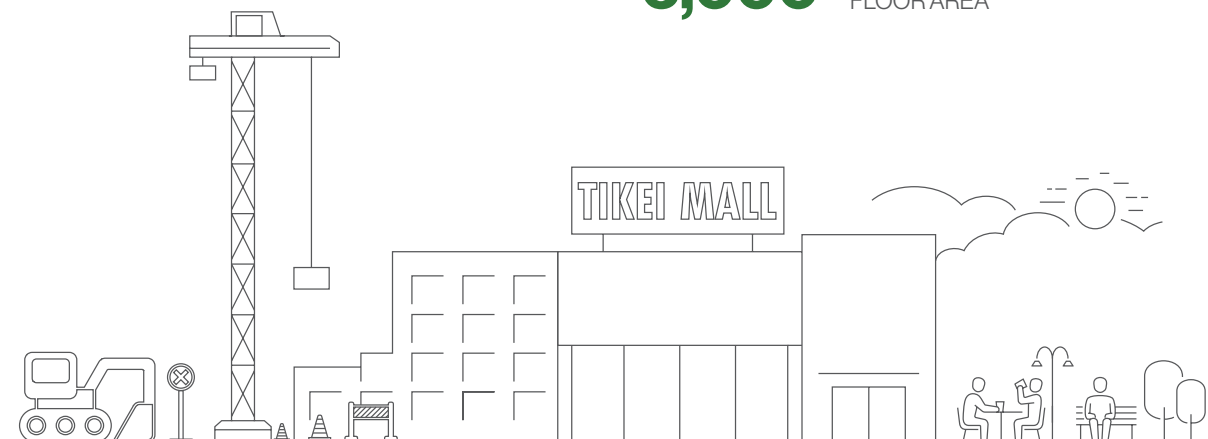
8 TENANCIES
IN TOTAL

100% OWNED
PROPERTY

\$17.1 MILLION
CURRENT ASSET VALUE

\$1.13 MILLION
RENTAL INCOME

6,000 SQUARE METRE
FLOOR AREA





Showcasing Best Start Educare

Growing up and learning through play

Another successful acquisition of leasehold interest over the Trust's land, converting the properties to freehold ownership and removing the Trust from the cumbersome Māori Reserve Land Act legislation and giving control back to the Trust. This acquisition provides an ideal addition to the Metlifecare Joint Venture development and also provides a solid ongoing investment on a commercial basis with a renowned national childcare brand.

- ▶ Leasehold interest in these 4 leasehold properties purchased by the Trust in June 2022.
- ▶ Two of the properties will be sold into the adjoining Metlifecare extension development.
- ▶ Two child care centres will remain as commercial freehold properties with 100% ownership to the Trust.

By the Numbers

\$112K PA + GST
RENTAL INCOME

\$2.87 MILLION
CURRENT ASSET VALUE

100% OWNED PROPERTY
NOW FREEHOLD COMMERCIAL





Showcasing Haukawakawa Limited Partnership

81-95 Thorndon Quay, Wellington

Tenancies include:

- ▶ Wilson Car Parking
- ▶ Leaders Real Estate
- ▶ Birthright
- ▶ Mary Potter Hospice
- ▶ Wellington Electric Bikes
- ▶ Creative Costume Hire
- ▶ HEB Construction

This is a prime redevelopment site for the Trust in the future. Leases have recently been renewed for the short term, with increases to rents providing a good holding income for the Trust. Work is currently being undertaken to understand the full potential for this exciting development opportunity.

By the Numbers

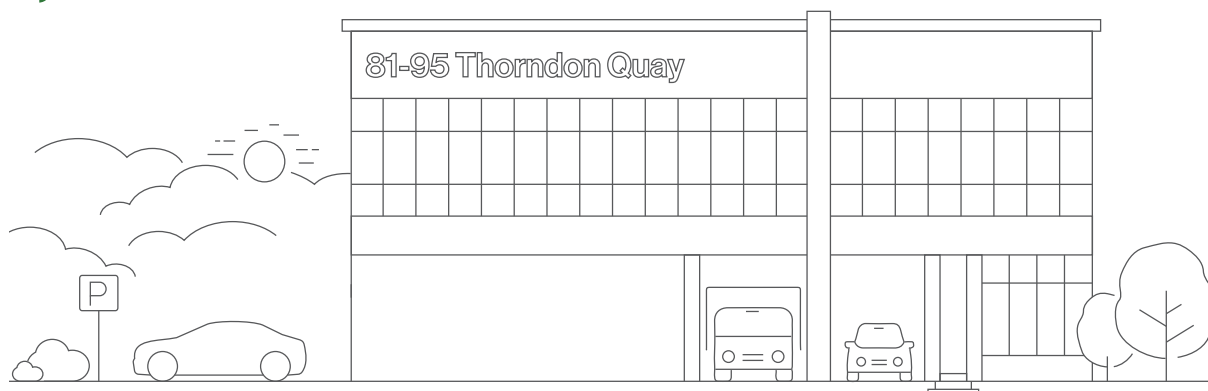
7 TENANCIES
IN TOTAL

\$8.0 MILLION
CURRENT ASSET VALUE

1,538 SQUARE METRE
FLOOR AREA

\$379K PA + GST
RENTAL INCOME

1,779 SQUARE METRE
LAND AREA





Showcasing Rangitikei Street

Rangitikei Street's large format retail mall

This new commercial development at 152-166 Rangitikei Street is due for completion in September 2022. Tenants include national brands Look Sharp and Bargain Chemist, as well as our long-standing computer tenant VR Concepts from adjoining Tikei Mall.

Look Sharp are a large format gift shop, with a range of products including costume wear. Bargain Chemist are an international brand that have recently expanded throughout Aotearoa. A solid tenant mix that provides a very good return for the Trust and is yet another development the Trust can very proud of!

By the Numbers

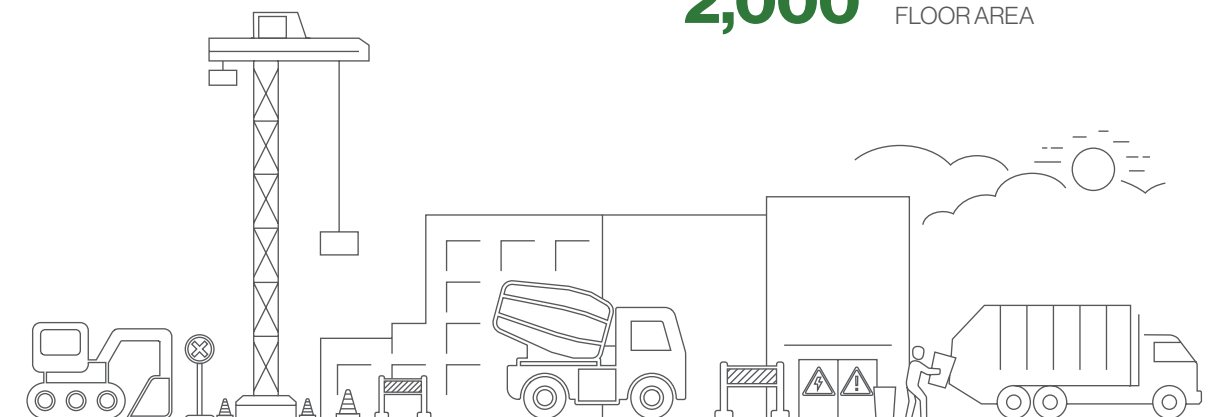
3 STRONG TENANCIES
IN TOTAL

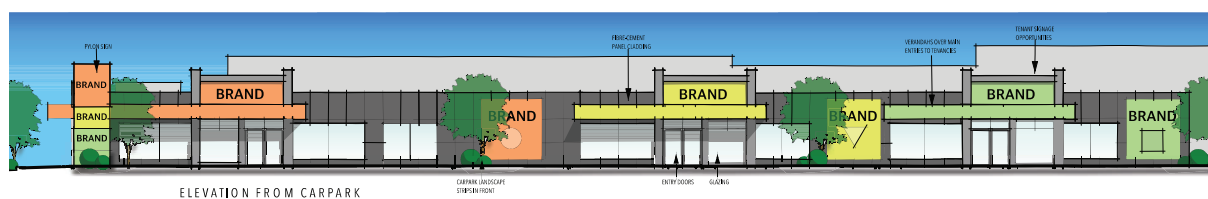
\$8.75 MILLION
PROJECTED ASSET VALUE

100% OWNED
PROPERTY

\$460K PA + GST
RENTAL INCOME

2,000 SQUARE METRE
FLOOR AREA







section two

Summarised Consolidated Financial Statements

Palmerston North Māori Reserve Trust

Summarised Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2022

	Note	2022 \$	2021 \$
Income			
Gross Rental Income	1	7,228,885	6,678,888
Other Income		29,901	30,859
Total Income		7,258,787	6,709,747
Expenses			
Direct Property Expenses	1	(2,107,074)	(2,090,882)
Administration Expenses	2	(937,642)	(860,178)
Other Expenses		(56,364)	(57,027)
Total Expenses		(3,101,081)	(3,008,087)
Operating Profit Before Net Financing Costs		4,157,706	3,701,660
Net Finance Costs		(651,171)	(595,326)
Operating Profit After Net Financing Costs		3,506,535	3,106,334
Non-Operating Revenue and Expenses			
Share of Metlifecare Palmerston North Limited Investment			
Property Revaluation for the Year		4,229,500	894,250
Share of Metlifecare Palmerston North Limited Profit for the Year		1,066,000	1,380,250
Investment Property Revaluation	3	8,414,060	16,287,518
Other Non-Operating Revenue/(Expenses)		-	(13,346)
Donation to Ngahuru Charitable Trust	4	(76,691)	-
Profit Before Income Tax		17,139,405	21,655,006
Income Tax Expense		(592,278)	(555,913)
Total Comprehensive Income for the Year		\$16,547,127	\$21,099,093

Palmerston North Māori Reserve Trust

Summarised Statement of Cash Flows

For the year ended 31 March 2022

	2022 \$	2021 \$
Cash Flows From Operating Activities		
Cash Receipts From Tenants	7,240,050	6,843,334
Cash Paid to Suppliers and Employees	(3,469,246)	(3,029,474)
Other Operating Activities	(1,105,370)	(1,177,062)
Net Cash Inflow/(Outflow) From Operating Activities	2,665,434	2,636,798
Cash Flows From Investing Activities		
Purchase of Investment Property	(2,830,972)	(1,173,182)
Other Investing Activities	3,836	181,218
Net Cash Inflow/(Outflow) From Investing Activities	(2,827,136)	(991,964)
Net Cash Inflow/(Outflow) From Financing Activities	(960,000)	(960,000)
Distributions Paid to Owners	(727,643)	(878,116)
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,849,346)	(193,282)
Cash and Cash Equivalents at Beginning of Year	3,204,740	3,398,022
Cash and Cash Equivalents at End of Year	\$1,355,394	\$3,204,740

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

Palmerston North Māori Reserve Trust
Summarised Consolidated Statement of Changes in Equity
For the year ended 31 March 2022

	2022 \$	2021 \$
Balance at beginning of year	94,792,526	74,639,340
Profit for the year	16,547,127	21,099,093
Other Movements	8,251	8,251
Distribution Declared	(954,159)	(954,159)
Balance at end of the year	\$110,393,745	\$94,792,526

Palmerston North Māori Reserve Trust
Summarised Consolidated Statement of Financial Position
As at 31 March 2022

	Note	2022 \$	2021 \$
Discretionary Reserve		90,285	82,034
Retained Earnings		110,303,460	94,710,492
Total Equity		\$110,393,745	\$94,792,526
Cash and Cash Equivalents		1,355,394	3,204,740
Other Current Assets		146,918	152,333
Total Current Assets		1,502,312	3,357,073
Investment Property Work in Progress		88,759	152,715
Investment Properties	3	118,810,000	105,745,000
Investment in Metlifecare Palmerston North Limited		18,401,000	13,105,500
Other Non-Current Assets		296,392	265,317
Related Party Receivables	4	3,563,263	3,650,259
Total Non - Current Assets		141,159,414	122,918,791
TOTAL ASSETS		142,661,726	126,275,864
Payable for 19, 21, 27 Ngata St & 38 Carroll St Leasehold Interest		1,620,000	-
Unclaimed Distributions		1,865,988	1,647,723
Other Current Liabilities		1,689,876	1,858,726
Total Current Liabilities		5,175,863	3,506,449
Interest-Bearing Loans and Borrowings		26,118,323	27,078,323
Other Non-Current Liabilities		973,795	898,566
Total Non - Current Liabilities		27,092,118	27,976,889
TOTAL LIABILITIES		32,267,981	31,483,338
NET ASSETS		\$110,393,745	\$94,792,526

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

Palmerston North Māori Reserve Trust

Notes to the Summarised Consolidated Financial Statements

For the year ended 31 March 2022

A summary of the Palmerston North Māori Reserve Trust and its controlled entities (the Group) audited financial statements for the year ended 31 March 2022 are shown in the Financial Summary section of this annual report.

The Summarised Financial Statements have been prepared in accordance with FRS-43: Summary Financial Statements.

The amounts stated in these summary financial statements have been extracted from the full financial statements of the Group dated 12 July 2022, of which an unmodified opinion was given by our auditors, Crowe New Zealand Audit Partnership.

The summary financial statements do not include all disclosures provided in the full financial statements and cannot be expected to provide as complete understanding as provided by the full financial statements of the Group.

The summarised financial statements should be read in conjunction with the statement of accounting policies and notes to the full audited financial statements.

The full financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime ("NZ IFRS RDR"). The Group is eligible to report in accordance with NZ IFRS RDR on the basis that it does not have public accountability and is not a large for-profit public sector entity.

The full financial statements were authorised for issue by the Trustees on 12 July 2022. Copies of these are available from the Executive Office and at <https://pnmrt.maori.nz/>

1. RENTAL INCOME

Rental income from investment property (net of incentives provided to lessees) is recognised in profit or loss on a straight-line basis over the term of the lease.

Leases are operating leases and are classified as an operating lease when the Group substantially retains all the risks and rewards incidental to ownership of the investment property.

	2022	
	Gross Rental Income	Direct Property Expenses
	\$	\$
Tikei Mall	1,294,878	(279,109)
Nash Street Group	1,895,698	(352,611)
Countdown Supermarket	1,245,500	(101,013)
Hostel Accommodation	1,057,957	(651,605)
Thorndon Quay - Haukawa kawa LP	286,382	(175,512)
Other	1,448,471	(547,225)
	\$7,228,885	\$(2,107,074)
		\$5,121,811

	2021	
	Gross Rental Income	Direct Property Expenses
	\$	\$
Tikei Mall	1,205,341	(276,979)
Nash Street Group	1,647,775	(305,239)
Countdown Supermarket	1,245,500	(95,960)
Hostel Accommodation	1,009,052	(671,710)
Thorndon Quay - Haukawa kawa LP	251,628	(152,215)
Other	1,319,592	(588,779)
	\$6,678,888	\$(2,090,882)
		\$4,588,006

Palmerston North Māori Reserve Trust

Notes to the Summarised Consolidated Financial Statements

For the year ended 31 March 2022

2. ADMINISTRATION EXPENSES

	2022	2021
	\$	\$
Accountancy Fees	56,317	47,589
Audit Fees	36,553	34,414
Bad Debts	826	-
Bank Charges	1,759	3,036
Cleaning & Laundry	2,804	2,323
Computer Expenses	429	-
Consultancy Fees	3,121	3,624
Executive Office	445,829	436,928
General Expenses	9,529	7,625
Insurance	29,699	28,401
Koha	1,000	400
Legal Fees	79,270	25,104
Owners' Meetings	25,555	35,054
Postage, Printing & Stationery	9,164	1,386
Memberships & Subscriptions	10,084	10,086
Tangi Contributions	1,000	1,400
Telephone & Internet	2,203	2,647
Trustees' Expenses	37,166	32,161
Trustees' Fees (see note 4)	185,333	188,000
	\$937,642	\$860,178

3. INVESTMENT PROPERTIES

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and any other costs directly attributable to bringing the investment property to a working condition for their intended use.

Investment property comprises a number of commercial and residential properties that are leased to third parties, and a number of bare development properties. For residential properties the lease terms range from six months to 12 months and commercial properties have leases negotiated with periods ranging from three years to 15 years with various rights of renewals.

The Group's accounting policies for investment properties require the determination of fair value. Fair values have been determined for measurement purposes based on the following method. When applicable, further information about the assumptions made in determining fair values is disclosed in this note.

Highest and best use has been determined as each of the investment property's current use and therefore fair value has been determined as follows:

Palmerston North Māori Reserve Trust

Notes to the Summarised Consolidated Financial Statements

For the year ended 31 March 2022

3. INVESTMENT PROPERTIES CONTINUED

An external, independent valuation company (Colliers International (Wellington Valuation) Limited), having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

Colliers International (Wellington Valuation) Limited have valued all investment properties for financial reporting purposes at 31 March 2021 and 31 March 2022.

	2022 \$	2021 \$
Balance at 1 April	105,745,000	87,430,000
22 - 24 Ngata Street Development	-	1,201,135
Steve's Tyres Development	31,235	816,460
152-166 Rangitikei Street work to date	2,589,705	-
Purchase of Leasehold Interest in 121 Grey Street	330,000	-
Purchase of Leasehold Interest in 19, 21, 27 Ngata Street & 38 Carroll Street	1,700,000	-
Other Developments	-	9,887
	4,650,940	2,027,482
Change in fair value	8,414,060	16,287,518
Balance at 31 March	\$118,810,000	\$105,745,000

Palmerston North Māori Reserve Trust
Notes to the Summarised Consolidated Financial Statements
For the year ended 31 March 2022

3. INVESTMENT PROPERTIES CONTINUED

Carrying Value of Individual Properties at Fair Value:	2022	Additions	Change in Fair Value	2021
	\$	\$	\$	\$
Countdown Supermarket - 247-271 Rangitikei Street, PN	18,000,000	-	225,000	17,775,000
Tikei Mall - 168-208 Rangitikei Street, PN	17,100,000	-	450,000	16,650,000
Nash Street Group (Mitre 10 Mega) - 250-270 Featherston St, PN	28,700,000	-	2,675,000	26,025,000
	63,800,000	-	3,350,000	60,450,000
<i>Hostels</i>				
Palmy 31 - 29 & 31 Ngata Street, 40 & 42 Carroll Street, PN	2,700,000	-	(200,000)	2,900,000
Baxters - 9-17 Ranfurly Street, PN	2,250,000	-	290,000	1,960,000
	4,950,000	-	90,000	4,860,000
<i>Other</i>				
272-276 Featherston Street, PN	1,250,000	-	-	1,250,000
61-65 Grey Street, PN	1,050,000	-	50,000	1,000,000
67-71 Grey Street, PN	1,550,000	31,235	268,765	1,250,000
77-83 Grey Street, PN	850,000	-	170,000	680,000
152-166 Rangitikei Street, PN (A)	5,500,000	2,589,705	1,110,295	1,800,000
38 Carroll Street, PN	750,000	425,000	(85,000)	410,000
46 Carroll Street & 33 Ngata Street, PN	2,600,000	-	130,000	2,470,000
35 Grey Street, PN	570,000	-	120,000	450,000
33-41 Grey Street, PN	2,700,000	-	350,000	2,350,000
51-59 Grey Street, PN	2,700,000	-	270,000	2,430,000
121 Grey Street, PN	800,000	330,000	(40,000)	510,000
19 Ngata Street, PN	920,000	425,000	75,000	420,000
21 Ngata Street, PN	400,000	-	(40,000)	440,000
27 Ngata Street, PN	800,000	425,000	(45,000)	420,000
32 Ngata Street, PN	825,000	425,000	(220,000)	620,000
34 Ngata Street, PN	735,000	-	155,000	580,000
26 Fitchett Street, PN	600,000	-	55,000	545,000
30 Fitchett Street, PN	780,000	-	135,000	645,000
34 Fitchett Street, PN	800,000	-	135,000	665,000
40 Fitchett Street, PN	680,000	-	50,000	630,000
42 Fitchett Street, PN	680,000	-	160,000	520,000
46/46a Fitchett Street, PN	710,000	-	110,000	600,000
48/48a Fitchett Street, PN	730,000	-	110,000	620,000
3 Nash Street & 16 Ngata Street, PN	850,000	-	70,000	780,000
9-15 Nash Street & 26 Ngata Street PN	1,230,000	-	80,000	1,150,000
22-24 Ngata Street, PN	2,200,000	-	50,000	2,150,000
28a/b/ & 30/30b Ngata Street, PN	1,700,000	-	300,000	1,400,000
81-87 Thorndon Quay & 89-95 Thorndon Quay, Wgtn	8,000,000	-	1,150,000	6,850,000
8-28 Carroll Street & 3-17 Ngata Street, PN	7,100,000	-	300,000	6,800,000
	50,060,000	4,650,940	4,974,060	40,435,000
	\$118,810,000	\$4,650,940	\$8,414,060	\$105,745,000

(A) 152-166 Rangitikei Street is currently under construction, Colliers International (Wellington Valuation) Limited have valued the property excluding costs required to complete, which has been estimated at \$3.5m.

Palmerston North Māori Reserve Trust
Notes to the Summarised Consolidated Financial Statements
For the year ended 31 March 2022

4. RELATED PARTY TRANSACTIONS

The balances below have arisen from a combination of trading activities and loans.

Transactions with related parties are to be settled in cash. None of these balances are secured. During the year the Trustees resolved to donate \$76,691 to Ngahuru Charitable Trust. There have been no impairments of related party balances during the year (2021: nil) and there have been no write-offs of related party balances during the year (2021: nil).

Related Party Balances at year end included:

Related Party Balances at year end included:	2022	2021
	\$	\$
Receivable from Loans - Wharewaka o Pōneke Charitable Trust	3,063,016	3,063,016
Receivable from Trading Activities & Loans - Hīkoikoi Management Limited	500,248	510,552
Receivable from Loans - Ngahuru Charitable Trust	-	76,691
	\$3,563,263	\$3,650,259
Related Party Balances		
Non-Current Related Party Receivables	3,563,263	3,650,259
	\$3,563,263	\$3,650,259
Reconciliation		
Balance at Beginning of Year	3,650,259	3,697,510
Net Payments/(Receipts)	(86,996)	(47,251)
Balance at End of the Year	\$3,563,263	\$3,650,259

The ultimate Parent of the Group is Palmerston North Māori Reserve Trust.

Subsidiaries

Set out below are the significant subsidiaries of the Group:

	Principal Activity	Balance Date	Place of Business/Country of Incorporation	Ownership Percentage 2022	Ownership Percentage 2021
Baxters Limited	Hostel Accommodation	March	NZ	100%	100%
Haukawakawa Limited Partnership	Investment Property	March	NZ	100%	100%

Palmerston North Māori Reserve Trust
Notes to the Summarised Consolidated Financial Statements
For the year ended 31 March 2022

4. RELATED PARTY TRANSACTIONS CONTINUED

Other Related Parties

In addition to the above, Palmerston North Māori Reserve Trust is related to the following entities:

ENTITY	RELATIONSHIP
Wharewaka o Pōneke Charitable Trust	PNMRT has the right to appoint two Trustees
Wharewaka o Pōneke Enterprises Limited	Common Trusteeship / Directorship
Wellington Tenths Trust	Common Trusteeships
Ngahuru Charitable Trust	Common Trusteeships

Transactions with related parties

Related Party Transactions included:

	2022 \$	2021 \$
Interest received from Wharewaka o Pōneke Charitable Trust	60,375	60,375
Interest received from Hikoikoi Management Limited	25,785	28,830
Executive office fees charged by Hikoikoi Management Limited	(445,829)	(436,928)
Donation to Ngahuru Charitable Trust	(76,691)	-
	\$(436,360)	\$(347,723)

Balances of Related Party Loans shown above are required to be settled in cash.

Executive office fees are charged by Hikoikoi Management Limited covering expenses incurred in the management and administration of the Palmerston North Māori Reserve Trust and Wellington Tenths Trust.

Ngahuru Charitable Trust is the charitable arm of the Palmerston North Māori Reserve Trust and the Wellington Tenths Trust. The donation of \$76,691 made during the year was for funds towards the operating costs of Ngahuru Charitable Trust.

Trustee Remuneration

Trustee fees are determined by way of resolution at the Trust's Annual General Meeting.

Trustee remuneration by Trustee is as follows:

	2022 \$	2021 \$
Liz Mellish (Chairman)	60,000	60,000
Jeanie Hughes	16,000	16,000
Paula King	16,000	16,000
Matthew Love-Parata	16,000	16,000
Wiki Michalanney	16,000	16,000
Ann Reweti	16,000	16,000
Aisha Ross	16,000	16,000
Mark Te One (Resigned 31 January 2022)	13,333	16,000
Takiri Cotterill	16,000	16,000
	\$185,333	\$188,000

To the Beneficial Owners of Palmerston North Māori Reserve Trust
Independent Auditor's Report

Report on the Summary Financial Statements

Opinion

The summary financial statements, which comprise the summary balance sheet as at 31 March 2022, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of Palmerston North Māori Reserve Trust for the year ended 31 March 2022.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with FRS-43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 12 July 2022. That report also includes a statement that the engagement partner on the audit resulting in the auditor's report was Les Foy.

Directors' Responsibility for the Summary Financial Statements

Directors are responsible on behalf of the entity for the preparation of the summary financial statements in accordance with FRS-43: *Summary Financial Statements*.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), Engagements to Report on Summary Financial Statements.

Other than in our capacity as auditor we have no relationship with, or interests in, Palmerston North Māori Reserve Trust.

Report on Other Legal and Regulatory Requirements

The Owners' Register conforms and has been properly kept in accordance with the requirements of the Trust Deed.



Crowe New Zealand Audit Partnership

CHARTERED ACCOUNTANTS

14 July 2022

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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section three

Appendices

Appendix One

Minutes

**Minutes of Annual General Meeting held
Saturday 28 August 2021, 10am - 12noon via
Zoom Webinar: ID: 857 1689 1070**

TRUSTEES PRESENT

Liz Mellish (Chairman), Jeanie Hughes, Ann Reweti, Paula King, Wiki Michalanney, Matthew Parata-Love, Aisha Ross, Mark Te One and Takiri Cotterill.

ADVISERS PRESENT

Aaron Titter, BDO, Ben and Yvonne Westerman.

EXECUTIVE OFFICE AND WELLINGTON OFFICE

Mike Helleur, Vicki Hollywell, Christine Fox, Mo Imrie, Tracey Ward and Kathleen Thompson.

ATTENDANCE

Liz Mellish, Jeanie Hughes, Ann Reweti, Paula King, Matthew Parata-Love, Mark Te One, Takiri Cotterill, Wiki and Paul Michalanney, Aisha Ross, Tui Love, Georgina Rangiwhetu, Pauline Owen, Karin Tucker, Tania Rangiwhetu, Hine Love-Thompson, Karen Love, Tracey Wairau, Poiria Love Erskine, Aaron Te One, Richard Te One (Jnr), Tania Rangiwhetu, Martha and Mike Gilbert, Shirley and David Jones, Carrie Tantrum, Alison Philippa Fairclough, Patricia Owen, Kent Huntley, Jenni and Kevin Dittmer, Kris Fairclough, Tracey Evans, Matthew Reweti, Selena Richards, Karena Stone, Roseann Rangiwhetu Enoka, Harata Wirihana and Georgina Rangiwhetu-Morrison.

APOLOGIES

Tom Taumanu, James Taumanu, Anne Sommerville, Eden Taka, Ngawai King, Aro Makowharemahih, Dione King, Stephen Murray, Phenessa Cosgrove, and Tania Dillon.

MIHI WHAKATAU AND KARAKIA TIMATANGA

Mark Te One opened the meeting at 10:06 am with karakia, followed by waiata 'E ngā iwi o te motu nei'.

OPENING ADDRESS BY CHAIRMAN

Liz Mellish opened with a mihi and welcomed all to this meeting highlighting 2021 as a time of change and while under Level 4 COVID-19 restrictions the advances of technology providing new opportunities that allow this meeting to be held virtually.

Thanks to all of you who have joined this morning. First acknowledgment is to Keith Hindle who retires after 16+ years with both Trusts. As a thanks to Keith and his whānau a beautifully carved hoe was presented to Keith on behalf of us all and this now sits proudly in Keith's residence, (carver Warren McGrath, Waikato).

Introduction to our new Chief Executive Mike Helleur who gave an opening address.

HOUSEKEEPING

- ▶ All participants must have pre-registered
- ▶ Apologies for today's meeting please email: info@tekau.maori.nz
- ▶ Q & A – Questions relating to this AGM can be directed to the Chairman and will be answered at the END of the presentation.
- ▶ Polling – a poll will be sent through the webinar to vote on resolutions. You will have approx. 15-30 seconds to choose your answer.
- ▶ Options for resolutions are: Agree/Disagree
- ▶ Meeting is restricted to members and their descendants
- ▶ Reminder - Media are not permitted at this meeting

Resolution

Trustees have reviewed the minutes and recommended that beneficial owners accept the Minutes of the 2020 Annual General Meeting as a true and correct record.

Moved: Liz Mellish, Chairman

CARRIED UNANIMOUSLY

A poll was launched with the following results received:

Resolution: Minutes of 2020 AGM

1. Trustees have reviewed the minutes and recommended that beneficial owners accept the minutes of the 2020 Annual General Meeting as a true and correct record.

100% Answered

Agree 100%



Disagree 0%



MATTERS ARISING FROM THE PREVIOUS MINUTES

Trustees believe that matters arising from the Annual General Meeting are covered in the reports which follow.

ELECTION OF MANAGING TRUSTEES

The three-year term of Managing Trustees, Liz Mellish, Jeanie Hughes, Ann Reweti, Aisha Ross retired by rotation at this Annual General Meeting, and they have offered themselves again. There were no other candidates nominated for the Managing Trustee positions and therefore an election is not required.

Congratulations to Liz, Jeanie, Ann and Aisha. An introduction to 2021-22 Managing Trustees was given and congratulations to all Trustees for a successful year and are keen to continue in the year that follows.

REPORT FROM CHAIRMAN MANAGING TRUSTEES

With the three kete guiding us I am happy to report on Te Whenua, Te Tangata and Te Ao Āmua.

TE WHENUA

Metlifecare Palmerston North Village

By the numbers

- ▶ 38 Bed rest-home Hospital care
- ▶ 50 serviced apartments
- ▶ 17 studio apartments certified to provide rest home level care
- ▶ 99 independent villas
- ▶ \$13.1 million - current asset value
- ▶ 50% joint venture owner
- ▶ 65 staff employed

Student Accommodation Baxter's and Palmy 31

By the numbers

- ▶ 55 rooms Baxter's
- ▶ 85 Rooms Palmy 31
- ▶ 100% own property
- ▶ \$4.86 million current assets value
- ▶ \$1.2 million annual income

Both properties have a very good story to tell. In the April 2020 COVID-19 lockdown the rent was lowered to 50% and our international students remained. The pastoral care provided by our property managers was excellent ensuring health and safety was maintained as per Level 4 guidelines. In 2021 we see the majority of students being domestic and many of them have remained on site as we move through COVID-19 levels, particularly the mature students.

Steve's Tyre Service

Opened in May 2021 located on corner of Ngata and Grey Street's.

Learn a Lot Kindy Kidz Early Childhood Centre

By the numbers

- ▶ 65 – Child Licence Capacity
- ▶ 9 teachers and management
- ▶ 3 individualised learning areas
- ▶ \$2.15 million current asset value
- ▶ 100% owned property

Showcasing Tikei Mall

Major tenants are Warehouse Stationery and we retained all tenants during these challenging times by negotiating with all on rents and ensuring their welfare was paramount.

Mega Mitre 10

Proven to be fantastic tenants and the Trust has worked closely with them throughout the level changes in 2020.

Showcasing Hikoikoi

Our investment here on the site of Hikoikoi Pā ensures we are able to run our Executive offices and support the social and cultural activities that you will learn more about during the meeting.

Showcasing Te Raukura, Te Wharewaka o Pōneke

Our tourism business located at Te Raukura is currently in hibernation. Our team are working closely with Paul and Keri Retimanu who manage our conference and function centre as throughout the COVID-19 restrictions the bookings are dynamic.

We are working with Wellington City Council to change the status of Te Raukura to a Māori reservation that preserves the site for the future and addresses the amount of rates per annum.

Our new Developments

Include the following;

- ▶ Rangitikei Street
- ▶ Metlifecare
- ▶ Baxter's
- ▶ 121 Grey Street
- ▶ Haukawakawa Limited Partnership

Rangitikei Street Development

Retail outlets have been secured and they are Look Sharp, VRC Computers and Bargain Chemist. Work has begun on the site and will continue as we move to Level 2. COLSPEC who are managing the project have worked through some of the challenges discovered in regard to sewerage pipes and archaeological finds on the site alongside Ben Westerman and our management team. Development should be completed by April 2022 and will provide a great return for the Trust.

Carroll Street and Ngata Street Development

In this area we have an agreement to develop this site with Metlifecare.

Metlifecare – New Development on Carroll and Ngata Streets

Takiri Cotterill and Aisha Ross will work with developers to add design features in this complex. There will be two private lanes as part of the development and we have advised Metlifecare it is our prerogative to name these lanes. Trustees have proposed Hohaia Lane and Manaia Lane after former Trustees of Palmerston North Māori Reserve Trust.

Baxter's Hostel Development

Currently on hold with Massey University however we anticipate commencing work early 2022. These units are specifically designed for PhD students with whānau.

121 Grey Street

The Trust has now purchased this land for \$300k now also classified as Māori freehold land.

Showcasing Haukawakawa Limited

Our property in Wellington at 81-89 Thorndon Quay has been secured as a future development and we are quietly determining our prospecting strategy on this traditional land.

TE TANGATA

Owners Database and Successions

We congratulate Kathleen Thompson for all the work done to manage the owners' database and working with Māori Land Court staff to tidy up successions and searching out owners. Of note:

- ▶ We now have a new Database GDpro. All information has been transferred from the old database to the new database.
- ▶ Owners' hui 2021 was a success in Taranaki.
- ▶ We had three hui held in Waitara, New Plymouth and Hawera with up to 20 people at each hui.
- ▶ Unclaimed dividends remain a key focus for 2022 and beyond.

Rangatahi Wānanga – Registrations Open

- ▶ Scheduled for 11-15 October 2021.
- ▶ Week long programme for rangatahi aged 13-17.
- ▶ Successful applicants stay on site for 4 nights at Hikoikoi.
- ▶ Facilitators will take rangatahi on a journey of exploration through activities and korero.
- ▶ Learn where their people are from.
- ▶ Learn what the iwi is doing today.
- ▶ How they can be involved in their future.

If you have any rangatahi who may wish to attend please contact info@tekau.maori.nz for an application or more information.

Hikoikoi Rōpū – Social and Cultural Initiatives

Based at Hikoikoi we have several social and cultural initiatives available for the whānau including.

- ▶ Waka ama
- ▶ Te Ataarangi
- ▶ Te Rōpū Raranga o Manaia
- ▶ Kaumātua

During Matariki 2021 celebrations our Hikoikoi community come together to undertake some of the following activities:

- ▶ Planting and beach clean.
- ▶ A dawn ceremony on Petone beach at 5.30am Sunday 11 July.
- ▶ Activities after breakfast for the tamariki and rangatahi providing an opportunity for connection and discussion.
- ▶ Demonstrating ahi kā - keeping us all warm and providing opportunity to share kōrero on the beach.
- ▶ Communal breakfast.

Our thanks to Hutt City Council for ngāhere, Wellington City Council for Umu Kohukohu Whetū and all others who made Matariki 2021 so special.

TE AO ĀMUA

Strategic Direction

Liz outlined the Trust's three-year strategy providing direction for the Trust, and influenced by these four pou:

- ▶ Property/Economic
- ▶ Environmental
- ▶ Cultural
- ▶ Social

Short Term Focus

As directed by owners, Trustees are focusing direction in the short term on the following:

- ▶ Property Development – Palmerston North
- ▶ Property Development – Wellington
- ▶ Strengthen relationship with local government both in Wellington and Palmerston North
- ▶ Education – Kura Ahurea Programme

Trustees wish to discuss a little more in-depth what our Kura Ahurea Programme is about and get the support of owners to develop the programme further and continue telling our stories. Currently this programme is supported by Ministry of Education.

KURA AHUREA PROGRAMME AND EDUCATION OPPORTUNITIES

The Kura Ahurea Programme has been in our newsletters and today we highlight specifically the why of our Kura Ahurea programme:

- ▶ Uphold Mana Whenua status.
- ▶ Who we work with and what we help the schools undertake.
- ▶ Provide an Ahu Whenua Trust perspective on local historical narratives, tikanga and kawa.
- ▶ Assist local schools to design and shape a curriculum that includes Te Ao Māori and acknowledges its value.
- ▶ Kura Ahurea is operating in 42 primary schools with the programme now running for three years.
- ▶ NZ Curriculum and Ministry of Education expectations mean the curriculum is being refreshed over the next five years.
- ▶ The first Learning Area from the curriculum refresh to be implemented in schools will be the Aotearoa NZ Histories Draft Curriculum for all years 1-10.
- ▶ Know, Understand, Do - the framework that will be used for all the curriculum learning areas.
- ▶ From the history curriculum and Kura Ahurea perspective, the need to know their local rohe and context, along with the ability to think critically about stories again aligns directly with our Kura Ahurea programme.

▶ That statement 'Learning that can't be left to chance' is such a great way to think about the importance of how telling our stories to future generations, so they have the knowledge to think critically about the past to inform the future.

▶ The Aotearoa NZ Histories Curriculum and requirement for schools to know acknowledges the rich whakapapa, traditions & cultures that reflect our rohe, our Ahu Whenua Trust area.

In summary the NZ Curriculum refresh, along with the solid foundation we have in the work already done with our Kura Ahurea programme is providing for our rohe's schools an:

- ▶ Awareness of Mana Whenua and their place in Te Whanganui a Tara schools
- ▶ Opportunity for US to tell our stories
- ▶ Need – there is a need to further develop, strengthen and extend our programme (there are 200 odd schools in our rohe). We need whānau with an educational background to support this kaupapa.

We have a Kura Ahurea taumata who guide the development of this programme: Liz Mellish, Mark Te One, Ann Reweti, Ben Ngaia, Matiu Jennings and Neavin Broughton. Trustees would like your support to further develop the Kura Ahurea Education Programme.

Resolution

Trustees seek support from owners to support the further development of the Kura Ahurea Education Programme to tell our stories in Te Whanganui a Tara.

Moved: Liz Mellish, Chairman

CARRIED UNANIMOUSLY

A poll was launched with the following results received:

Resolution: Support Kura Ahurea

1. Trustees seek support from owners to support the further development of the Kura Ahurea Education Programme to tell our stories in Te Whanganui a Tara.

100% Answered

Agree 100%

Disagree 0%

FINANCIAL REPORT

Aaron Titter presented the financial report for the year ended 31 March 2021.

TOTAL ASSETS

The assets of the Trust now total \$126.27 million. The total of your investment properties makes up \$105.7 million of this amount with the full break down of the investment properties on page 33 of your summarised financial statements with some detailed here including the largest investment properties of Mitre 10 Mega valued at \$26.02 million, Countdown valued at \$17.77 million and Tikei Mall valued at \$16.65 million.

DEBT TO EQUITY RATIO

The percentage of debt to total equity is continuing to decrease year on year through a combination of paying down the bank debt and an increase in asset values.

STATEMENT OF FINANCIAL PERFORMANCE

The summarised statement of profit and loss is shown on page 28 of your annual report. Starting at the top, total revenue from your properties decreased by approximately \$190,000. This is attributable primarily to the Nash Street rental income as rent reductions were given for some tenants in response to COVID-19. The breakdown of rental income is shown on page 30 of your annual report, along with the rental expenses which decreased by approximately \$271,000 attributable mainly to repairs and maintenance expenditure of residential properties in the 2020 year. As a result, the net income from properties increased by approximately \$81,000.

Administration expenses decreased by approximately \$84,000 from 2020 to 2021. The detail of what comprises the administration expenses is shown in note two on page 31 of your annual report. The main decreases were executive office and Trustees' expenses due to less activity because of COVID-19.

This leaves your Trust with an operating profit before net financing costs of just over \$3.7 million for 2021 versus \$3.6 million for 2020, which is a great result considering the pandemic impacts of the 2021 year.

Net financing costs of the Trust continue to decrease as total debt decreases and your Trust sources better interest rates.

STATEMENT OF FINANCIAL PERFORMANCE CONTINUED

The next line is your share of the after-tax profit of Metlifecare broken down into the trading profit and the revaluation profit, the next line is then the Trust's investment property revaluation which has increased significantly by \$15 million this year due to valuations being impacted and reduced by COVID-19 in 2020.

After deducting income tax on the profits generated, we end up at a net surplus after tax of \$21 million versus \$4.7 million for 2020. Overall, an excellent result.

STATEMENT OF FINANCIAL POSITION

We now move onto the statement of financial position, or what you own less what you owe. This is shown on page 29 of your annual report. The statement of cash flows is in numerical form on the pie charts shown earlier.

Total current assets are \$3.35 million for 2021. This included approximately \$3.2 million of cash reserves.

The loans to Hikoikoi, the Wharewaka, and Ngahuru Charitable Trust are approximately \$3.65 million.

Your Trust has an equity investment in Metlifecare which has a book value of \$13.1 million increasing from last year as a result of share of profit which we have already discussed.

Investment properties the Trust owns have a book value of \$105.75 million after accounting for the revaluation increase which has lifted the value of

properties significantly this year. Movements in this property value are outlined in note three on page 33 of your annual report showing the revaluation for each property.

Current liabilities have stayed increased by \$99,000 from last year with the current borrowings of \$960,000 remaining consistent, being the loan payments that are due in the next 12 months.

Total borrowings have decreased by \$960,000 which is the loan repayments being made.

Deducting total liabilities from the total assets shows a net asset value for your Trust of \$94.79 million for 2020 versus \$74.63 million for 2021.

STATEMENT OF CASH FLOWS

The last statement I will talk to today is the statement of cash flows shown underneath the statement of profit or loss in your annual report.

Your Trust generated \$2.6 million from its operations, which includes rents less expenses, including interest. A net \$991,000 was paid towards investments, this is mainly due to investment property construction at 22-24 Ngata Street and 67-71 Grey Street.

\$960,000 was repaid to Westpac in respect of the Trust mortgages and \$878,000 was distributed to you as owners either for last years dividend, or for historic amounts where owners have been identified and funds distributed. This results in net cash on hand of \$3.2 million in the Trust operating accounts.

FINANCIAL REPORT

Resolution

It is hereby resolved that beneficial owners approve the audited Financial Statements for the year ended 31 March 2021 as a true and correct record of the Trust's financial position.

Moved: Liz Mellish, Chairman

CARRIED UNANIMOUSLY

A poll was launched with the following results received:

Resolution: Financial Report

1. It is hereby resolved that beneficial owners approve the audited Financial Statements for the year ended 31 March 2021 as a true and correct record of the Trust's financial position.

100% Answered

Agree 100%

Disagree 0%

TRUSTEE REMUNERATION

At the last Trustee meeting Trustees recommended the remuneration to remain the same as 2020.

Resolution

Trustees recommend that the Trustee Remuneration remain the same level as for 2020:

- Chairman: \$60,000 per annum
- And remain \$16,000 per annum for each Trustee

Moved: Philippa Fairclough

Seconded: Richard Te One

CARRIED UNANIMOUSLY

No discussion from owners.

A poll was launched with the following results received:

Resolution: Trustee Remuneration

1. Trustees recommend that the Trustee Remuneration remain the same level as for 2020: Chairman \$60,000 per annum, and remain the same for Trustees at \$16,000 per annum for each Trustee.

100% Answered

Agree 100%

Disagree 0%

APPOINTMENT OF AUDITOR

Resolution

It is hereby resolved that beneficial owners appoint Crowe New Zealand Audit Partnership as the independent auditors for the Palmerston North Māori Reserve Trust for the year ending 31 March 2022.

Moved: Liz Mellish, Chairman

CARRIED UNANIMOUSLY

A poll was launched with the following results received:

Resolution: Appointment of Auditor

1. It is hereby resolved that beneficial owners appoint Crowe New Zealand Audit Partnership as the independent auditors for the Palmerston North Māori Reserve Trust for the year ending 31 March 2022.

100% Answered

Agree 100%



Disagree 0%



ANNUAL DISTRIBUTION

Resolution

Trustees recommend to beneficial owners that a distribution of \$5.00 per share, being a total commitment for 190,831.866 shares = \$954,159.30

Moved: Liz Mellish, Chairman

CARRIED UNANIMOUSLY

The distribution is paid into bank accounts in the last week of November.

A poll was launched with the following results received:

Resolution: Annual Distribution

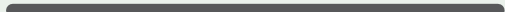
1. It is hereby agreed that Trustees recommend beneficial owners agree to a distribution of \$5.00 per share, being a total commitment for 190,831.866 shares = \$954,159.30. The distribution is paid into bank accounts in the last week of November.

100% Answered

Agree 100%



Disagree 0%



FUTURE ECONOMIC SITUATION

Our accounts are to year ending 31 March 2021. We have just gone into another Level 4 lockdown and therefore below is an outline of our future economic situation:

- ▶ COVID-19 impact is unpredictable
- ▶ We have not lost any tenants
- ▶ Cash Flow has been maintained
- ▶ Balance Sheet is very strong
- ▶ Proceeding with developments
- ▶ Owners can be assured costs are continually under review

HĪKOIKOI MANAGEMENT STRUCTURE

Of note the Hikoikoi Management structure supports a team of five full time and one part time staff members and they take care of the business of the two Trusts. The team is led by Mike Helleur, Chief Executive and Vicki Hollywell, Operations Manager.

Our externally funded roles are:

- ▶ Nga Tekau AoD service support two counsellors, Lena Leatherby who is full time and Maree Robertson who at the moment is part time and will be full time on completion of her degree at the end of this year.
- ▶ Kaumātua are looked after by Tanea Pahina our Health and Well-being Coordinator
- ▶ Tanea works part time and coordinates the Kaumātua gatherings at Hikoikoi on Mondays and has done a particularly good job developing a programme of activities that support their health and wellbeing and also supports the work of the Trusts

- ▶ The Kura Ahurea programme is administered by Helen Lloyd who is part time and our two contractors Neavin Broughton and Jenni Dittmer sharing their educational expertise.

THANKS TO OUR ADVISORS/HĪKOIKOI MANAGEMENT TEAM

The Chairman thanked each of the Trustees for their hard work, and their support. She thanked Aaron Titter, Nigel Moody, Paul and Keri Retimanu, Yvonne and Ben Westerman and the team for their day to day help with the properties. The biggest thanks went to the staff, noting that it is a very small staff that runs a \$126 million dollar business.

PĀNUI

Question received regarding social housing and our investment. Response given by the Chairman as follows:

- ▶ Our investments in Palmerston North
- ▶ No land owned in the Hutt
- ▶ Social housing is a provision from Government through taxes

Further questions can be directed to the Chairman by emailing info@tekau.maori.nz Please ensure your details are up to date in order to facilitate distribution payments.

KARAKIA WHAKAMUTUNGA

Proceedings finished with a karakia from Mark Te One at 11:36am.

Palmerston North Māori Reserve Trust

Our Trustees



Appendix Two

Trustee Profiles

TRUSTEE



Liz Mellish
(Chairman)

Tribal Affiliations: Te Ātiawa, Taranaki, Ngāti Ruanui

Liz Mellish is the current Chairman of Palmerston North Māori Reserve Trust. Liz is also Chairman of Te Raukura, Te Wharewaka. Liz is the Deputy Chairman of the Federation of Māori Authorities and a member of Pouhere Taonga the Māori Heritage Board. Liz has Directorships on Metlifecare Palmerston North, Wellington Uni Professional, Hikoikoi Management Limited and Haukawakawa Limited. Liz is Trustee of Featherston Booktown and Chairman of the Featherston Anzac Club.

Liz lives in Featherston with husband Graham and is the mother of three daughters and nine mokopuna, three of whom are currently students at Wellington University. Liz is an avid reader and gardener and enjoys being at the coast.



Ann Reweti

Tribal Affiliations: Te Ātiawa, Taranaki, Ngāti Tama, Ngāti Tara

Ann was appointed as a Trustee of the Palmerston North Māori Reserve Trust in 2009. She is also a Trustee of Te Wharewaka o Pōneke Charitable Trust.

Ann has worked for Wellington City Libraries for over 30 years of her working life with her latest tenure there from 1992-present as the Business Development Customer Specialist, Māori. Ann has a Bachelor of Mātauranga Māori (BMM) 1997, and a Bachelor of Māori and Information Management (BMIM) 2002 from Te Wānanga o Raukawa. Ann entered library work with BA (VUW) and Diploma of NZLS, and in 2010 received a FLIANZA – Fellowship of the Library and Information Assn of NZ Aotearoa.

Ann supervised the production of four volumes of Nga Tūpuna o Te Whanganui-a-Tara – which has around 100 profiles of our people migrating to and living in this rohe from 1830 onwards.



Jeanie Hughes

Tribal Affiliations: Te Ātiawa, Taranaki.

Born and raised at Waiwhetu, Jeanie is the youngest child of four children and the only daughter of Manu and Jean Taumanu.

Jeanie has been a Trustee on the Wellington Tenth Trust and the Palmerston North Māori Reserve Trust since 2006. Her motivation for being a Trustee is “is it right for our owners?” as being a Trustee is a huge commitment and a lot of responsibility. Jeanie was raised to be honest, with principles, and will help anyone if asked and if warranted. She is retired, a mother to one daughter, and nanny to six mokopuna. She enjoys golf and belongs to Cambridge Golf Club, loves music and her whānau.

TRUSTEE



Aisha Ross

Tribal Affiliations: Ngāruahine, Taranaki, Te Ātiawa, and Whakatohea

Aisha is a pioneer in modern venture capital, as a General Partner of Hillfarrance based in Aotearoa, he has an extensive background in management, business development and innovation. Aisha has held a number of governance roles in commercial, iwi, private and non-profit organisations, and a startup founder of 23ika limited.

As a leader at the intersection of Māori, public, and private sectors in Aotearoa. He has been pivotal in the establishment of Ahikōmako – Centre of Māori Innovation and Entrepreneurship and Kōkiri Māori Technology Accelerator. He holds a Master of Business Administration from Waikato University and a Master of Applied Technological Futures from TechFutures Lab New Zealand.



Wiki Michalanney

Tribal Affiliations: Te Ātiawa, Ngāti Maniapoto

Wiki was elected to the Palmerston North Māori Reserve Trust in 2010.

Wiki lives in Waitara, Taranaki. She is a Justice of the Peace and a Marriage Celebrant and continues to provide administrative and project management support for the Te Ātiawa Kaumātua Housing Trust and is a Trustee for Ngāti Rahiri Hapū and is a Board member for Taranaki Women's Refuge, and is an independent appointee working with Marae Trustees on the Owae Marae redevelopment project.

Wiki is a Life Member of the Māori Women's Welfare League, Waitara Branch Treasurer/Secretary, and in 2018 was elected President Aotea Region. She has held numerous other positions for the league, Treasurer, Area Representative, and Project Coordinator. Wiki would like to share this quote 'The best preparation for tomorrow is doing your best today.'



Takiri Cotterill

Tribal Affiliation: Te Ātiawa

As a Trustee for the Palmerston North Māori Reserve Trust Takiri brings a passion to see whānau, hapū and iwi development in all aspects of our lives.

With experience as a Company Director for Alpha Corporation Limited and Coastland Shoppingtown Limited. Takiri really enjoys being involved as a Ngahuru Charitable Trust Trustee, supporting social and cultural development initiatives that come under the Wellington Tenths Trust and Palmerston North Māori Reserve Trust umbrella.

Takiri has been coordinator of Te Rōpu Raranga o Manaia for the past 11 years which is supported by the Ngahuru Charitable Trust. Takiri has 30 years social work experience working in the area of whānau Māori well-being including community development and working with rangatahi and tamariki care and protection.

TRUSTEE



Paula King

Tribal Affiliations: Ngaruahine, Ngāti Ruanui, Te Ātiawa, Taranaki Iwi

Proudly Taranaki born and bred, Paula lives in Hawera. Her qualifications and experience are in Business (Trustee and Company Director), Education (Head of Department - Accounting, Economics and Financial Literacy; and Careers Advisor), and Property Management. Paula utilises these skills as a member of our Audit and Risk Committee.

In the community Paula has volunteered as a Teacher Aide, Budget Advisor, and Auditor. She has also served as a coach, manager and administrator for multiple sporting codes. Paula has a personal interest in whakapapa research and relishes spending time with her whānau.



Matthew Love-Parata

Tribal Affiliations: Te Ātiawa, Taranaki, Ngāti Puketapu ki Paraparaumu, Ngāti Tama, Ngāti Te Whiti, Ngāti Toa

Matthew has been a long-standing Trustee with Palmerston North Māori Reserve Trust and Wellington Tenth Trust since 1988.

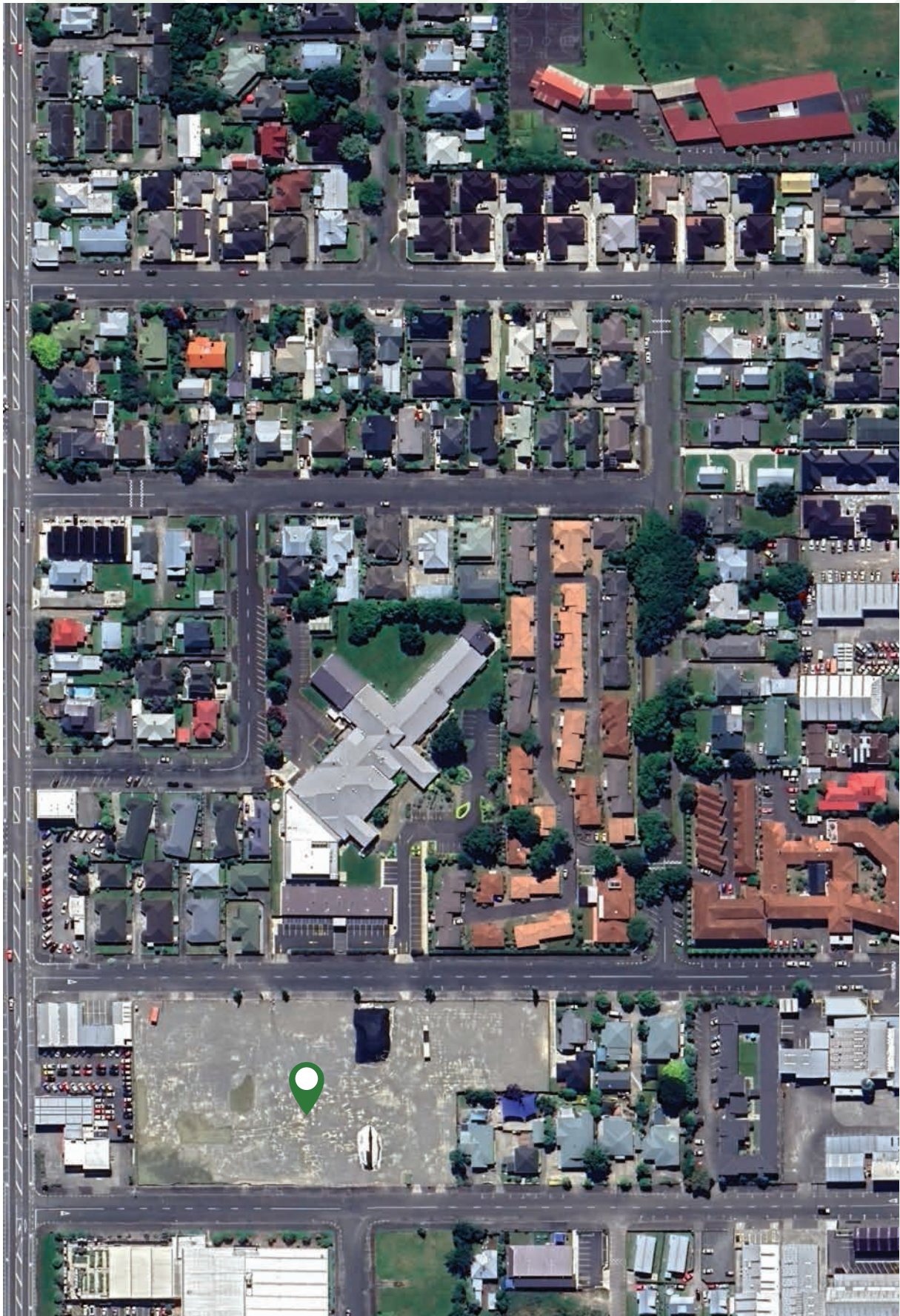
Matthew's focus in both Trusts has been to grow the assets for the shareholders (by making considered and risk averse decisions), and to continue to support the owners and their whānau.

Both Trusts have continued to develop strategic whenua areas and this has resulted in strong financial asset returns for the owners.

Matthew's background in the building industry includes as a building contractor in the Whangamata/Coromandel region, Building Project Management in Sydney/Canberra/Auckland, Building Inspector at Taupo District Council and Training Advisor with the Building Construction Industry Training Organisation (BCITO) in the Central North Island.

Matthew continues to support well researched property development opportunities as a way to grow the asset base of both Trusts.

Matthew is blessed with a daughter Trudy and son Darren, with Adrienne (D.1989), and blessed again with two more sons (Joshua and Louie) with his wife, Joanne. Matthew and Joanne have three mokopuna (Noah, Jessie, and Meela).



Metlifecare Stage One Development Villas - Rangitikei and Manawatu Units.



New commercial development at 152-166 Rangitikei Street



Palmerston North Māori Reserve Trust

Contact us...

Executive Office

24d Marine Parade, Hikoikoi, Petone

PO Box 39294, Lower Hutt 5045

Phone: 04 473 2502

Freephone: 0508 445 645

Email: info@tekau.maori.nz

Web: www.tekau.maori.nz

Wellington Office

Level 1, Te Raukura, (Te Wharewaka)

2 Taranaki Street, Wellington

P O Box 39294

Lower Hutt 5045

Email: admin@wharewakatours.maori.nz

Executive Office Staff

Vicki Hollywell, General Manager

Christine Fox, Trust Secretary

Kathleen Thompson, Database Administrator

Mo Imrie, Administrator

Richard Te One, Relationship Liaison Officer

Tracey Ward, Accountant

Tanea Pahina, Kaumātua Health & Well-Being Co-ordinator

Te Karanga o Te Tui Marino, Kura Ahurea, Administrator

Ngā Tekau Alcohol & Drug Service

Lena Leatherby, Senior Clinician

Maree Robertson, Clinician





PO Box 39294, Wellington Mail Centre, Lower Hutt 5045
24d Marine Parade, Hikoikoi 5012
Phone: 04 473 2502 or **Freephone:** 0508 445 645
Email: info@tekau.maori.nz

Palmerston North Māori Reserve Trust

Proxy Form 2022

I _____

OF _____

BEING AN OWNER IN THE PALMERSTON NORTH MĀORI RESERVE TRUST

SHAREHOLDER NUMBER _____

DO HEREBY APPOINT _____

OR FAILING HIM/HER _____

TO ACT AS MY PROXY TO ATTEND AND VOTE ON ALL MATTERS AT THE ANNUAL GENERAL MEETING OF
BENEFICIAL OWNERS TO BE HELD ON SATURDAY 3 SEPTEMBER 2022, AND AT ANY ADJOURNMENT THEREOF.

DATED THIS _____ DAY OF _____ 2022

SIGNATURE OF OWNER _____

IN THE PRESENCE OF WITNESS
(SEE 11.25 OF THE ATTACHED PROXY VOTING RULES) _____

OCCUPATION _____

ADDRESS _____

NOTES:

The proxy form when completed must either be handed in at the meeting or lodged with the secretary or the executive office of the Trust before 10.00am on the working day before the meeting (see 11.26 of the attached Proxy Voting Rules)
A proxy must be an owner or a descendant of an owner (see 11.23 of the attached Proxy Voting Rules)



Palmerston North Māori Reserve Trust

Proxy Voting Rules

The rules are contained at clause 11 of the Trust Deed and are set out as follows:

PROXY

11.23 A proxy must be an owner or a descendant of an owner.

11.24 If an owner giving the proxy is opposed to:

- a** any exchange;
- b** any lease;
- c** any other proposed resolution;

he or she is entitled to direct his or her proxy to vote against any of these. For that purpose he or she must write in the space provided on the proxy such directions as he or she requires, namely:

- d** I direct my proxy to vote against any exchange; or
- e** I direct my proxy to vote against any lease of the land; or
- f** I direct my proxy to vote against the proposed resolution.

11.25 The persons following are qualified to act as witness to a signature on a proxy form:

Kaumātua
Solicitor of the High Court
Justice of the Peace
Officer of the Māori Land Court
Licensed Interpreter of the Māori language
Registered Medical Practitioner
Officiating Minister
Registered Nurse
Registered School Teacher
Officer of the Department of Justice
Chartered Accountant.

11.26 The proxy form when completed must either be handed in at the meeting or lodged with the secretary or the executive office of the Trust before 10.00am on the working day before the meeting.

INSTRUMENT OF APPOINTMENT

11.27 No person shall be entitled to vote as proxy at a meeting unless the chairperson of the meeting is satisfied that the instrument containing his or her appointment is prima facie in order.

11.28 If any instrument of appointment is ruled by the chairperson to be out of order, the reason for the ruling shall be certified on the instrument.

11.29 The chairperson of the meeting shall, on request, give to any person entitled to vote at the meeting an opportunity to inspect any instrument of appointment which has been lodged and to raise any objection to the instrument.

CANCELLATION AND LAPSE OF APPOINTMENT

11.30 An appointment as proxy may be cancelled by the person who has given the proxy by writing by him or her and either lodged at the notified office of the Trust before 10.00 am on the last working day before the day of the meeting or lodged with the chairperson of the meeting.

11.31 An appointment as proxy shall lapse on the death of the person giving the proxy or on the cancellation of the appointment as provided in the immediately preceding subclause.

11.32 If a person who has appointed a proxy attends the meeting personally and notifies the chairperson that he or she is present and the chairperson notifies the meeting accordingly the proxy shall not vote for him or her after the chairperson's notification, but the validity of voting which has already been completed prior to that notification to the meeting shall not be affected thereby.



**PALMERSTON NORTH
MĀORI RESERVE TRUST**
www.pnmrt.maori.nz

