



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

TE KĀHUI O HŪNUKU WHENUA

Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2025



Metlifecare
Palmerston North Village

30 years
Partnership

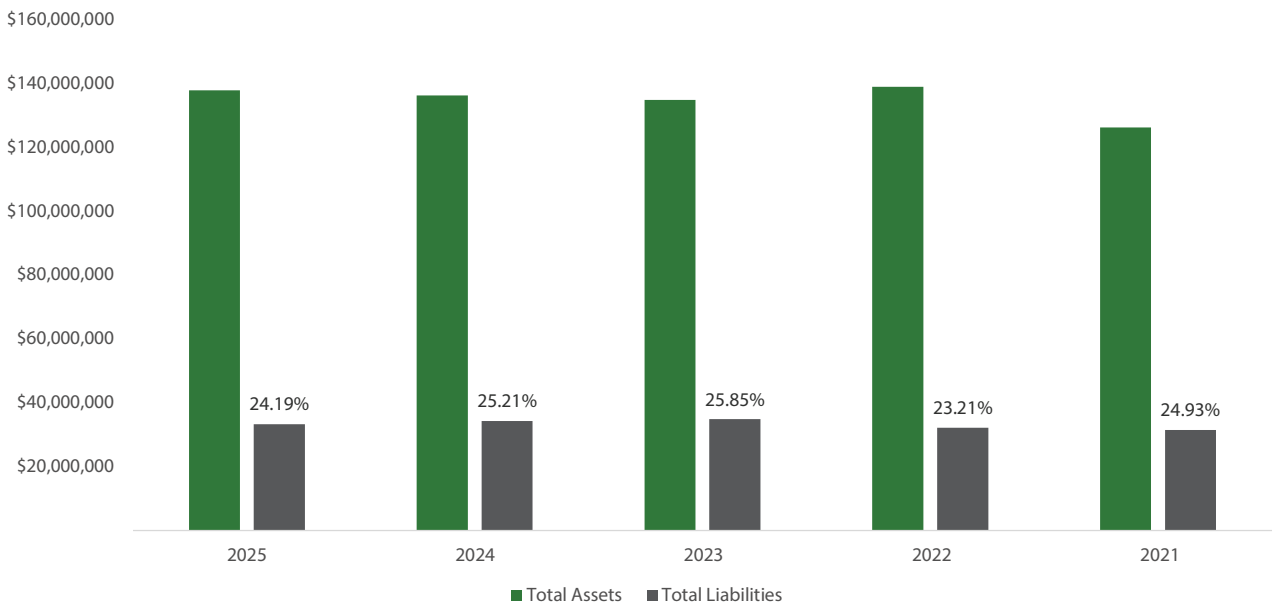
PALMERSTON NORTH MĀORI RESERVE TRUST

STATISTICAL INFORMATION

	2025	2024	2023	2022	2021
Number of Owners	1,197	1,182	1,184	1,138	1,111
Number of Shares	190,831.866	190,831.866	190,831.866	190,831.866	190,831.866
Total Assets	\$137,906,399	\$136,287,567	\$134,874,179	\$139,037,726	\$126,275,864
Total Liabilities	\$33,361,613	\$34,355,913	\$34,867,203	\$32,267,981	\$31,483,338
Total Equity	\$104,544,786	\$101,931,654	\$100,006,976	\$106,769,745	\$94,792,526
Indicative Value per Share	\$547.84	\$534.14	\$524.06	\$559.50	\$496.73
Total Income	\$8,576,575	\$8,409,145	\$7,527,844	\$7,258,787	\$6,709,747
Operating Profit After Net Financing Costs	\$2,732,131	\$2,879,033	\$2,667,748	\$3,506,535	\$3,106,334
Investment Property Revaluation (Devaluation)	\$1,584,589	(\$3,347,847)	(\$7,423,708)	\$8,114,060	\$16,287,518
Profit/(Loss) for the year	\$3,559,040	\$2,870,586	(\$5,816,861)	\$12,923,127	\$21,099,093
Distribution declared in respect of prior year	\$954,159	\$954,159	\$954,159	\$954,159	\$954,159
Distribution per Share in respect of prior year	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00

DEBT TO TOTAL ASSETS RATIO

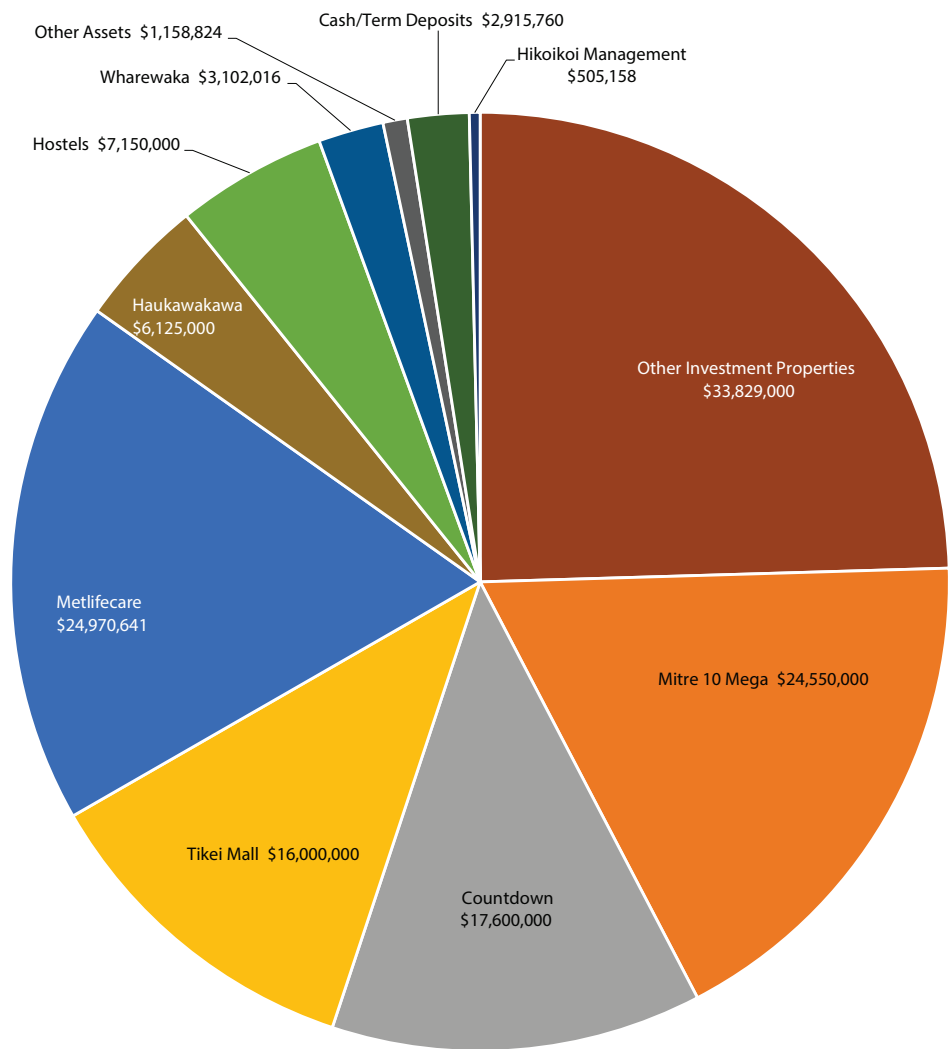
The illustration below shows the movement in the debt to total assets ratio over the past five years. As at 31 March 2025 the debt to total assets ratio is 24.19%, that is, the total liabilities of the Trust is 24.19% of the Trust's total assets. This is an improvement of 1.02% from 31 March 2024.



PALMERSTON NORTH MĀORI RESERVE TRUST

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 2025. 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
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

PALMERSTON NORTH MĀORI RESERVE TRUST
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PALMERSTON NORTH MĀORI RESERVE TRUST
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 \$	2024 \$
Income			
Gross Rental Income	12	8,547,052	8,389,769
Other Income		29,523	19,376
Total Income		8,576,575	8,409,145
Expenses			
Direct Property Expenses	12	(2,919,024)	(2,451,322)
Administration Expenses	14	(1,076,774)	(979,790)
Depreciation		(90,366)	(93,069)
Total Expenses		(4,086,164)	(3,524,181)
Operating Profit Before Tax		4,490,411	4,884,964
Finance Costs			
Finance Income	13	480,800	480,730
Finance Expenses	13	(2,239,080)	(2,486,661)
Net Finance Costs		(1,758,280)	(2,005,931)
Operating Profit After Net Financing Costs		2,732,131	2,879,033
Non-Operating Revenue and Expenses			
Share of Equity Accounted Investees Investment Property Revaluation for the Year	4	445,000	4,265,000
Share of Equity Accounted Investees Trading Profit for the Year	4	(691,500)	(330,000)
Investment Property Revaluation	3	1,584,589	(3,347,847)
Profit Before Income Tax		4,070,220	3,466,186
Income Tax Expense	15	(511,180)	(595,600)
Profit for the Year		3,559,040	2,870,586
Total Comprehensive Income for the Year		\$ 3,559,040	\$ 2,870,586

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



PALMERSTON NORTH MĀORI RESERVE TRUST
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Retained Earnings \$	Discretionary Reserve \$	Total Equity \$
Balance as at 1 April 2023		99,908,440	98,536	100,006,976
Profit for the Year		2,870,586	-	2,870,586
Total Comprehensive Income for the Year		2,870,586	-	2,870,586
<i>Other Movements</i>				
Transfer to Discretionary Reserve from Distributions and Unclaimed Distributions	11	-	8,251	8,251
Total Other Movements		-	8,251	8,251
<i>Transactions With Owners of the Trust in their Capacity as Owners</i>				
Distributions Paid	9	(954,159)	-	(954,159)
Balance as at 31 March 2024		101,824,867	106,787	101,931,654
Profit for the Year		3,559,040	-	3,559,040
Total Comprehensive Income for the Year		3,559,040	-	3,559,040
<i>Other Movements</i>				
Transfer to Discretionary Reserve from Distributions and Unclaimed Distributions	11	-	8,251	8,251
Total Other Movements		-	8,251	8,251
<i>Transactions With Owners of the Trust in their Capacity as Owners</i>				
Distributions Paid	9	(954,159)	-	(954,159)
Balance as at 31 March 2025		\$ 104,429,748	\$ 115,038	\$ 104,544,786

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



PALMERSTON NORTH MĀORI RESERVE TRUST
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	2025 \$	2024 \$
EQUITY			
Discretionary Reserve	11	115,038	106,787
Retained Earnings		104,429,748	101,824,867
Total Equity		\$ 104,544,786	\$ 101,931,654
ASSETS			
Current Assets			
Trade and Other Receivables	6	173,218	48,628
Prepayments		171,435	163,026
Cash and Cash Equivalents	5	2,915,760	3,195,670
Total Current Assets		3,260,413	3,407,324
Non - Current Assets			
Property, Plant and Equipment		400,786	407,672
Investment Properties	3	105,254,000	103,387,000
Investment in Equity Accounted Investees	4	20,707,500	21,354,000
Related Party Receivables	7	7,872,026	7,601,752
Investment Property Work in Progress	3	411,674	129,819
Total Non - Current Assets		134,645,986	132,880,243
TOTAL ASSETS		137,906,399	136,287,567
LIABILITIES			
Current Liabilities			
Trade Payables and Other Current Liabilities	10	729,659	821,977
Income Tax Payable	15	250,034	292,152
Unclaimed Distributions	9	2,036,097	1,886,631
Interest-Bearing Loans and Borrowings	8	960,000	960,000
Total Current Liabilities		3,975,790	3,960,760
Non - Current Liabilities			
Interest-Bearing Loans and Borrowings	8	28,338,225	29,298,225
Deferred Tax Liability	15	1,047,598	1,096,928
Total Non - Current Liabilities		29,385,823	30,395,153
TOTAL LIABILITIES		33,361,613	34,355,913
NET ASSETS		\$ 104,544,786	\$ 101,931,654

19/06/2025

Approved for and on behalf of the Trustees on _____



Trustee



Trustee



PALMERSTON NORTH MĀORI RESERVE TRUST
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 \$	2024 \$
Cash Flows From Operating Activities			
Cash Receipts From Operating Leases		8,388,496	8,422,952
Cash Paid to Suppliers and Employees		(3,970,133)	(3,401,906)
Interest Received		214,862	207,654
Interest Paid		(2,230,900)	(2,478,481)
Income Taxes Paid	15	(602,628)	(341,165)
Net GST Received		(70,383)	13,268
Net Cash Inflow From Operating Activities		1,729,314	2,422,322
Cash Flows From Investing Activities			
Purchase of Property, Plant and Equipment		(84,180)	(111,328)
Purchase of Investment Property Work in Progress		(564,266)	(165,907)
Distribution Received from Equity Accounted Investee	4	400,000	600,000
Advances to Related Parties	7	(4,336)	(68,750)
Net Cash (Outflow)/Inflow From Investing Activities		(252,782)	254,015
Cash Flows From Financing Activities			
Repayment of Borrowings		(960,000)	(960,000)
Net Cash (Outflow) From Financing Activities		(960,000)	(960,000)
Cash Distributions to Owner			
Distributions Paid to Owners	9	(796,442)	(871,360)
Net (Decrease)/Increase in Cash and Cash Equivalents		(279,910)	844,977
Cash and Cash Equivalents at Beginning of Year		3,195,670	2,350,693
Cash and Cash Equivalents at End of Year	5	\$ 2,915,760	\$ 3,195,670

PALMERSTON NORTH MĀORI RESERVE TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. REPORTING ENTITY

The consolidated financial statements of Palmerston North Māori Reserve Trust, which is domiciled in New Zealand, as at and for the year ended 31 March 2025 comprise the Trust and its subsidiaries (together referred to as the "Group") and individually as "Group entities" and the Group's equity accounted interests in associates.

Palmerston North Māori Reserve Trust is an Ahu Whenua Trust constituted by the New Zealand Māori Land Court Order of 16 December 2003 pursuant to Sec 244 of the Te Ture Whenua Māori Act 1993 which varied the original Trust Deed of 1977, and the subsequent variations of Deed made on 5 November 1999 and May 1993. For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP") the Group is a for-profit entity.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These 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.

These financial statements were authorised for issue by the Trustees on 19/06/2025

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for investment properties which are carried at fair value.

(c) Changes in Accounting Policies

The following amendments are effective for the period beginning 1 April 2024:

- a. Disclosure of Fees for Audit Firms' Services (Amendments to FRS-44)
- b. Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to NZ IAS 1)

Disclosure of Fees for Audit Firms' Services (Amendments to FRS-44)

In May 2023 the New Zealand Accounting Standards Board (NZ ASB) issued amendments to FRS-44 to require a description of the services provided by a reporting entity's audit or review firm and to disclose the fees incurred by the entity for those services using prescribed categories.

These amendments have no effect on the measurement of any items in the consolidated financial statements of the Group, and merely result in additional disclosure.

Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to NZ IAS 1)

The NZASB issued amendments to NZ IAS 1 in April 2020 Classification of Liabilities as Current or Non-current and subsequently, in May 2023 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the consolidated financial statements of the Group.

(d) Functional and Presentation Currency

The financial statements are presented in New Zealand dollars (\$) which is the Trust's functional and Group's presentation currency.



PALMERSTON NORTH MĀORI RESERVE TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2. BASIS OF PREPARATION (cont.)

(e) Use of Estimates and Judgements

The preparation of the financial statements in conformity with NZ IFRS (RDR) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The determination of the fair value of investment properties requires the use of key estimates. Information on those estimates is provided in Note 3.

The accounting policies set out below and in other relevant notes have been applied consistently to all periods presented in these financial statements and have been applied consistently by Group entities.

(f) Basis of Consolidation **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in Equity Accounted Investees

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the investment, including any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(g) Impairment for Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than investment property and deferred tax, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Any impairment loss is recognised in profit and loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Good and Services Tax (GST)

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax ("GST") except for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from or payable to the IRD is included as part of other current assets or other current liabilities in the Statement of Financial Position.

PALMERSTON NORTH MĀORI RESERVE TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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.

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.

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 2024 and 31 March 2025.

	2025 \$	2024 \$
Balance at 1 April	103,387,000	106,610,000
Additions (refer to note 3)		
152-166 Rangitikei Street	-	769
Mitre 10, 250/270 Featherston St	160,350	-
Other Developments	68,892	-
Super Cheap Auto	53,169	124,078
Total additions	282,411	124,847
Change in fair value	1,584,589	(3,347,847)
Balance at 31 March	\$105,254,000	\$103,387,000

Carrying Value of Individual Properties at Fair Value:

	2025 \$	Additions \$	Disposals \$	Change in Fair Value \$	2024 \$
Woolworths Supermarket - 247 Rangitikei Street, Palmerston North	17,600,000	-	-	400,000	17,200,000
Tikei Mall - 168 Rangitikei Street, Palmerston North	16,000,000	55,252	-	(555,252)	16,500,000
Mitre 10 Mega - 250-270 Featherston Street, Palmerston North	24,550,000	160,350	-	489,650	23,900,000
	58,150,000	215,602	-	334,398	57,600,000
Hostels					
Palmy 31-31 Ngata Street, Palmerston North	4,500,000	-	-	400,000	4,100,000
Baxters - 9-17 Ranfurly Street, Palmerston North	2,650,000	-	-	350,000	2,300,000
	7,150,000	-	-	750,000	6,400,000



PALMERSTON NORTH MĀORI RESERVE TRUST
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. INVESTMENT PROPERTIES (cont.)

	2025	Additions	Disposals	Change in Fair Value	2024
	\$	\$	\$	\$	\$
Other					
272-276 Featherston Street, Palmerston North	2,150,000	-	-	550,000	1,600,000
61-65 Grey Street, Palmerston North	910,000	-	-	(40,000)	950,000
67-71 Grey Street, Palmerston North	1,600,000	66,809	-	(66,809)	1,600,000
77-83 Grey Street, Palmerston North	810,000	-	-	30,000	780,000
152-166 Rangitikei Street, Palmerston North	6,300,000	-	-	(100,000)	6,400,000
38 Carroll Street, Palmerston North	646,000	-	-	(26,000)	672,000
46 Carroll Street & 33 Ngata Street, Palmerston North	2,500,000	-	-	(10,000)	2,510,000
35 Grey Street, Palmerston North	595,000	-	-	94,000	501,000
33-41 Grey Street, Palmerston North	2,300,000	-	-	(50,000)	2,350,000
51-59 Grey Street, Palmerston North	2,600,000	-	-	-	2,600,000
121 Grey Street, Palmerston North	680,000	-	-	(50,000)	730,000
27 Ngata Street, Palmerston North	690,000	-	-	(30,000)	720,000
32 Ngata Street, Palmerston North	790,000	-	-	-	790,000
34 Ngata Street, Palmerston North	890,000	-	-	100,000	790,000
26, 26a Fitchett Street, Palmerston North	573,000	-	-	1,000	572,000
30 Fitchett Street, Palmerston North	720,000	-	-	-	720,000
34 Fitchett Street, Palmerston North	730,000	-	-	-	730,000
40, 40a Fitchett Street, Palmerston North	649,000	-	-	(9,000)	658,000
42 Fitchett Street, Palmerston North	630,000	-	-	10,000	620,000
46, 46a Fitchett Street, Palmerston North	670,000	-	-	6,000	664,000
48 Fitchett Street, Palmerston North	650,000	-	-	(10,000)	660,000
3 Nash Street & 16 Ngata Street, Palmerston North	896,000	-	-	51,000	845,000
9, 11, 15 Nash Street & 26 Ngata Street Palmerston North	1,300,000	-	-	70,000	1,230,000
22-24 Ngata Street, Palmerston North	1,750,000	-	-	(150,000)	1,900,000
28-30 Ngata Street, Palmerston North *(A)	1,800,000	-	-	5,000	1,795,000
81-87 Thorndon Quay & 89-95 Thorndon Quay, Wellington	6,125,000	-	-	125,000	6,000,000
	39,954,000	66,809	-	500,191	39,387,000
	\$ 105,254,000	\$ 282,411	\$ -	\$ 1,584,589	\$ 103,387,000

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

\$

Investment Property Work in Progress at Cost

Investment property work in progress is measured at fair value unless fair value cannot be reliably measured, at which time it will be measured at cost.

Cost of investment property 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.

	Baxters	Mitre 10 MEGA	Super Cheap Auto	Other Developments	Total
	\$	\$	\$	\$	\$
Balance at 31 March 2023	88,759	-	-	-	88,759
Costs incurred	20,430	20,630	124,078	769	165,907
Transferred to investment property at fair value	-	-	(124,078)	(769)	(124,847)
Balance at 31 March 2024	\$ 109,189	\$ 20,630	\$ -	\$ -	\$ 129,819
Costs incurred	-	139,720	53,169	371,377	564,266
Transferred to investment property at fair value	-	(160,350)	(53,169)	(68,892)	(282,411)
Balance at 31 March 2025	\$ 109,189	\$ -	\$ -	\$ 302,485	\$ 411,674

The Baxters work in progress balance relates to the Accommodation Project, which is currently on hold. The work in progress balance under other developments relates to the Eurocar and Best Start project costs incurred to date.



PALMERSTON NORTH MĀORI RESERVE TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. INVESTMENT IN EQUITY ACCOUNTED ASSOCIATES

Palmerston North Māori Reserve Trust holds the following voting interests in the following entities and as such has significant influence but not control of the entities. The Group has classified the investments listed as associates and it is accounting for them using the equity method.

Investee	Balance Date	Place of Business/Country of Incorporation	Ownership Percentage	
			2025	2024
Hikoikoi Management Limited	31-Mar	NZ	50%	50%
Metlifecare Palmerston North Limited	30-Jun	NZ	50%	50%

The Group has no commitments and no contingencies in relation to its investments in associates.

	Hikoikoi Management Limited	Metlifecare Palmerston North Limited	Total
	\$	\$	\$
Balance at 31 March 2023	-	18,019,000	18,019,000
Share of trading profit/(loss)	-	(330,000)	(330,000)
Share of investment property revaluation profit	-	4,265,000	4,265,000
Dividends received	-	(600,000)	(600,000)
Balance at 31 March 2024	-	21,354,000	21,354,000
Share of trading profit/(loss)	-	(691,500)	(691,500)
Share of investment property revaluation profit	-	445,000	445,000
Dividends received	-	(400,000)	(400,000)
Balance at 31 March 2025	\$ -	\$ 20,707,500	\$ 20,707,500

Hikoikoi Management Limited has no profit/(loss) for the years ended 31 March 2024 and 31 March 2025.

Assets and Liabilities of Associates

	Hikoikoi Management Limited	2025 Metlifecare Palmerston North Limited	Total
	\$	\$	\$
Current Assets	121,679	2,228,000	2,349,679
Non-current Assets	1,179,527	107,821,000	109,000,527
Total Assets	1,301,206	110,049,000	111,350,206
Current Liabilities	209,728	21,066,000	21,275,728
Non-current Liabilities	1,091,477	47,569,000	48,660,477
Total Liabilities	1,301,205	68,635,000	69,936,205
Net Assets	\$ -	\$ 41,414,000	\$ 41,414,001

Assets and Liabilities of Associates

	Hikoikoi Management Limited	2024 Metlifecare Palmerston North Limited	Total
	\$	\$	\$
Current Assets	214,104	2,524,000	2,738,104
Non-current Assets	1,112,117	102,422,000	103,534,117
Total Assets	1,326,220	104,946,000	106,272,220
Current Liabilities	165,150	25,710,000	25,875,150
Non-current Liabilities	1,161,070	36,529,000	37,690,070
Total Liabilities	1,326,220	62,239,000	63,565,220
Net Assets	\$ -	\$ 42,707,000	\$ 42,707,000

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits on call with banks, other short-term highly liquid investments with original maturities of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

	2025	2024
	\$	\$
Bank Balances	2,915,760	3,195,670
Total cash and cash equivalents	\$ 2,915,760	\$ 3,195,670

Interest rate charged on overdrawn bank balances and interest received on call deposits were 12.20% and 1.05% respectively (2024: 14.05% and 2.70%). Bank balances are on call. Total overdraft available at reporting date is \$250,000 (2024: \$250,000).



PALMERSTON NORTH MĀORI RESERVE TRUST

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FOR THE YEAR ENDED 31 MARCH 2025

6. TRADE AND OTHER RECEIVABLES

Accounts Receivable
Rent Arrears
Allowance for Doubtful Debts

2025	2024
\$	\$
20,816	11,758
215,698	36,870
(63,296)	-
\$ 173,218	\$ 48,628

For the year ended 31 March 2025, the Trust has recorded a \$63,296 provision for doubtful debts for impaired rent owing from tenants in liquidation (2024: nil).

7. RELATED PARTY RECEIVABLES

Related party relationships are detailed in note 17. 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 (2024: nil) and there have been no write-offs of related party balances during the year (2024: nil).

Related Party (refer to note 17) Balances at year end included:

Receivable from Investment Property Sales - Metlifecare Palmerston North Limited
Receivable from Loans - Wharewaka o Pōneke Charitable Trust
Receivable from Trading Activities and Loans - Hikoikoi Management Limited
Receivable from Loans - Ngahuru Charitable Trust

Interest Rate	2025	2024
	\$	\$
5.91%	4,263,141	3,997,203
3.50%	3,102,016	3,063,016
8.41%	505,158	541,533
0.0%	1,711	-
	\$ 7,872,026	\$ 7,601,752
	7,872,026	7,601,752
	\$ 7,872,026	\$ 7,601,752
	7,601,752	7,259,926
	4,336	68,750
	265,938	273,076
	\$ 7,872,026	\$ 7,601,752

Related Party Balances

Non-Current Related Party Receivables

Reconciliation

Balance at Beginning of Year
Net Payments
Accrued interest on Metlifecare Palmerston North Limited Advance
Balance at End of the Year

8. INTEREST-BEARING LOANS AND BORROWINGS

Westpac Banking Corporation 91 Loan

Maturity Date	Interest Rate
31/07/2026	6.20%

Balance at Beginning of Year
Interest
Repayments
Balance at End of the Year

2025	2024
\$	\$
30,258,225	31,218,225
2,291,738	2,478,004
(3,251,738)	(3,438,004)
\$ 29,298,225	\$ 30,258,225
960,000	960,000
28,338,225	29,298,225
\$ 29,298,225	\$ 30,258,225

Current
Non-current

Borrowings are initially recognised at fair value net of transaction costs and subsequently carried at amortised cost.

The bank loans are secured over certain investment properties with a carrying amount of \$88,181,000 (2024: \$85,590,000).

9. UNCLAIMED DISTRIBUTIONS

Unclaimed distributions represent distributions declared by Palmerston North Māori Reserve Trust but that have not been claimed by the respective beneficial owner. Unclaimed distributions are held on demand for the rightful beneficial owner. Palmerston North Māori Reserve Trust has sufficient access to capital to pay all unclaimed distributions if they were called.

Balance at Beginning of Year
Distribution Declared
Net Distributions Claimed
Balance at End of the Year

2025	2024
\$	\$
1,886,631	1,812,083
954,159	954,159
(804,693)	(879,611)
\$ 2,036,097	\$ 1,886,631

Reconciliation to Cashflow

Net Distributions Claimed
Distribution relating to shares held by the Trust (refer to note 11)

(804,693)	(879,611)
8,251	8,251
\$ (796,442)	\$ (871,360)



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FOR THE YEAR ENDED 31 MARCH 2025

10. TRADE AND OTHER PAYABLES AND OTHER CURRENT LIABILITIES

	2025	2024
	\$	\$
Trade Payables	157,035	171,207
Bonds Payable	40,753	14,381
Accrued Expenses	291,669	330,100
GST Payable	74,513	115,900
Income Received in Advance	165,689	190,389
	\$ 729,659	\$ 821,977

Trade payables are initially recognised at fair value net of transaction costs and subsequently carried at amortised cost. Trade payables generally have terms of 30 days and are interest free. Trade payables of a short-term duration are not discounted.

11. DISCRETIONARY RESERVE

	2025	2024
	\$	\$
Balance at the Beginning of the Year	106,787	98,536
Distribution relating to shares held by the Trust	8,251	8,251
Total Distributions Transferred	8,251	8,251
	\$ 115,038	\$ 106,787

A parcel of 1,650 shares were originally transferred to the Trust from the Māori Trustee (on the basis that the owners could no longer be identified), these shares have been accumulating distributions since the transfer took place.

During the 2018 year the Trustees resolved that these unclaimed distributions could be applied to specific activities as resolved by the Trustees. The Trustees did not resolve to apply any funds from the reserve during the year ended 31 March 2025 (2024: \$nil).

12. 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.

	2025		
	Gross Rental Income	Direct Property Expenses	Net Rental Income
	\$	\$	\$
Tikei Mall	1,449,644	(371,875)	1,077,769
Nash Street Development	1,775,168	(654,670)	1,120,498
Woolworths Supermarket	1,326,054	(108,116)	1,217,938
Hostel Accommodation	1,263,676	(821,303)	442,373
Thorndon Quay - Haukawa LP	408,759	(260,298)	148,461
Other	2,323,751	(702,761)	1,620,990
	\$ 8,547,052	\$ (2,919,024)	\$ 5,628,028

	2024		
	Gross Rental Income	Direct Property Expenses	Net Rental Income
	\$	\$	\$
Tikei Mall	1,352,484	(297,333)	1,055,151
Nash Street Development	1,914,287	(372,411)	1,541,876
Woolworths Supermarket	1,245,500	(102,701)	1,142,799
Hostel Accommodation	1,194,178	(745,208)	448,970
Thorndon Quay - Haukawa LP	404,554	(223,290)	181,264
Other	2,278,766	(710,379)	1,568,387
	\$ 8,389,769	\$ (2,451,322)	\$ 5,938,447

The Group has a number of operating leases for both commercial and residential property related to its investment properties. Where possible the Group always endeavours to sublease vacant spaces on short-term lets. Rental income recognised under non-cancellable operating leases during the year was \$8,547,052 (2024: \$8,389,769).

13. FINANCE COSTS

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and impairment losses recognised on financial assets (other than trade receivables). Interest expense is recognised using the effective interest method.

Finance Income - Assets at Amortised Cost

	2025	2024
	\$	\$
Interest Income from Loans - Metlifecare Palmerston North Limited (refer to note 7)	265,938	273,076
Interest Income from Loans - Wharewaka o Pōneke Charitable Trust (refer to note 17)	115,838	114,375
Interest Income from Loans and Trade Receivables - Hikoikoi Management Limited (refer to note 17)	45,588	42,676
Interest Income - Westpac	53,436	48,000
Interest Income - IRD	-	2,603
	480,800	480,730

Finance Expense - Liabilities at Amortised Cost

	2025	2024
	\$	\$
Interest Expense - Westpac	(2,239,080)	(2,486,661)
	(2,239,080)	(2,486,661)

Net Finance Expense

	2025	2024
	\$	\$
	\$ (1,758,280)	\$ (2,005,931)



PALMERSTON NORTH MĀORI RESERVE TRUST
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14. ADMINISTRATION EXPENSES

	2025	2024
	\$	\$
Accountancy Fees	57,516	75,349
Audit Fees *	58,209	45,015
Bank Charges	3,053	3,299
Cleaning & Laundry	4,752	4,388
Computer Expenses	663	942
Consultancy Fees	440	11,789
Doubtful Debt (refer to note 6)	63,296	-
Executive Office (refer to note 17)	520,501	482,776
General Expenses	9,812	16,158
Insurance	32,133	39,022
Koha	600	400
Legal Fees	14,053	10,490
Loss on Disposal of Property, Plant and Equipment	700	353
Newsletter	15,424	-
Owners' Meetings	19,716	22,387
Postage, Printing & Stationery	10,264	19,148
Memberships & Subscriptions	12,634	12,829
Tangi Contributions	400	-
Telephone & Internet	1,813	2,043
Trustees' Remuneration (refer to note 17)	208,250	182,666
Trustees' Expenses	42,545	50,736
	\$ 1,076,774	\$ 979,790

* Audit fees paid to Crowe are for the audit of the annual financial statements.

15. INCOME TAX

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, when it will be recognised in equity or other comprehensive income respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Temporary differences related to investments in subsidiaries and associates, where the reversal of the difference is controlled by the Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously. Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

a) Income tax recognised in profit or loss

	2025	2024
	\$	\$
Current tax	579,905	546,597
Prior period adjustment	(19,395)	3,857
Deferred tax expense	(49,330)	45,146
Total income tax expense	\$ 511,180	\$ 595,600

b) Reconciliation of income tax expense

Profit before income tax expense	4,070,220	3,466,186
Tax expense at 17.5%	712,288	606,582
Non-deductible expenses	840	(1,485)
Non-assessable investment property revaluation	(277,303)	585,873
Non-assessable equity accounted earnings	43,138	(688,625)
Dividend received from equity accounted investee	70,000	105,000
Tax deductible depreciation	(5,015)	(4,046)
Income taxed at different rates	(13,373)	(10,295)
Prior period adjustments	(19,395)	3,857
Income tax losses not recognised	-	(1,261)
Total income tax expense	\$ 511,180	\$ 595,600

PALMERSTON NORTH MĀORI RESERVE TRUST

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FOR THE YEAR ENDED 31 MARCH 2025

15. INCOME TAX (cont.)

c) Current tax

Asset/(liability) at 1 April
Current year tax expense
Prior period adjustment
Payments
Asset/(liability) at 31 March

d) Deferred tax

Balance at the beginning of the year
Current year movement
Deferred tax asset/(liability)

Deferred tax assets/(liabilities) are attributable to the following:

Accrued Expenses
Doubtful Debts
Investment Properties
Tax Losses

e) Māori Authority Tax Credit Account

Balance at the beginning of the year
Current year movement

2025	2024
\$	\$
(292,152)	(82,863)
(579,905)	(546,597)
19,395	(3,857)
602,628	341,165
\$ (250,034)	\$ (292,152)
(1,096,928)	(1,051,782)
49,330	(45,146)
\$ (1,047,598)	\$ (1,096,928)
27,451	24,188
11,077	-
(1,153,442)	(1,153,442)
67,316	32,326
\$ (1,047,598)	\$ (1,096,928)
6,923,446	6,606,297
609,367	317,149
\$ 7,532,813	\$ 6,923,446

16. FINANCIAL INSTRUMENTS

Financial Assets

The Group classifies its financial assets as amortised cost, the Group's accounting policy is as follows:

These assets arise principally from the provision of services to customers (e.g. trade receivables), but also incorporates other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Group's financial assets measured as amortised cost comprise trade and other receivables, related party loans (note 7) and cash and cash equivalents (note 5) in the consolidated statement of financial position.

Financial Liabilities

The Group's financial liabilities comprise of borrowings, trade and other payables and unclaimed distributions for which is classified as amortised cost, the Group's accounting policy is as follows:

Such interest-bearing liabilities are initially measured at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Impairment for financial assets measured at amortised cost

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within NZ IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in profit and loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Financial Assets at Amortised Cost

Trade and Other Receivables (refer to note 6)
Cash and Cash Equivalents (refer to note 5)
Related Party Receivables (refer to note 7)

Financial Liabilities at Amortised Cost

Trade and Other Payables
Unclaimed Distributions (refer to note 9)
Interest-bearing loans and borrowings (refer to note 8)

2025	2024
\$	\$
20,816	11,758
2,915,760	3,195,670
7,872,026	7,601,752
\$ 10,808,602	\$ 10,809,180
489,457	515,688
2,036,097	1,886,631
29,298,225	30,258,225
\$ 31,823,779	\$ 32,660,544



PALMERSTON NORTH MĀORI RESERVE TRUST

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FOR THE YEAR ENDED 31 MARCH 2025

17. RELATED PARTIES

The ultimate Parent of the Group is Palmerston North Māori Reserve Trust. All Related Party loans are shown in note 7.

Subsidiaries

Set out below are the significant subsidiaries of the Group:

	Principal Activity	Balance Date	Place of Business/Country of Incorporation	Ownership Percentage	
				2025	2024
Baxters Limited	Hostel Accommodation	March	NZ	100%	100%
Haukawakawa Limited Partnership	Investment Property	March	NZ	100%	100%

Other Related Parties

In addition to the above, and the associates listed in note 4, Palmerston North Māori Reserve Trust is related to the following entities:

Entity	Relationship
Wharewaka o Pōneke Charitable Trust	Palmerston North Māori Reserve Trust has the right to appoint two of seven 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:

Interest received from Wharewaka o Pōneke Charitable Trust (refer to note 13)
Interest received from Metlife Palmerston North Limited (refer to note 13)
Interest received from Hikoikoi Management Limited (refer to note 13)
Executive office fees charged by Hikoikoi Management Limited (refer to note 14)

	2025	2024
	\$	\$
Interest received from Wharewaka o Pōneke Charitable Trust	115,838	114,375
Interest received from Metlife Palmerston North Limited	265,938	273,076
Interest received from Hikoikoi Management Limited	45,588	42,676
Executive office fees charged by Hikoikoi Management Limited	(520,501)	(482,776)
	\$ (93,137)	\$ (52,649)

Balances of Related Party Loans are shown in note 7 and 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

Trustees remuneration is determined by way of resolution at the Trust's annual general meeting. Trustee remuneration by trustee is as follows:

Liz Mellish (Chair)
Jeanie Hughes
Paula King
Matthew Love-Parata
Wiki Michalanney
Ann Reweti
Aisha Ross
Philippa Fairclough (Term started October 2023)
Takiri Cotterill (Term ended November 2023)
Richard Te One

	2025	2024
	\$	\$
Liz Mellish (Chair)	62,917	60,000
Jeanie Hughes	17,167	16,000
Paula King	17,167	16,000
Matthew Love-Parata	17,167	16,000
Wiki Michalanney	17,167	16,000
Ann Reweti	17,167	16,000
Aisha Ross	17,167	16,000
Philippa Fairclough (Term started October 2023)	25,167	-
Takiri Cotterill (Term ended November 2023)	-	10,667
Richard Te One	17,167	16,000
	\$ 208,250	\$ 182,666

Following resolution by the Owners at the 2024 AGM, the Chair fee has increased to \$65,000 per annum and Trustee fee has increased to \$18,000 per annum.

In November 2024, Philippa Fairclough received a backpayment of trustee fees to October 2023.

18. EQUITY MANAGEMENT

The Group's equity (net assets) relates to retained earnings and the Discretionary Reserve (refer note 11).

The Group manages its equity through the use of budgets and business cases to determine future capital requirements. There are no externally imposed capital requirements at the end of the year or during each reporting period.

The Group's policies in respect of equity management and allocation are reviewed regularly by the Trustees.

There have been no material changes in the Group's management of equity during the year.

19. COMMITMENTS

There are no capital commitments at 31 March 2025 (2024: nil).

20. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 March 2025 (2024: nil).



PALMERSTON NORTH MĀORI RESERVE TRUST
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

21. EVENTS OCCURRING AFTER THE REPORTING DATE

There are no other events subsequent to the reporting date that would affect the financial statements (2024: nil).

INDEPENDENT AUDITOR'S REPORT

To the Beneficial Owners of Palmerston North Maori Reserve Trust

Opinion

We have audited the consolidated financial statements of Palmerston North Maori Reserve Trust and its controlled entities (the Group) on pages 3 to 17, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Palmerston North Maori Reserve Trust or any of its controlled entities.

Information Other Than the Consolidated Financial Statements and Auditor's Report

The Trustees are responsible for the other information. The other information comprises the information included in the statistical information, debt to total assets ratio, and total assets on the first two pages preceding the consolidated financial statements but, does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Trustees' Responsibilities for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Trustees are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

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

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.

Restriction on Use

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



Crowe New Zealand Audit Partnership

CHARTERED ACCOUNTANTS

19 June 2025