



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

PALMERSTON NORTH MĀORI  
RESERVE TRUST

# Annual Report 2023







# Palmerston North Māori Reserve Trust

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## Objective

The Palmerston North Māori Reserve Trust is an Ahu Whenua Trust constituted under Section 244 of Te Tūre 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, Richard Te One, Aisha Ross and Matthew Love-Parata.

## Mihi

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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

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**“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**









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section one

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# General



# Notice of Annual General Meeting



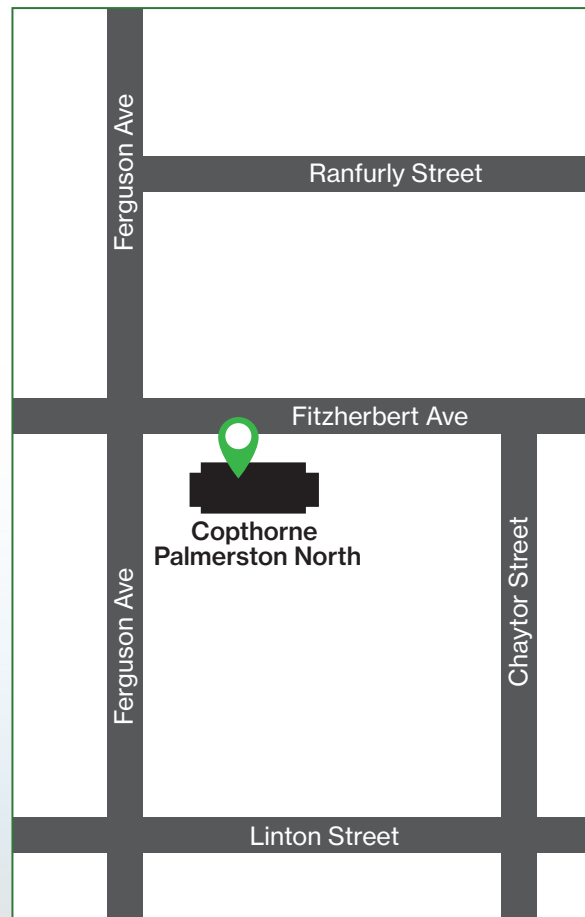
*Te Whenua, Te Tāngata, Te Ao Āmua  
The Land, The People, The Future*

## **PALMERSTON NORTH MĀORI RESERVE TRUST ANNUAL GENERAL MEETING**

Saturday 26 August 2023 10:00am – 12:00pm  
Copthorne Palmerston North,  
110 Fitzherbert Ave, Palmerston North

### **Agenda**

Mihi whakatau / Karakia  
Apologies  
Minutes of 2022 Annual General Meeting  
Election of Managing Trustees  
Report from the Heamana (Chairman) & Trustees  
Financial Report  
Appointment of Auditor  
Trustee Remuneration  
Annual Distribution  
Karakia Whakamutunga





Report from the  
**Heamana (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.”**





### **Tēnā koutou, tēnā koutou, tēnā koutou katoa,**

I want to open my kōrero to you with the ōhākī of Te Wharepōuri, given on his deathbed to Honiana Te Puni.

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

In reciting this ōhākī we are reminded of our responsibilities that our esteemed tupuna have charged us with. The joy of the ōhākī is that it set our path going forward and determined our business strategies.

As you know our Ahu Whenua Trusts operate on a quadruple bottom line meaning we always strive in our decision making to consider the values or principles of Social, Environmental, Cultural and Economic outcomes.

We have established Ngahuru Charitable Trust to enable us to achieve our social, environmental and cultural outcomes. The importance of activities that support these outcomes cannot be underestimated and therefore we ensure our kaumātua, weavers, waka ama, māra kai and Alcohol and Drug Services are supported through Hikoikoi Management Limited. Education and tourism initiatives are supported through our business at Te Raukura, Te Wharewaka o Pōneke ensuring we educate ourselves whilst educating others ‘Tū tama roto, Tū tama waho’.

We have worked through the difficulties of the COVID 19 pandemic that saw some of our retailers suffer and ensured that we have assisted where necessary so they could continue their business. This added more complexity to an already complex business we have in Palmerston North.





Most pleasing for us has been the growth in tracking the succession of owners so we can distribute their monies, which in time of hardship is welcomed by all. Our financials show for the first time we are reducing the number of outstanding distributions from previous years. This has occurred as a result of the direction the Trustees have set for Hikoikoi Management staff to assist in locating owners and enabling succession to occur. My thanks go to staff for achieving this milestone.

Although we have a reduction and amendments in valuations for 2023 as you will see in our Annual Report, we have still improved our bottom line from 2021, noting that 2022 was an extraordinary year for property prices with market rates now being in decline.

In addition, costs have risen particularly in relation to rates and insurance, and we have negotiated with tenants to ensure that they can manage arrears. Despite this we have ensured that we had held cashflows steady so a distribution can be made to owners to help in these difficult financial times.

**Ngā Mihi**

Liz Mellish, MNZM

**Heamana (Chairman)**

**Palmerston North Māori Reserve Trust**





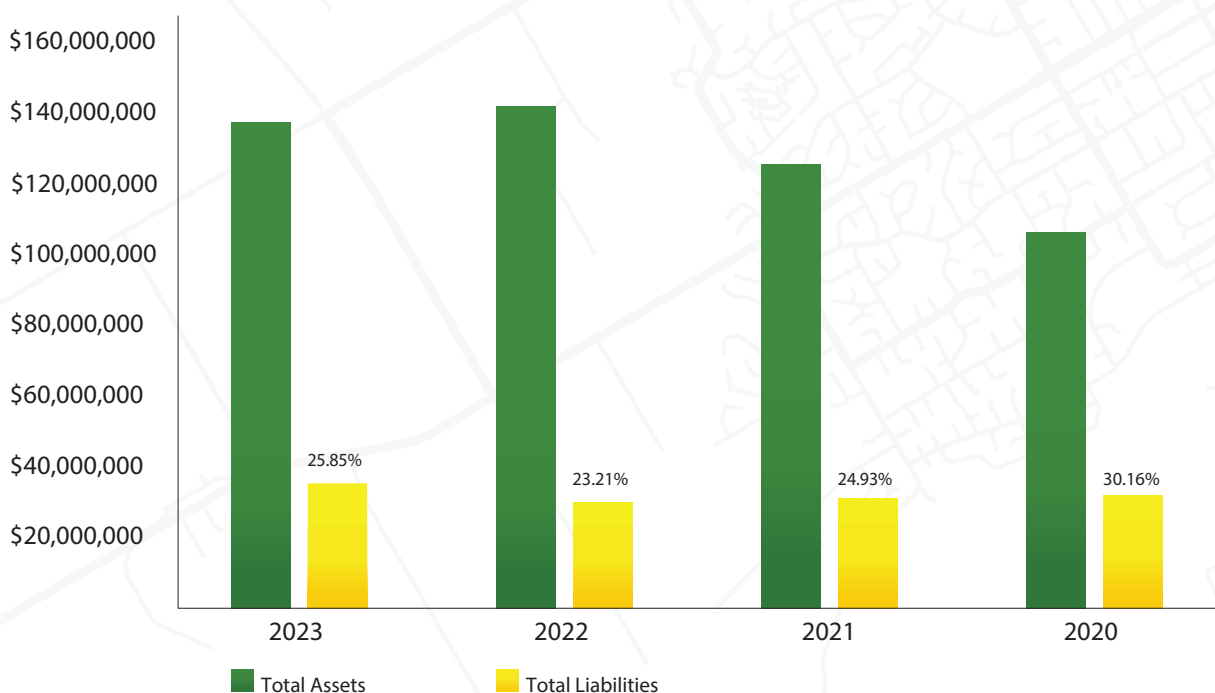
# Palmerston North Māori Reserve Trust

## Statistical Information

STATISTICAL INFORMATION	2023	2022 (restated)	2021	2020
Number of Owners	1,184	1,138	1,111	1,089
Number of Shares	190,831,866	190,831,866	190,831,866	190,831,866
Total Assets	\$134,874,179	\$139,037,726	\$126,275,864	\$106,866,812
Total Liabilities	\$34,867,203	\$32,267,981	\$31,483,338	\$32,227,472
Total Equity	\$100,006,976	\$106,769,745	\$94,792,526	\$74,639,340
Indicative Value per Share	\$524.06	\$559.50	\$496.73	\$391.13
Total Income	\$7,527,844	\$7,258,787	\$6,709,747	\$6,962,983
Operating Profit After Net Financing Costs	\$2,667,748	\$3,506,535	\$3,106,334	\$2,814,819
Investment Property Revaluation	(\$7,423,708)	\$8,114,060	\$16,287,518	\$1,788,500
Profit/(Loss) for the year	(\$5,816,861)	\$12,923,127	\$21,099,093	\$4,733,444
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

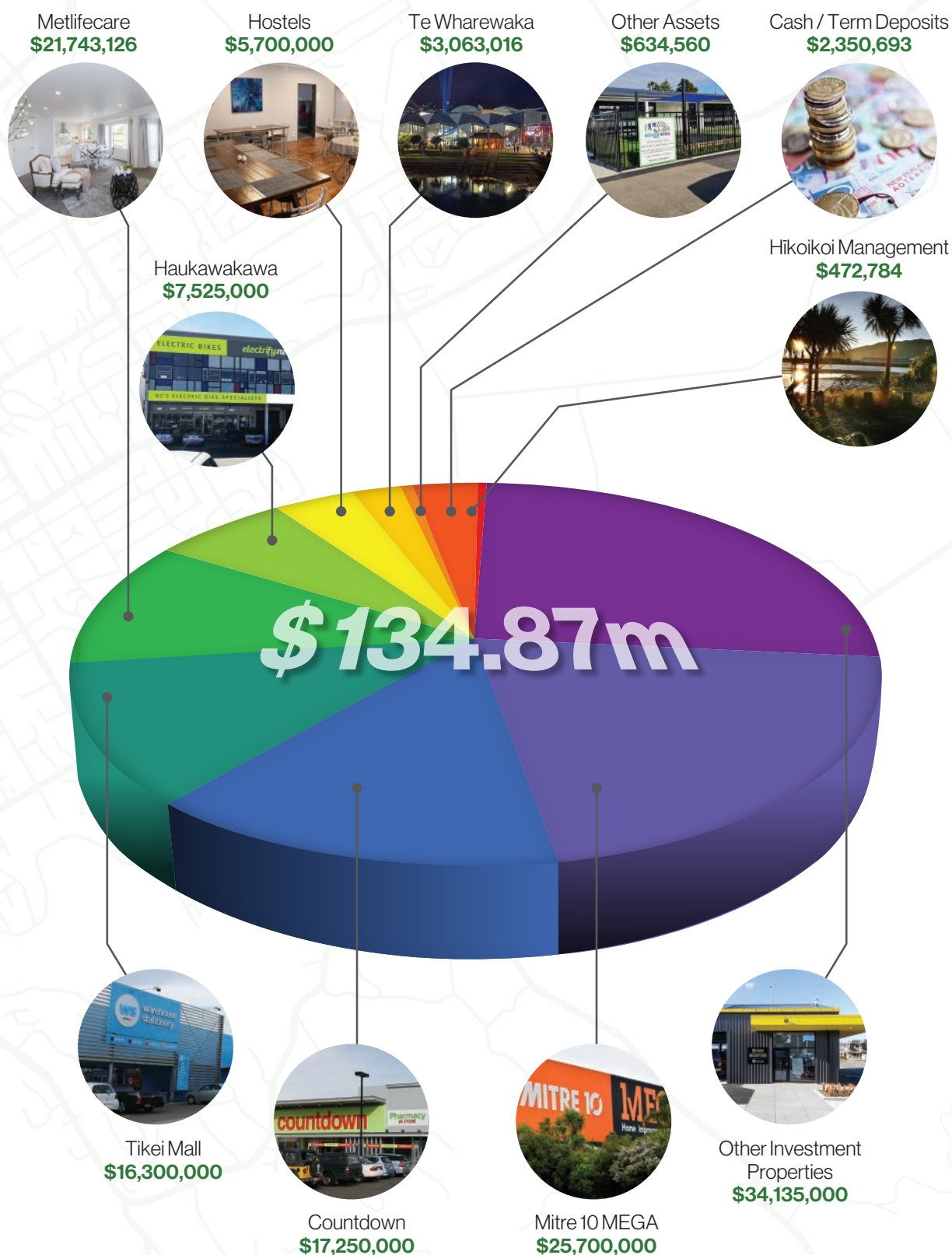
The illustration below shows the movement in the debt to total assets ratio over the past four years. As at 31 March 2023 the debt to total assets ratio is 25.85%, that is, the total liabilities of the Trust is 25.85% of the Trust's total assets. This is a weakening of 2.64% from 31 March 2022.





## 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 2023. 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



Baxters Hostel Accommodation, 7-11 Ranfurly Street, Palmerston North. \*not shown on map







## Metlifecare Palmerston North Village

Metlifecare Palmerston North Village is set amongst established gardens and has a wonderful sense of close-knit whānau and community feel. 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

Metlifecare PAN Development Directors, Liz Mellish

and Keith Hindle, work closely with Metlifecare Directors and so far they have overseen the Stage 1 construction, completed on time and on budget.

Stage 2 is underway with 20 further villas. As well the physical link to Metlifecare main office and facilities across Carroll Street will complete the mahi. This is on track for completion in June 2024.

## 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  
OLDER PART OF VILLAGE

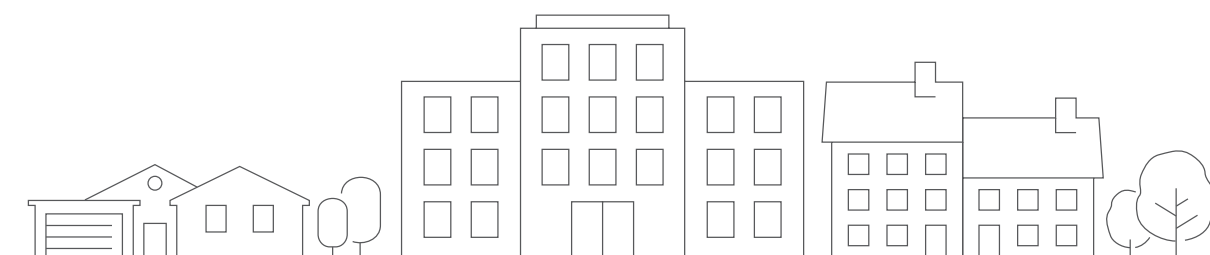
**20** INDEPENDENT VILLAS  
STAGE 2, UNDER CONSTRUCTION

**23** INDEPENDENT VILLAS  
STAGE 1, NEW DEVELOPMENT COMPLETED

**\$21.7** MILLION  
CURRENT ASSET VALUE

**50%** JOINT VENTURE  
OWNER

**63** STAFF  
EMPLOYED

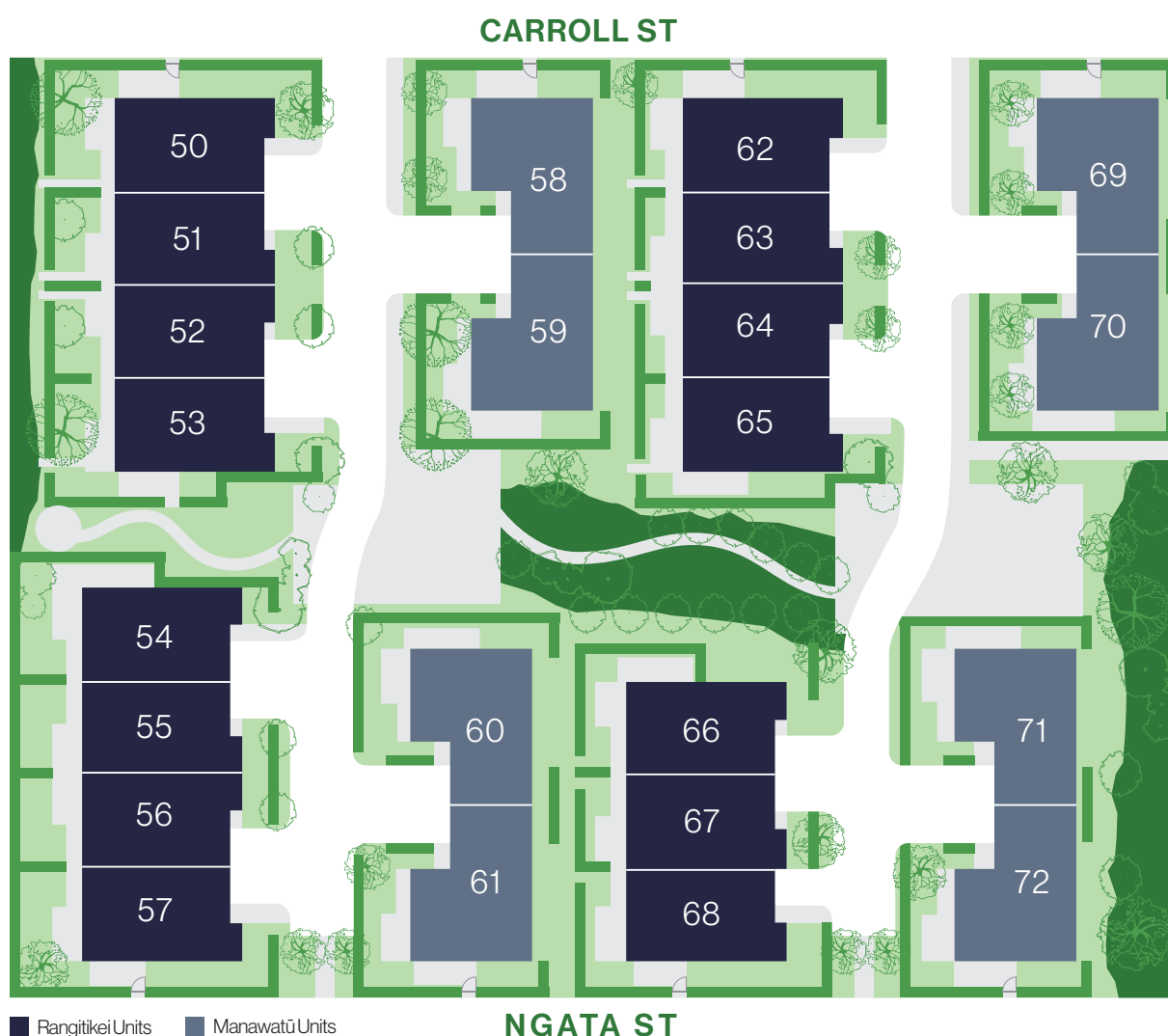




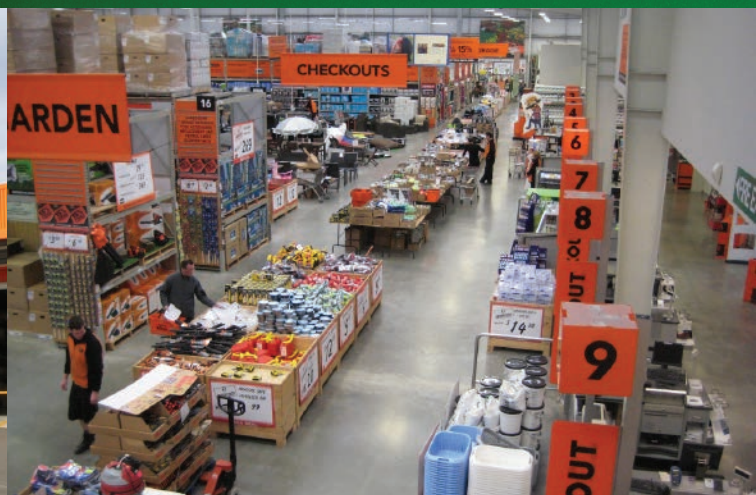
## Metlifecare Palmerston North Village

### Metlifecare New Development

Introducing Metlifecare Stage One Villas - Rangitikei and Manawātū Units now completed.







## Showcasing Mitre 10 MEGA

### Anchor tenant, Mitre 10 MEGA

Mitre 10 MEGA have been and continues to be a success story since the Trust developed this CBD fringe location. We continue to work closely with Mitre 10 MEGA on their expansion opportunities and are dealing with their requirements as a staged approach, the first being an extension of their click and

collect area. A relatively small project, but one that will allow Mitre 10 MEGA to grow this area of their business and ensure the discussions for a renewed term continue. Mitre 10 MEGA, Torpedo7, Reduced to Clear and Lighting Direct are all doing well in this business hub located close to our Metlifecare Village.

## By the Numbers

**1** LARGE ANCHOR TENANT  
MITRE 10 MEGA

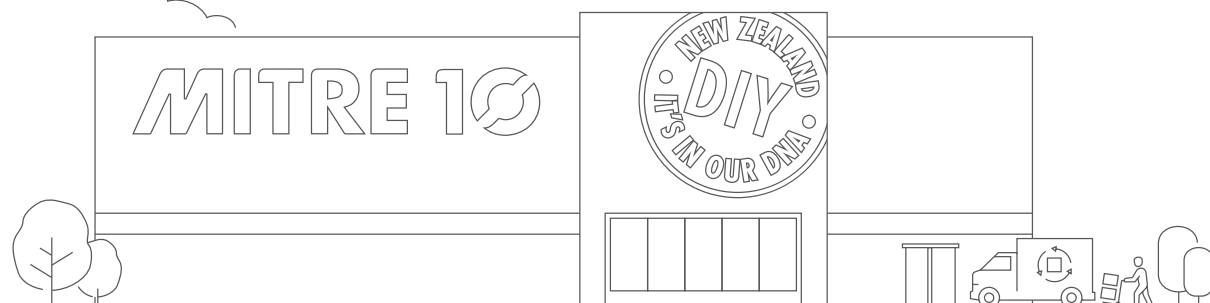
**\$25.7** MILLION  
CURRENT ASSET VALUE

**4** TENANCIES  
IN TOTAL

**\$1.5** MILLION PA + GST  
RENTAL INCOME

**100%** OWNED  
PROPERTY

**10,150** SQUARE METRE  
FLOOR AREA





## Showcasing Tikei Mall

### Rangitikei Street's large format retail mall

Tikei Mall is a large format retail complex on Rangitikei Street that has undergone a couple of tenant changes in the past 12 months. With VRC Computers moving into the new and larger premises at the Trust's adjoining development at 152-166 Rangitikei Street, Super Cheap Auto are expanding into this space under a new lease at a better rent rate for the Trust. Some fitout work is required by the Trust to accommodate this move but provides a solid return. Smith's City took over from Warehouse Stationery and have enjoyed some

positive trading from their new location and added a fresh look to the Trust's complex. Lighting Plus have come to the end of their lease and decided to close, so we are working with interested parties to find a replacement tenant for this space. The Trust continue to work closely with all our tenants in this well-performing complex.

SuperCheap Auto, Flex Fitness, Breakers Café, Wet & Forget, Storage Box, Smiths City are all tenants in Tikei Mall.

## By the Numbers

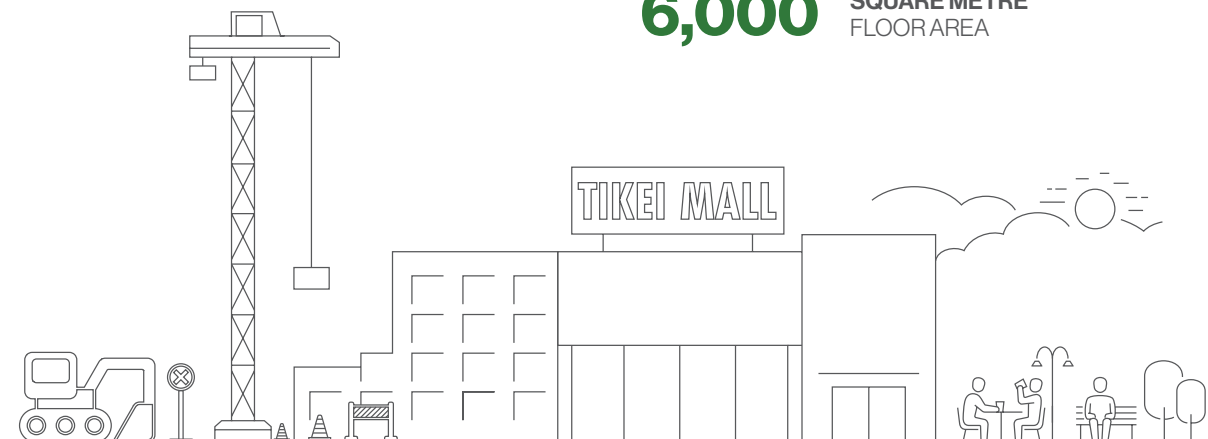
**7** TENANCIES  
IN TOTAL

**\$16.3** MILLION  
CURRENT ASSET VALUE

**100%** OWNED  
PROPERTY

**\$1.2** MILLION PA + GST  
RENTAL INCOME

**6,000** SQUARE METRE  
FLOOR AREA







## Showcasing Haukawakawa Commercial Complex

81-95 Thorndon Quay, Wellington

Tenancies include:

- ▶ Birthright
- ▶ Creative Show Off
- ▶ HEB Construction
- ▶ Hospice Foundation
- ▶ Wellington Electric Bikes
- ▶ Wilson Parking

This is a prime redevelopment site for the Trust and across two titles on 81-95 Thorndon Quay. As the Trust works through opportunities to develop the site to maximise the potential and returns for owners, there are shorter term leases in place with tenants to provide holding income. Rents are regularly reviewed to ensure returns are increased and the redevelopment potential is always front of mind when negotiating ongoing terms with our tenants.

## By the Numbers

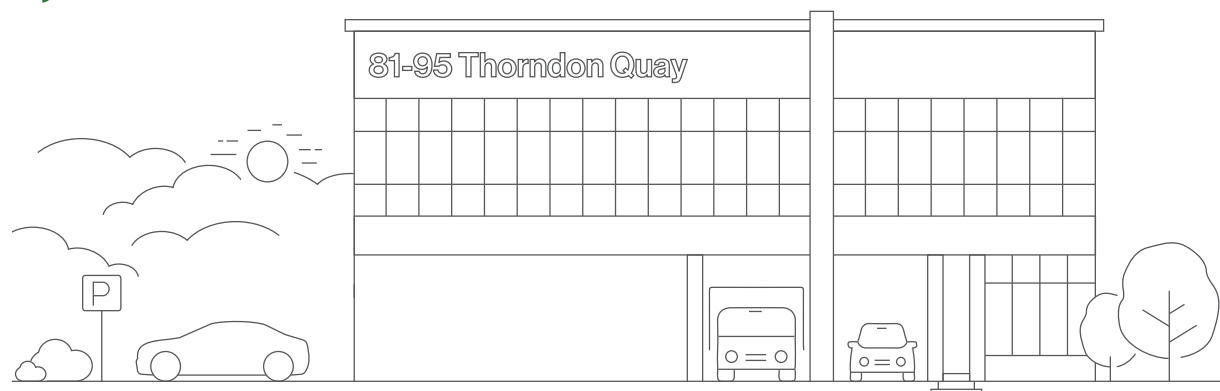
**6** TENANCIES  
IN TOTAL

**\$7.5** MILLION  
CURRENT ASSET VALUE

**1,538** SQUARE METRE  
FLOOR AREA

**\$403K** PA + GST  
RENTAL INCOME

**1,779** SQUARE METRE  
LAND AREA





## Showcasing Rangitikei Street

### Rangitikei Street's large format retail mall

A fantastic new bulk retail development for the Trust, completed in late 2022, the property is home to three tenancies. Complimenting the Trust's surrounding retail developments, it offers a great tenant mix, all of whom are trading well. Although committed through a lease, Bargain Chemist have failed to open, citing difficulties securing a pharmacist in Palmerston North.

We remain in close contact with the CEO of Bargain Chemist as we work through the alternate options for them. Thankfully, we are working with another international retail brand to take over the space, which will come at no cost to the Trust and join Look Sharp and VRC Computers.

### By the Numbers

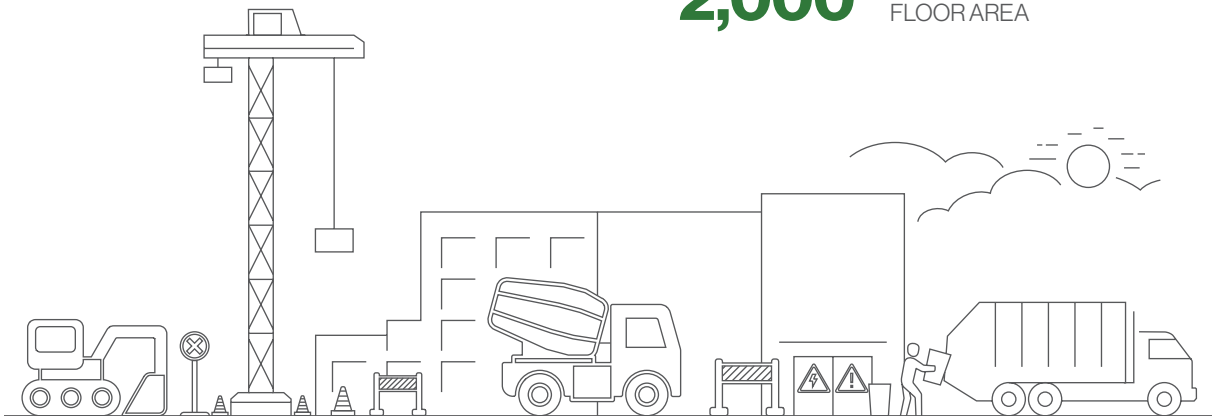
**3** STRONG TENANCIES  
IN TOTAL

**100%** OWNED  
PROPERTY

**\$7.31** MILLION  
CURRENT ASSET VALUE

**\$446K** PA + GST  
RENTAL INCOME

**2,000** SQUARE METRE  
FLOOR AREA









section two

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# 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 2023

	Note	2023 \$	2022 (Restated) \$
<b>Income</b>			
Gross Rental Income	2	7,499,269	7,228,885
Other Income		28,575	29,901
<b>Total Income</b>		<b>7,527,844</b>	<b>7,258,787</b>
<b>Expenses</b>			
Direct Property Expenses	2	(2,317,663)	(2,107,074)
Administration Expenses	3	(1,054,601)	(937,642)
Other Expenses		(67,528)	(56,364)
<b>Total Expenses</b>		<b>(3,439,792)</b>	<b>(3,101,081)</b>
<b>Operating Profit Before Net Financing Costs</b>		<b>4,088,052</b>	<b>4,157,706</b>
<b>Net Finance Costs</b>		<b>(1,420,304)</b>	<b>(651,171)</b>
<b>Operating Profit After Net Financing Costs</b>		<b>2,667,748</b>	<b>3,506,535</b>
<b>Non-Operating Revenue and Expenses</b>			
Share of Metlifecare Palmerston North Limited Investment Property Revaluation for the Year		(54,000)	4,229,500
Share of Metlifecare Palmerston North Limited Profit for the Year		172,000	1,066,000
Investment Property Revaluation	5	(7,423,708)	8,114,060
Loss on Sale of Investment Property	5	(720,000)	(3,324,000)
Donation to Ngahuru Charitable Trust		-	(76,691)
<b>Profit/(Loss) Before Income Tax</b>		<b>(5,357,960)</b>	<b>13,515,405</b>
Income Tax Expense		(458,901)	(592,278)
<b>Total Comprehensive Income/(Deficit) for the Year</b>		<b>\$ (5,816,861)</b>	<b>\$ 12,923,127</b>

## Palmerston North Māori Reserve Trust

### Summarised Statement of Cash Flows

For the year ended 31 March 2023

	2023 \$	2022 \$
<b>Cash Flows From Operating Activities</b>		
Cash Receipts From Operating Leases	7,563,803	7,240,050
Cash Paid to Suppliers and Employees	(3,446,511)	(3,469,246)
Other Operating Activities	(1,980,378)	(1,105,370)
<b>Net Cash Inflow From Operating Activities</b>	<b>2,136,914</b>	<b>2,665,434</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of Investment Property	(5,263,708)	(2,830,972)
Proceeds From Sale of Investment Property	600,000	-
Distribution Received from Metlifecare Palmerston North Limited	500,000	-
Other Investing Activities	(117,996)	3,836
<b>Net Cash (Outflow) From Investing Activities</b>	<b>(4,281,704)</b>	<b>(2,827,136)</b>
<b>Net Debt Drawdowns/(Repayments)</b>	<b>4,139,902</b>	<b>(960,000)</b>
Distributions Paid to Owners	(999,813)	(727,643)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>995,299</b>	<b>(1,849,346)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>1,355,394</b>	<b>3,204,740</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,350,693</b>	<b>\$ 1,355,394</b>

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 2023

	2023	2022 (Restated)
	\$	\$
Balance at beginning of the year	106,769,745	94,792,526
Profit/(Loss) for the year	(5,816,861)	12,923,127
Other Movements	8,251	8,251
Distribution Declared	(954,159)	(954,159)
<b>Balance at end of the year</b>	<b>\$100,006,976</b>	<b>\$106,769,745</b>

**Palmerston North Māori Reserve Trust**  
**Summarised Consolidated Statement of Financial Position**  
As at 31 March 2023

	Note	2023	2022 (Restated)
		\$	\$
Discretionary Reserve		98,536	90,285
Retained Earnings		99,908,440	106,679,460
<b>Total Equity</b>		<b>100,006,976</b>	<b>106,769,745</b>
Cash and Cash Equivalents		2,350,693	1,355,394
Other Current Assets		156,035	146,918
<b>Total Current Assets</b>		<b>2,506,728</b>	<b>1,502,312</b>
Investment Properties	5	106,610,000	111,710,000
Investment in Metlifecare Palmerston North Limited		18,019,000	18,401,000
Related Party Receivables	6	7,259,926	7,039,263
Other Non-Current Assets		478,525	385,151
<b>Total Non-Current Assets</b>		<b>132,367,451</b>	<b>137,535,414</b>
<b>TOTAL ASSETS</b>		<b>134,874,179</b>	<b>139,037,726</b>
Payable for 19, 21, 27 Ngata St & 38 Carroll St Leasehold Interest		-	1,620,000
Unclaimed Distributions		1,812,083	1,865,988
Interest-Bearing Loans and Borrowings	4	31,218,225	960,000
Other Current Liabilities		785,113	729,875
<b>Total Current Liabilities</b>		<b>33,815,421</b>	<b>5,175,863</b>
Interest-Bearing Loans and Borrowings		-	26,118,323
Other Non-Current Liabilities		1,051,782	973,795
<b>Total Non-Current Liabilities</b>		<b>1,051,782</b>	<b>27,092,118</b>
<b>TOTAL LIABILITIES</b>		<b>34,867,203</b>	<b>32,267,981</b>
<b>NET ASSETS</b>		<b>\$100,006,976</b>	<b>\$106,769,745</b>

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 2023

A summary of the Palmerston North Māori Reserve Trust and its controlled entities (the Group) audited financial statements for the year ended 31 March 2023 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 29 June 2023, 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 entity.

The full financial statements were authorised for issue by the Trustees on 29 June 2023. Copies of these are available from the Executive Office and at <https://pnmrt.maori.nz/>

#### 1. RESTATEMENT OF PRIOR PERIOD

In October 2021 the Trust entered into an agreement to sell the investment properties 8-28 Carroll Street, Palmerston North and 3-17 Ngata Street, Palmerston North for \$3,476,000 to Metlifecare Palmerston North Limited (which the trust owns 50% of).

The consolidated financial statements for the year ended 31 March 2022 included the properties as still being under the ownership of the Trust, and had a carrying value of \$7,100,000 (2021: \$6,800,000) based on the market valuation completed by Colliers International (Wellington Valuation) Limited.

The comparative information for the year ended 31 March 2022 has been restated to account for the disposal of property and resulting loss on sale. The following restatement has been made:

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Original \$	Restated \$	Adjustment \$
Investment Property Revaluation	8,414,060	8,114,060	(300,000)
Loss of Sale of Investment Property	-	(3,324,000)	(3,324,000)
Total Comprehensive Income for the Year	16,547,127	12,923,127	(3,624,000)
<b>Consolidated Balance Sheet</b>			
Retained Earnings	110,303,460	106,679,460	(3,624,000)
Investment Properties	118,810,000	111,710,000	(7,100,000)
Related Party Receivables	3,563,263	7,039,263	3,476,000

The affected notes have been updated to reflect the restatements above.

## Palmerston North Māori Reserve Trust

### Notes to the Summarised Consolidated Financial Statements

For the year ended 31 March 2023

## 2. 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.

	2023		
	Gross Rental Income	Direct Property Expenses	Net Rental Income
	\$	\$	\$
Tikei Mall	1,267,708	(365,047)	902,661
Nash Street Development	1,851,505	(336,720)	1,514,785
Countdown Supermarket	1,245,500	(150,178)	1,095,322
Hostel Accommodation	1,104,562	(685,535)	419,027
Thorndon Quay - Haukawa LP	338,766	(188,440)	150,326
Other	1,691,228	(591,743)	1,099,485
	<b>\$7,499,269</b>	<b>\$(2,317,663)</b>	<b>\$5,181,606</b>

	2022		
	Gross Rental Income	Direct Property Expenses	Net Rental Income
	\$	\$	\$
Tikei Mall	1,294,878	(279,109)	1,015,769
Nash Street Development	1,895,698	(352,611)	1,543,087
Countdown Supermarket	1,245,500	(101,013)	1,144,487
Hostel Accommodation	1,057,957	(651,605)	406,352
Thorndon Quay - Haukawa LP	286,382	(175,512)	110,871
Other	1,448,471	(547,225)	901,246
	<b>\$7,228,885</b>	<b>\$(2,107,074)</b>	<b>\$5,121,811</b>

## 3. ADMINISTRATION EXPENSES

	Note	2023	2022
		\$	\$
Accountancy Fees		65,607	56,317
Audit Fees		41,270	36,553
Bad Debts		-	826
Bank Charges		4,609	1,759
Cleaning & Laundry		2,767	2,804
Computer Expenses		5,560	429
Consultancy Fees		-	3,121
Executive Office		526,077	445,829
General Expenses		10,165	9,529
Insurance		32,417	29,699
Koha		3,500	1,000
Legal Fees		73,262	79,270
Loss on Disposal of Property, Plant and Equipment		456	-
Owners' Meetings		28,213	25,555
Postage, Printing & Stationery		22,009	9,164
Memberships & Subscriptions		10,088	10,084
Tangi Contributions		1,200	1,000
Telephone & Internet		2,339	2,203
Trustees' Fees	6	173,333	185,333
Trustees' Expenses		51,729	37,166
		<b>\$1,054,601</b>	<b>\$937,642</b>



#### 4. INTEREST-BEARING LOANS AND BORROWINGS

The Westpac loan has a maturity date of 31 March 2024, the renewal of this loan was not formally agreed to with the bank prior to balance date so the entire balance of the loan has been classified as a current liability.

Subsequent to balance date and audit opinion, the loan was refinanced for another term to 30 June 2025.

	2023 \$	2022 \$
Current	31,218,225	960,000
Non-current	-	26,118,323
	<b>\$31,218,225</b>	<b>\$27,078,323</b>

#### 5. 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:

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.

## Palmerston North Māori Reserve Trust

### Notes to the Summarised Consolidated Financial Statements

For the year ended 31 March 2023

#### 5. INVESTMENT PROPERTIES CONTINUED

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 2022 and 31 March 2023.

	2023	2022 (Restated)
	\$	\$
Balance at 1 April	111,710,000	105,745,000
Additions		
Steve's Tyres Development	-	31,235
152-166 Rangitikei Street	3,568,263	2,589,705
Purchase of Leasehold Interest in 121 Grey Street	-	330,000
Purchase of Leasehold Interest in 19, 21, 27 Ngata & 38 Carroll Street	-	1,700,000
Smith City Storeroom, 168 Rangitikei Street	75,445	-
Funds from Sale		
Sale of 8-28 Carroll Street and 3-17 Ngata Street to Metlifecare JV	-	(3,476,000)
Sale of 19 & 21 Ngata Street to Metlifecare JV	(600,000)	-
Loss on Sale of Investment Property	(720,000)	(3,324,000)
	2,323,708	(2,149,060)
Change in fair value	(7,423,708)	8,114,060
Balance at 31 March	\$106,610,000	\$111,710,000



## Palmerston North Māori Reserve Trust

### Notes to the Summarised Consolidated Financial Statements

For the year ended 31 March 2022

#### 5. INVESTMENT PROPERTIES CONTINUED

Carrying Value of Individual Properties at Fair Value:	2023	Additions	Disposals	Value	2022 (restated)
	\$	\$	\$	\$	\$
Countdown Supermarket-247 Rangitikei Street, PN	17,250,000	-	-	(750,000)	18,000,000
Tikei Mall - 168 Rangitikei Street, PN	16,300,000	75,445	-	(875,445)	17,100,000
Nash Street Group(Mitre 10 Mega) -250-270 Featherston St, PN	25,700,000	-	-	(3,000,000)	28,700,000
	59,250,000	75,445	-	(4,625,445)	63,800,000
<i>Hostels</i>					
Palmy 31 - 31 Ngata Street, PN	3,400,000	-	-	700,000	2,700,000
Baxters - 7-11 Ranfurly Street, PN	2,300,000	-	-	50,000	2,250,000
	5,700,000	-	-	750,000	4,950,000
<i>Other</i>					
272-276 Featherston Street, PN	1,360,000	-	-	110,000	1,250,000
61-65 Grey Street, PN	1,010,000	-	-	(40,000)	1,050,000
67-71 Grey Street, PN	1,470,000	-	-	(80,000)	1,550,000
77-83 Grey Street, PN	710,000	-	-	(140,000)	850,000
152-166 Rangitikei Street, PN *(A)	7,310,000	3,568,263	-	(1,758,263)	5,500,000
38 Carroll Street, PN	710,000	-	-	(40,000)	750,000
46 Carroll Street & 33 Ngata Street, PN	2,565,000	-	-	(35,000)	2,600,000
35 Grey Street, PN	515,000	-	-	(55,000)	570,000
33-41 Grey Street, PN	2,450,000	-	-	(250,000)	2,700,000
51-59 Grey Street, PN	2,650,000	-	-	(50,000)	2,700,000
121 Grey Street, PN	750,000	-	-	(50,000)	800,000
19 Ngata Street, PN *(B)	-	-	(920,000)	-	920,000
21 Ngata Street, PN *(B)	-	-	(400,000)	-	400,000
27 Ngata Street, PN	760,000	-	-	(40,000)	800,000
32 Ngata Street, PN	830,000	-	-	5,000	825,000
34 Ngata Street, PN	770,000	-	-	35,000	735,000
26, 26a Fitchett Street, PN	555,000	-	-	(45,000)	600,000
30 Fitchett Street, PN	700,000	-	-	(80,000)	780,000
34 Fitchett Street, PN	720,000	-	-	(80,000)	800,000
40 Fitchett Street, PN	630,000	-	-	(50,000)	680,000
42 Fitchett Street, PN	610,000	-	-	(70,000)	680,000
46, 46a Fitchett Street, PN	630,000	-	-	(80,000)	710,000
48 Fitchett Street, PN	650,000	-	-	(80,000)	730,000
3 Nash Street & 16 Ngata Street, PN	850,000	-	-	-	850,000
9, 11, 15 Nash Street & 26 Ngata Street, PN	1,230,000	-	-	-	1,230,000
22-24 Ngata Street, PN	2,100,000	-	-	(100,000)	2,200,000
28-30 Ngata Street, PN *(C)	1,600,000	-	-	(100,000)	1,700,000
81-87 Thorndon Quay & 89-95 Thorndon Quay, Wgtn	7,525,000	-	-	(475,000)	8,000,000
	41,660,000	3,568,263	(1,320,000)	(3,548,263)	42,960,000
	<b>\$106,610,000</b>	<b>\$3,643,708</b>	<b>\$(1,320,000)</b>	<b>\$(7,423,708)</b>	<b>\$111,710,000</b>

(A) Building construction and development for 152-166 Rangitikei Street was completed during the current financial year in July 2022.

(B) The investment properties were sold to Metlife Palmerston North Limited (which the Trust owns 50% of) during the year.

(C) 28-30 Ngata Street includes 28a, 28b, 28c, 28d and 30a and 30b.

**Palmerston North Māori Reserve Trust**  
**Notes to the Summarised Consolidated Financial Statements**  
For the year ended 31 March 2023

## 6. 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. There have been no impairments of related party balances during the year (2022: nil) and there have been no write-offs of related party balances during the year (2022: nil).

### Related Party Balances at year end included:

	2023	2022 (Restated)
	\$	\$
Receivable from Investment Property Sales - Metlifecare Palmerston North Limited	3,724,126	3,476,000
Receivable from Loans - Wharewaka o Pōneke Charitable Trust	3,063,016	3,063,016
Receivable from Trading Activities and Loans - Hikoikoi Management Limited	472,784	500,248
	<b>\$7,259,926</b>	<b>\$7,039,263</b>

### Related Party Balances

Non-Current Related Party Receivables

7,259,926	7,039,263
<b>\$7,259,926</b>	<b>\$7,039,263</b>

### Reconciliation

Balance at Beginning of Year

7,039,263	3,650,259
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Net Payments/(Receipts)

(27,463)	(86,996)
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Accrued interest on Metlife Palmerston North Limited Advance

248,126	-
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Receivable from Investment Property Sales - Metlifecare Palmerston North Limited

-	3,476,000
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### Balance at End of the Year

<b>\$7,259,926</b>	<b>\$7,039,263</b>
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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 2023	Ownership Percentage 2022
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 2022/23

**6. 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 Tenth Trust	Common Trusteeships
Ngahuru Charitable Trust	Common Trusteeships

**Transactions with related parties**

Related Party Transactions included:

	2023	2022 (Restated)
	\$	\$
Interest received from Wharewaka o Pōneke Charitable Trust	114,375	60,375
Interest received from Metlife Palmerston North Limited	248,126	-
Interest received from Hikoikoi Management Limited	30,134	25,785
Executive office fees charged by Hikoikoi Management Limited	(526,077)	(445,829)
Loss on sale of investment properties to Metlife Palmerston North Limited	(720,000)	(3,324,000)
Donation to Ngahuru Charitable Trust	-	(76,691)
	<b>\$(853,442)</b>	<b>\$(3,760,360)</b>

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 Tenth 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:

	2023	2022
	\$	\$
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 (Term ended 31 January 2022)	-	13,333
Takiri Cotterill	16,000	16,000
Richard Te One (Appointed March 2023)	1,333	-
	<b>\$173,333</b>	<b>\$185,333</b>

**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 2023, 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 2023.

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 6 July 2023. That report also includes a statement that the engagement partner on the audit resulting in the auditor's report was Les Foy.

**Trustees' Responsibility for the Summary Financial Statements**

Trustees' 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

6 July 2023





section three

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# Appendices



# Appendix One

## Minutes

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**Minutes of Annual General Meeting held  
Saturday 3 September 2022, 10am - 12 noon  
Palmerston North Conference and Function  
Centre, High Street, Palmerston North and  
livestreamed:  
[pnmrt.maori.nz/agm-live-stream-2022/](https://pnmrt.maori.nz/agm-live-stream-2022/)**

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### **TRUSTEES PRESENT**

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

### **ADVISERS PRESENT**

Aaron Titter, Theo Tocker (BDO), and Ben Westerman (Westerman Property Solutions).

### **EXECUTIVE OFFICE AND WELLINGTON OFFICE**

Vicki Hollywell, Christine Fox, Mo Imrie, Tracey Ward, Kathleen Thompson, Te Karanga o Te Tui Marino, Tanea Pahina, Maree Roberston, Coral MacLennan.

### **ATTENDEES**

Liz Mellish, Jeanie Hughes, Ann Reweti, Paula King, Matthew Love-Parata, Wiki and Paul Michalanney, Takiri Cotterill, Aisha Ross, Allan Brown, Karin Tucker, Anne Somerville, Fiona Aorere Mako, Rina Roberts, Ailsa Mary Aanensen-Rzoska, Carrie Sueann Tantrum, Gina Irihapeti Rangiwhehu, Hera Taxina Hailwood, James Mangai John Mako, Kingi Topia Mako, Margaret Reriti, Martha Mako, Maria Tangiora, Pamela Audrey Workman, Pauline Raita Owen, Linda Pegg - Peggy Anderson Whānau Trust, Phillip Solomon, Philippa Fairclough, Piki Hunia, Pirihiira Joyce Te Paki, Poiria Love Erskine, Pouroto King and Jocelyn Mauriri King Whānau Trust,

Rangiwhehu Whānau Trust, Averill Kahui - Rota Waitoa Enoka Whānau Trust, Richard Te One, Sarah H T W Hemara, Tracey Wairau, Fiona Mako, Judith Ann Evans - Whānau Trust, Matthew Reweti, Taiaroa Haddon, Tracey Evans, Raima Roberts, Teremoana McBride, James Makowharemahihī, Aiah Solomon, Jack Rikihana, Debbie Hemara, Dione King, Finnian Thomas-Fleming, Dinah King, Riini Brown, Winnifred Morris, Peter Reweti, Turoa King - Pouroto King and Jocelyn Mauriri King Whānau Trust, Kaye Adamson, Krystal Adamson, Jean Cameron, Tracey Cameron-Arnold, Anaru Adams, Murray Fake, Hemi Rainford.

### **APOLOGIES**

Tom Taumanu, James Taumanu, Mark Te One, Jennifer Dittmer, Anaru Smiler, Phenessa Cosgrove, Mana Huntley, Ngawai King, Noel Kingi, Tui Whana, Sharus Lawrence, Peter Luke, Grace Luke, Phil Nuku, Meka Mauriri, Tuhi McGregor, Alamaine McGregor, Candy Morgan, Mary Nicholson, Puhi Nuku, Emily Manu, Carson Robinson, Linda Soloman, Phillip Soloman, Joan Wells, Jim Turahui, Heather McPhee, Trudy Parata, Darren Parata, Joshua Toa Love-Parata, Louis Tutini Love-Parata, Yvonne Westerman, Tahurangi Ruru, Heni O Hare, Steven Manuera, Dianne Tyrer, June Hagan, Joanne Lewis, Julia Marino, Karen Ramsbottom.

## **MIHI WHAKATAU AND KARAKIA TIMATANGA**

Anaru Adams opened the meeting at 10:02am with mihi and 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, great to be back in Papaioea and kanohi ki te kanohi. Welcome to all those who are joining us on livestream feed.

## **HOUSEKEEPING**

- ▶ Register at the front desk and note any apologies
- ▶ Receive two voting forms and information on nominees
- ▶ Keep any proxy forms stapled to the voting papers
- ▶ Reminder - Media are not permitted at this meeting
- ▶ In the case of emergency – follow instructions of staff
  - Exits are well marked
  - Wharepaku – rear of this floor and downstairs
  - Use lifts at rear of floor as required

## **AGENDA**

Mihi Whakatau / Karakia

Waiata – E ngā iwi o te motu nei

Annual Report from Chairman and Trustees

Housekeeping

Agenda

Minutes of 2021 Annual General Meeting & Matters

Arising

Election of Managing Trustees

Resolutions: 19 & 21 Ngata Street and 121 Grey Street

Financial Report

Trustee Remuneration

Appointment of Auditor

Annual Distribution

Pānui

Karakia Whakamutunga



### **Resolution**

Trustees have reviewed the minutes and recommend that beneficial owners accept the Minutes of the 2021 Annual General Meeting as a true and correct record.

**Moved:** Wiki Michalanney

**Moved:** Jeanie Hughes

**CARRIED UNANIMOUSLY**

### **MATTERS ARISING FROM THE PREVIOUS MINUTES**

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

#### **ACKNOWLEDGMENT MARK TE ONE**

Liz Mellish on behalf of Trustees expressed regret we have accepted the retirement of Mark Te One.

- ▶ Mark was a Trustee for many years and during that time was at the forefront of influencing and negotiating with Central and Local Government on many levels.
- ▶ Mark was hugely involved with the Treaty Claim for Port Nicholson and is well versed in the history of Te Ātiawa and Taranaki whānau in Wellington.
- ▶ He attended the Waitangi Tribunal hearings and worked alongside our historians, lawyers, owners and other Trustees.
- ▶ Trustees would like to acknowledge the huge contribution Mark has made for both Trusts and join you in wishing him and his whānau well for the future.

### **ELECTION OF MANAGING TRUSTEES**

The three-year term of Managing Trustees Wiki Michalanney and Matthew Love-Parata retired by rotation at this Annual General Meeting, and they have offered themselves again.

There are three Trustee positions available and with five nominations received an election will be held. Those nominees are Wiki Michalanney, Peter Reweti, Matthew Love-Parata, Philippa Fairclough, and Richard Te One. Owners will have received a nominee profile form and voting form on registration. A special request - should you have any proxies please keep these stapled together with your forms.

Nominees were invited to come on stage and give a two minute kōrero to owners with a bell ring indicating when two minutes is up. Nominees delivered their two minute kōrero in alphabetical order Philippa Fairclough, Matthew Love-Parata, Wiki Michalanney, Peter Reweti and Richard Te One.

Voting forms will be collected by a representative from BDO and results hope to be announced at the end of this meeting or by end of lunch.

### **REPORT FROM THE CHAIRMAN AND TRUSTEES**

With the three kete guiding us Liz Mellish began her report on Te Whenua, Te Tāngata and Te Ao Āmua. Our four pou that guide our decision making are rangatiratanga, kaitiakitanga, whanaungatanga, manaakitanga.

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## TE WHENUA

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It is noted on the property map located on page 14 and 15 that the two properties in green 126-150 Rangitikei St (Repco and Farmers) are not our properties and the map will be amended accordingly.

Key story for today's AGM is the movement from leasehold land to freehold land of 19 & 21 Ngata Street and 121 Grey Street.

### Metlifecare Palmerston North Village

#### By the Numbers:

- 38 bed rest home
- 32 serviced apartments
- 17 studio apartments certified to provide rest home level care
- 49 independent villas
- 60 staff employed
- 23 independent living units
- Stage 1 construction underway

Owners are invited to visit the Metlifecare site which is rapidly taking shape. An open day was held in late 2021 by Metlifecare and PNMRT in Palmerston North. This has resulted in unprecedented interest in these villas with 10 being sold to date off the plans with 1 property pending.

The Trust advertised in the agenda that a resolution would be on our agenda today and we now move to a discussion with owners on the transfer of properties into our Metlifecare PAN Joint Venture.

The Trust has purchased property of off Elliott Property Partnership (Best Start Educare) and this is the appropriate time for owners to make a decision on their future.

A robust discussion was held with owners prior to the resolutions being passed with the following noted:

- PNMRT will have the right of first refusal should Metlifecare wish to exit the J/V.
- The relationship is very positive with Metlifecare and meetings are held regularly with their board as representation from our Trustees as Directors.
- EQT current owners of Metlifecare are very clear on our precedent that we keep the land.
- Legal documents are in place to ensure there is a rigorous process should future generations wish to sell the land.

### Special Resolution

Trustees seek the support of beneficial owners to approve the transfer 19 & 21 Ngata Street into the Metlifecare PAN J/V with the condition that the Trust has the right of first refusal within the J/V arrangements.

**Moved:** Pauline Owen

**Moved:** Karin Tucker

**CARRIED UNANIMOUSLY**



### Special Resolution

Trustees seek the support of beneficial owners to approve transfer 121 Grey Street into the Metlifecare PAN J/V with the condition that the Trust has the right of first refusal within the J/V arrangements.

**Moved:** Pauline Owen

**Moved:** Maria Tangiora

**CARRIED UNANIMOUSLY**

Pleased to have the current tenants:

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

### Showcasing Rangitikei Street

Retail outlets have been secured in this building and they are Look Sharp, VRC Computers and Bargain Chemist.

Unit 2 & 3 were blessed by kaumātua Terry Hapi, Rangitāne with unit 1 (Look Sharp) being blessed earlier in August. Fit out, landscaping etc will continue with opening date anticipated November 2022.

### Showcasing Haukawakawa Limited

Owners are aware 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 Raukura, Te Wharewaka o Pōneke

Unfortunately, we have been impacted through and by COVID-19 in the hospitality and tourism sector.

Plans are underway to revitalize tourism and through support from Trustees regarding our education programme Kura Ahurea at our AGM in 2021, we are continuing our work within this programme with success.

We are telling the Ahu Whenua story and working closely with Ministry of Education through Education Outside the Classroom and teaching the teachers. Professional Learning and Development with teachers (TOA) is a key theme to uphold mātauranga Māori and our mana whenua status.

## Showcasing Te Aro Pā

With the return of tourism we are also looking to reimagine Te Aro Pā which has been closed since the onset of COVID-19. The project team Aaron Te One and Ra Vincent alongside Richard Te One are working on the concept plan and how we can continue this project. Funding will be identified and applications made when appropriate. We would also like to acknowledge the contribution from our project team and others (mahi aroha) until a plan is in place.

- The resource consent sits with Wharewaka o Pōneke.

Te Aro Pā is a key site of significance for Aotearoa, New Zealand. Owners maybe interested in reading a paper written by Keriata Stewart that discusses the significance of Te Aro Pā and Te Raukura, Te Wharewaka and this will be available on request [info@tekau.maori.nz](mailto:info@tekau.maori.nz)

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## TE TĀNGATA

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Reporting on social and cultural initiatives of the Trust.

### Environmental Initiatives

- Working with local and central government to secure future for our mokopuna and leaders in providing advice to local and central government on the climate change discussion, spacial plans, district plans and naming conventions around the city
- Lead and discuss climate change with Hutt City Council
- Resource management and projects including topical revamp of Te Aro Park

## Cultural and Social Initiatives

- Our community based at Hikoikoi support the activities of Ngahuru Charitable Trust
- Put into action our social and cultural initiatives
  - Raranga
  - Te Ataarangi (Te Reo)
  - Kaumātua rōpū
  - Waka kaupapa at Te Raukura, Te Wharewaka o Pōneke

## Owners Database and Successions

Team working hard to locate owners and gather details for succession alongside Māori Land Court. Owners hui held in Tāmaki Makaurau and further owners hui will be held in the future.

## Ngā Tekau AoD Consellers and Kaumātua

- 1995 opened Ngā Tekau AoD Counsellors the oldest kaupapa Māori organisation in Aotearoa.
- Our kaumātua meet regularly at Hikoikoi and are undertaking many activities and Tanea Pahina looks after this group.

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## TE AO ĀMUA

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### Future Economic Situation

- COVID-19 impacts continue
- We have lost Warehouse Stationary but pleased to say that Smith City have taken the tenancy
- Cash Flow has been maintained
- Balance Sheet is strong
- Proceeding with developments



## Financial Report

Aaron Titter from BDO was invited by the Chairman to present the Financial Report to owners.

Aaron thanked owners for the opportunity to present the financial report for the Palmerston North Māori Reserve Trust for the year ended 31 March 2022.

Again, another excellent year, so well done to the Trustees for these results he is presenting.

## Total Assets

Each year we depict your trust's assets in this pie chart. This can be seen on page 13 of your annual report.

This year the Trust's assets are carried at \$142.66 million, compared to \$126.27 million last year. The total of your investment properties makes up \$118.8 million of this amount with the full break down of the investment properties on page 31 of your summarised financial statements with some detailed here including the largest investment properties of Mitre 10 mega valued at \$28.7 million, Countdown valued at \$18 million and Tikei Mall valued at \$17.1 million.

## Debt to Total Assets

This slide shows the percentage of debt to total assets, which is continuing to decrease year on year through a combination of paying down the bank debt and the revaluation of investment properties. At 31 March 2022 the amount owing by your trust totaled 22.62% of total assets, which is a healthy ratio.

## Statement of Financial Performance

This slide details the summarised statement of profit and loss shown on page 26 of your annual report. Starting at the top, total revenue from your properties increased by approximately \$550,000. This is mainly

attributable to the Nash Street rental income as fewer rent reductions were given to tenants in response to COVID-19 compared with 2021. The breakdown of rental income is shown on page 28 of your annual report, along with the rental expenses which increased by approximately \$16,000, with rates, insurance and property management fees increasing from 2021. Overall, the net income from properties increased by approximately \$534,000.

Administration expenses increased by approximately \$77,000 from 2021 to 2022. The detail of what comprises the administration expenses is shown in note 2 on page 29 of your annual report. The main increases were legal fees and executive office and trustees' expenses, which were lower in 2021 due to less activity as a result of COVID-19.

This leaves your trust with an operating profit before net financing costs of \$4.15 million for 2022 versus \$3.7 million for 2021, which is a great result.

Net financing costs of the trust increased by \$55,845 due to increased interest rates on the loan held with Westpac.

The next line is your share of the after-tax profit of Metlifecare broken down into the trading profit and the revaluation profit, which collectively increased by just over \$3 million dollars, which is fantastic. The next line is then the Trust's investment property revaluation which is \$8.41 million for 2022 compared with \$16.28 million in 2021.

You will see there is a new line in the statement of financial performance this year, for a donation to the Ngahuru Charitable Trust of \$76,691. Ngahuru Charitable Trust owed this amount to Palmerston North Māori Reserve Trust, the liability was a historical debt which originated back under the Wellington

Tenths Development Trust and related to the Capital and Coast District Health Board contract, paying wages through Hikoikoi and the purchase of Waka Tete 'Poutu' that sits at Te Raukura.

After deducting income tax on the profits generated we end up at a net surplus after tax of \$16.5 million versus \$21 million for 2021. 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 27 of your annual report, we will come back to the statement of cash flows.

This is the numerical form of the pie charts shown earlier.

Total current assets are \$1.5 million for 2022. This included approximately \$1.35 million of cash reserves. This has decreased since last year as we use the cash to pay for the building works on your land.

The loans to Hikoikoi and the Wharewaka are approximately \$3.56 million, a \$87,000 reduction from 2021 mainly attributable to the Ngahuru Charitable Trust donation mentioned before.

Your trust has an equity investment in Metlifecare which has a book value of \$18.4 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 \$118.8 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 3 on page 31 of your annual report showing the revaluation for each property.

At balance date, your Trust had a \$1.62 million payable owing for the leasehold interest for 19, 21, 27 Ngata St and 38 Carroll St, which was settled on 1 June 2022. The full cost of the leasehold interest has been capitalised into investment property, as seen in note 3 on page 30 of your annual report.

Current liabilities have decreased by just under \$169,000 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 \$110.39 million for 2022 versus \$94.79 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, on page 26.

Your trust generated \$2.66 million from its operations, which includes rents less expenses, including interest. A net \$2.8 million was paid towards investments, this is mainly due to investment property development work undertaken at 152 – 166 Rangitikei Street.

\$960,000 was repaid to Westpac in respect of the trust mortgages and just under \$728,000 was distributed to you as owners either for last year's dividend, or for historic amounts where owners have been identified and funds distributed.

This results in net cash on hand of \$1.35 million in the trust operating accounts.

Aaron asked for questions from owners and with none the following resolution was proposed:

### Resolution

It is hereby resolved that beneficial owners approve the audited Financial Statements for the year ended 31 March 2022 as a true and correct record of the Trust's financial position.

**Moved:** Pauline Owen

**Moved:** Kingi Topia Mako

**CARRIED UNANIMOUSLY**

### Trustee Remuneration

At the last Trustee meeting Trustees recommended the remuneration to remain the same as 2021.

### Resolution

Trustees recommend that the Trustee Remuneration remain the same level as for 2021 for:

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

**Moved:** James Makowharemahihi

**Moved:** Pauline Owen

**CARRIED UNANIMOUSLY**

Motion received from the floor from Alan Brown.

### Proposal

The remuneration paid to Trustees to be a minimum of 33.3% of remuneration paid to the Chairman being:

- Chairman: \$60,000
- Trustees: \$20,000

**Moved:** Alan Brown

**Moved:** Dione King

**NOT CARRIED**

Response from Trustees that an increase in fees is not required and discussion has been held at Trustee meetings. The Chairman considering the request by Alan Brown and consequent hung vote, will seek the services of Ernst Young to undertake a review of Trustee and Chairmans Remuneration. The result will come back to owners at the 2023 AGM.

Action: Ernst Young to be engaged to review Trustee and Chairman Remuneration.



## 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 2023.

**Moved:** Gina Rangiwhetu

**Moved:** Ria Erskine

**CARRIED UNANIMOUSLY**

## 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. Noted that the distribution is paid into bank accounts in the last week of November.

**Moved:** Linda Pegg

**Moved:** James Makowharemahihi

**CARRIED UNANIMOUSLY**

## Hikoikoi Management Structure

Restructured and shown on powerpoint to owners. Wellington Tenth Trust and Palmerston North Māori Reserve Trust have a 50% share in Management company called Hikoikoi Management Limited.

## Thanks to our Advisors/ Hikoikoi Management Team

Acknowledgment to our advisors and team from Hikoikoi.

## Pānui

Advised to submit any changes for bank details, email, address and IRD numbers. In addition to this our last panui is regarding Wellington City Libraries. Our owners can register with Wellington City Libraries even if not living in Wellington.

Mayor Grant Smith invited by the Chairman to address owners briefly. Grant acknowledged the Trust and the contribution to Palmerston North.

Kaumātua sang waiata 'Whakataka te hau'.

## Karakia Whakamutunga

Proceedings finished with a karakia from Ben Ngaia at 12:07pm via audio file on powerpoint and finally, to support our AGM a waiata from Patea Māori Club on the 40th anniversary of Poi E.





# Palmerston North Māori Reserve Trust

## Our Trustees





## Appendix Two

# Trustee Profiles



**Liz Mellish**  
Heamana (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 Tenths 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.



**Aisha Ross**

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

Joining the Board over ten years ago, Aisha is a grandson of the late Rangimaimaiao (King) and Julian Tamati Ross.

He is the Te Rau Matomato - Chief Executive Officer of Parininihi ki Waitōtara Incorporation and brings a wealth of experience from across the investment, technology and innovation, education, and public sectors. He has held several senior leadership roles, previously as a General Partner at Hillfarrance Venture Capital, an early-stage firm investing in high-growth technology. He currently holds a number of directorships and trusteeships.

Aisha has a strong commitment to our kaupapa and is proud to support our people in the pursuit of growth and prosperity. He holds an MBA from Waikato University and Masters in Technological Futures from the Mind 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 a Trustee for Ngāti Rāhiri Hapū. Wiki is a Board member for Taranaki Women's Refuge, and was 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, hāpu and iwi development in all aspects of our lives.

Takiri has experience as a Company Director for Alpha Corporation Limited and Coastland Shoppingtown Limited and 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 an integral member of Te Rōpu Raranga o Manaia for the past 12 years which is supported by the Ngahuru Charitable Trust. Takiri has 30 years social work experience in the area of whānau Māori well-being including community development and working with rangatahi and tamariki care and protection.





**Paula King**

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

Proudly Taranaki born and bred, Paula lives in Hawera. Her qualifications and experience include:

Business and Property Management

- Advisory and Responsible Trustee, Company Director, Administrator

Education

- Tertiary, Business Tutor at Taranaki Polytechnic

- Secondary, Head of Business Studies Department (Accounting, Economics, Financial Literacy), Careers Advisor.

These skills are relevant to her work as a Trustee, Member of the Audit & Risk Committee and Director of Baxters Ltd.

Community

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 attends hui for various Iwi and Hapū Entities and supports her local Marae and Kaupapa Māori. She has a strong 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 Taupō 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).



**Richard Te One**

Tribal Affiliations: Te Ātiawa, Taranaki Iwi

A resident of Lower Hutt, Richard is married with two adult daughters.

He is currently employed by Hikoikoi Management in a relationship liaison role. Prior to this he was self-employed for 14 years in his own gardening business and before that he spent 13 years in the public health sector where he had a particular focus on the public health regulatory aspects of the Sale of Liquor Act and the Smokefree Environments Act. He is a qualified hearing commissioner for the Resource Management Act and is the mana whenua committee member for the Hutt City Council District Plan Review.

Richard served on school Boards of Trustees for just over 15 years and was the Chairman of the Sacred Heart College Board of Trustees from 2018 to 2023.

He is also a musician and has played professionally for forty years in New Zealand and internationally, and he continues to play locally in various bands.



# 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](mailto:info@tekau.maori.nz)

**Web:** [www.pnmrt.maori.nz](http://www.pnmrt.maori.nz)

### Wellington Office

Level 1, Te Raukura, (Te Wharewaka)

2 Taranaki Street, Wellington

P O Box 39294

Lower Hutt 5045

### Executive Office Staff

Vicki Hollywell, General Manager

Christine Fox, Trust Secretary

Coral MacLennan, Manager, Hikoikoi

Jane Tam, Senior Accountant

Tracey Ward, Accountant

Richard Te One, Relationship Liaison Officer

Kathleen Thompson, Database Administrator

Mo Imrie, Administrator

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

### Ngā Tekau Alcohol & Drug Service

Lena Leatherby, Clinician

Maree Robertson, Registered Addictions

Practitioner DAPAANZ







PO Box 39294, Wellington Mail Centre, Lower Hutt 5045  
24d Marine Parade, Petone 5010  
**Phone:** 04 473 2502 or **Freephone:** 0508 445 645  
**Email:** info@tekau.maori.nz

# Palmerston North Māori Reserve Trust

## Proxy Form 2023

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 26 AUGUST 2023, AND AT ANY ADJOURNMENT THEREOF.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2023

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.







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**PALMERSTON NORTH  
MĀORI RESERVE TRUST**  
[www.pnmrt.maori.nz](http://www.pnmrt.maori.nz)