



Issue 14, January 2011

NEWSLETTER FOR OWNERS

From the Chairman

Tena koutou katoa. Nga mihi nui kia koutou mo te Tau Hou.

This new year—2011—will be a particularly busy one given some of the significant events that will occur over the course of the year. First will be the opening of the Wharewaka on Wellington's waterfront, an owners' mid-year meeting (see page 7), Rugby World Cup 2011 will be held in September and October and the year will round out with a General Election.



In spite of it being election year I am anticipating another difficult Budget in the second quarter of the year as New Zealand strives to get itself out of the economic recession.

Trustees will continue to act in a risk averse manner when making decisions on behalf of owners. With Pipitea House having now been completed the rental income will have a positive effect on the Trust's cash flow position.

Finally to all owners and their whanau I extend my best wishes to you for a healthy and positive 2011.

*Sir Ngatata Love
Chairman*

Pipitea House—Whakawatea

This significant development for the Trust has now been completed with the tenant being the Government Communication Security Bureau.

held on Wednesday December 17 at dawn. Four groups officiated during the whakawatea.

The building has received a 5 star green rating, only one of three in Wellington. The building is nine levels with 14,500m² of net lettable space with a long term lease. The Trust will start to receive rental from December 2010 and this will have a positive impact on rental streams.

Several artworks have been placed outside and in the foyer of the building by Taranaki Whanui.

It was pleasing for Trustees and others to attend the blessing of Pipitea House which was

Pictured below: the new Pipitea House towering over Pipitea Marae



Annual General Meeting

Looking Back on 25 Years of Progress

When addressing the September 11, AGM of the Wellington Tenth's Trust held at Pipitea Marae, Sir Ngatata Love, noted that this year is the 25th since owners became responsible for the control and management of their own assets.

At the next meeting a full review of the 25 years will be given including a demonstration of how the Trust has grown and provided increased benefits for the owners under the management of owners.

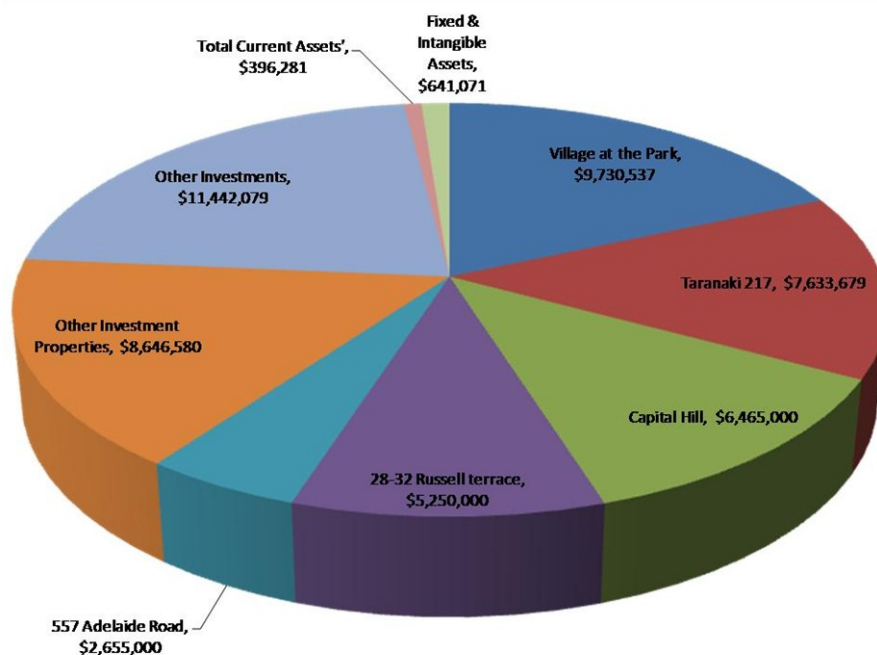
In providing an overview of the economic climate in which the Trust has operated for the year, the Chairman noted the increase to GST from October 1, 2010, the reduced personal income tax rates and from the Trust's perspective the removal of depreciation on property that had been announced in the Budget in May.

Overall Trustees have been able to reduce costs, generate an increase in income which



is tempered by the decrease in property valuations, which were anticipated due to the overriding market forces in terms of property values.

Sir Ngatata then explained the total asset pie graph (below) that was included in the AGM presentation. This diversification means that risk is spread across portfolios, a conservative but safe approach.



Supreme Court Opening

The historic relationship to the Supreme Court site for Taranaki Whanui ki Te Upoko o Te Ika is recognised by the plaque on the front of the building.

The Supreme Court was opened by HRH Prince William in January 2010 and was a significant event for mana whenua and the Wellington community.

Thousands turned out on a stunning Wellington day to see HRH Prince William.



Taranaki Whanui haka party welcoming HRH Prince William

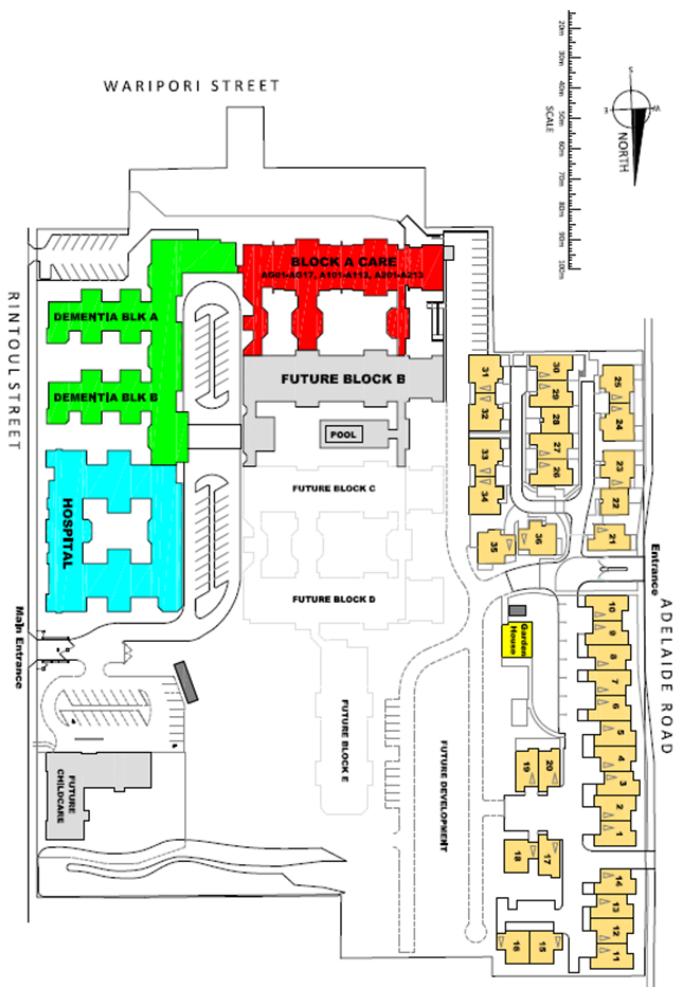
Village at the Park—AGM Report

Good progress is being made on the Village at the Park development.

The 42 unit apartment block A has 25 units accounted for and it is operating well. Planning is underway for a second block (B) which will also house an extensive community centre for use by all residents. The community centre will include a library, internet room, hair salon, dining and lounge area, pool room, gym, TV and theatre room, indoor bowling, indoor swimming pool and large courtyard.

Occupancy rates remain high at 98% and there are waiting lists for the dementia and rest home care beds indicating an increase in care beds is warranted. Space is available to provide for these and plans are now being prepared.

The Trust's joint venture partner Hurst Group has developed a number of high quality child care centres and the JV has land available for a much needed facility for staff of the village and surrounding facilities. A facility like this will add to the value of the Village, provide a separate income stream and add to the economic well-being of Village at the Park. Residents are keen to have such a facility established.



From the AGM: Taranaki 217

This accommodation facility continues to provide the Trust with positive cash flow. Occupancy rates have been at a premium during the year. A repairs and maintenance programme has been agreed to fresh up the facility during the holiday period. The government's policy to cap NZ student levels will mean fewer students in Wellington but this does not affect fee paying overseas students.



Overall Performance Review—AGM

In reviewing the overall position of the Trust, the Chairman noted that the year has seen changes and will continue to be challenged as the result of the international financial situation.

He again reiterated that the Trust has weathered the storm well and is in a good position. The key assets are well protected and we should have confidence

going forward with key developments such as Village at the Park, Pipitea House and Lambton Quay.

Borrowing will remain demanding and property values may not increase, or may fall further, but opportunities do sometimes emerge in times of uncertainty. The trust's investments are sound and showing positive returns.



Current development initiatives have the support of mainstream banks.

Trustees need to ensure the assets remain protected and that owners receive benefits through dividends and other opportunities. Cash flow will continue to be less than optimal during development phases but Taranaki 217, Capital Hill and Pipitea House will show consistent returns over the long-term.

Statement of Financial Performance

Euan Playle of BDO Wellington, the Trust's accountant, then provided the Financial Report for the year ended March 31, 2010 on behalf of the Trustees.

He noted the satisfactory performance of the Trust in the current operating climate advising owners that it was a measure of the good governance by Trustees.

The following highlights were referred to:

- A net surplus for the year from operations of \$134,284 compared to a deficit of \$600,232 for the previous year. This turnaround had been anticipated at the last meeting and has been achieved in a challenging market place
- An uplift in rental income from \$384,694 to \$1,058,730 together with a reduction in costs.
- The situation before taxation was \$477,121 with tax of \$56,519 and the write down in terms of the property valuations
- The removal of depreciation on property will mean approximately an additional \$25,000 will be required in tax payments next year
- Overall, after tax and property revaluations the Trust has a net deficit of \$652,923. This is largely due to property valuation write down.
- There has been a reduction in net assets on the previous year from \$41,661,338 to \$40,551,112
- The debt/equity ratio remains in a good position at 76.5%. Total assets are \$52.8 million and liabilities are \$12.3 million

	2010	2009
CURRENT ASSETS	396,291	248,310
OTHER INVESTMENTS	11,442,079	11,446,486
VILLAGE AT THE PARK	9,730,537	9,730,470
INVESTMENT PROPERTIES		
Leasehold properties	11,517,280	13,065,020
Freehold properties	19,132,979	18,537,179
FIXED AND INTANGIBLE ASSETS	641,071	437,970
TOTAL ASSETS	52,860,237	55,251,364
Less		
CURRENT LIABILITIES	2,732,521	6,111,630
TERM LIABILITIES	9,576,604	7,478,396
TOTAL LIABILITIES	12,309,125	13,590,026
NET ASSETS	40,551,112	41,661,338

Distribution

At the Annual General Meeting Trustees recommended that owners agree to a distribution payment of \$2.50 per share.

This is a total commitment of \$457,299 and is a capital distribution (i.e. non-taxable). The payment was made to owners in November 2010.

Share Value

While the shares of the Trust cannot be traded on the open market, the simple mathematical calculation of the total asset of the Trust divided by the total number of shares in the Trust shows that the share value for the year ended March 31, 2010 is \$221.69 per share.

Trustee Election

The Chairman advised that three Trustees retired at this Annual General Meeting. They were Pikiarero Carroll, Peter Love and Wayne Mulligan and each had offered themselves for re-election.

As no other nominations had been received by closing date owners were asked to reappoint, by acclamation the three Trustees who had stood for re-election. Each Trustee's appointment is a period of three years.

Koha Policy under development

Trustees of both the Wellington Tenth Trust and Palmerston North Maori Reserve have agreed to develop a policy in respect of the payment of koha.

The matter was raised and discussed at both Annual

General Meetings in 2009 and again in 2010.

Trustees hope to have developed a draft policy for presentation at the mid-year meeting referred to later in this newsletter.

An initial draft policy was tabled for discussion by Trustees at a joint meeting held in mid-December. However Trustees wanted time to consider all implications and feedback will assist develop the policy further.

Managing Trustees of the Wellington Tenth Trust are:

Sir Ngatata Love (Chairman), Neville Baker, Piki Carroll, Jeanie Hughes, Grant Knuckey, Peter Love, Wayne Mulligan, Liana Poutu, Sir Paul Reeves, Dr Tony Ruakere, Mark Te One

Contact Details

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Te Aro Pa Charitable Trust

At each Annual General Meeting, Liz Mellish provided a brief overview of the Te Aro Pa Charitable Trust proposal.

Three individuals have volunteered to be the initial Trustees of this new entity. They are Matthew Love-Parata, Maraea Tanerau and Sam Kahui.



Collaboration is Vital— Natural Resource Adviser

With the Port Nicholson Block Settlement Trust now established and representing Taranaki Whanui ki Te Upoko o Te Ika, there must be a more collaborative approach between the three trusts.

The trusts have challenges to face in the future and

the maintenance of unity and moving together is critical to each.

To that end a new, larger position has been created within the Port Nicholson Block Settlement Trust for a Natural Resources Adviser. Liz Mellish has accepted this role to

ensure that the rights of each trust are protected and maintained as per the statutory requirements of all applicable legislation, but in particular the Port Nicholson Block (Taranaki Whanui ki Te Upoko o Te Ika) Claims Settlement Act 2009.

Mid Year Meeting to be held

This is an early notification that Trustees of both the Palmerston North Maori Reserve and Wellington Tenth Trust have agreed to hold a mid-year meeting.

The date has been set down for Saturday, March 12, 2011 with the meeting to be held in Palmerston North.

Each set of owners will receive a formal notice of this meeting as each Trust will be asked to transact some formal

business at the meeting. The Trust Deeds require that owners receive notice of the meeting including the resolutions to be put to owners.

For Palmerston North Maori Reserve this business relates to the Mitre 10 Mega development.

The owners of Wellington Tenth Trust will be asked to agree to the sale of a property.

Te Hokitanga Mai a Matiu

Wednesday, November 17, 2010 is a day that will long be remembered. It was the day that the Department of Conservation (on behalf of the Crown) handed back the three Harbour Islands to Taranaki Whanui ki Te Upoko o Te Ika in a small ceremony on Matiu/Somes Island. The fee simple title had transferred to the Port Nicholson Block Settlement Trust on September 2, 2009 but the Department of Conservation wanted to formally acknowledge the change of ownership.



Executive Office—Hikoikoi

The joint executive office of the Wellington Tenth Trust and Palmerston North Maori Reserve has been a good move.

The joint office has resulted in economies of scale being achieved in the general management and

administration functions of both Trusts. It has also meant a reduction of operational costs for each Trust.

In respect of the Hikoikoi office location, the future is positive. The new Manaia facility is extensively used

by the wider community, related entities and growing numbers of whanau.

Plans for further extensions are being investigated and will be considered by Trustees early in 2011.

He Kohikohinga o Nga Waiaata o Taranaki

The Wellington Tenth's Development Trust with funding assistance from Creative New Zealand and through fund raising efforts were able to produce He Kohikohinga o Nga Waiaata o Taranaki in 2011. This is a CD of Taranaki waiaata sung by Te Kotahitanga o Taranaki me Ponoke.

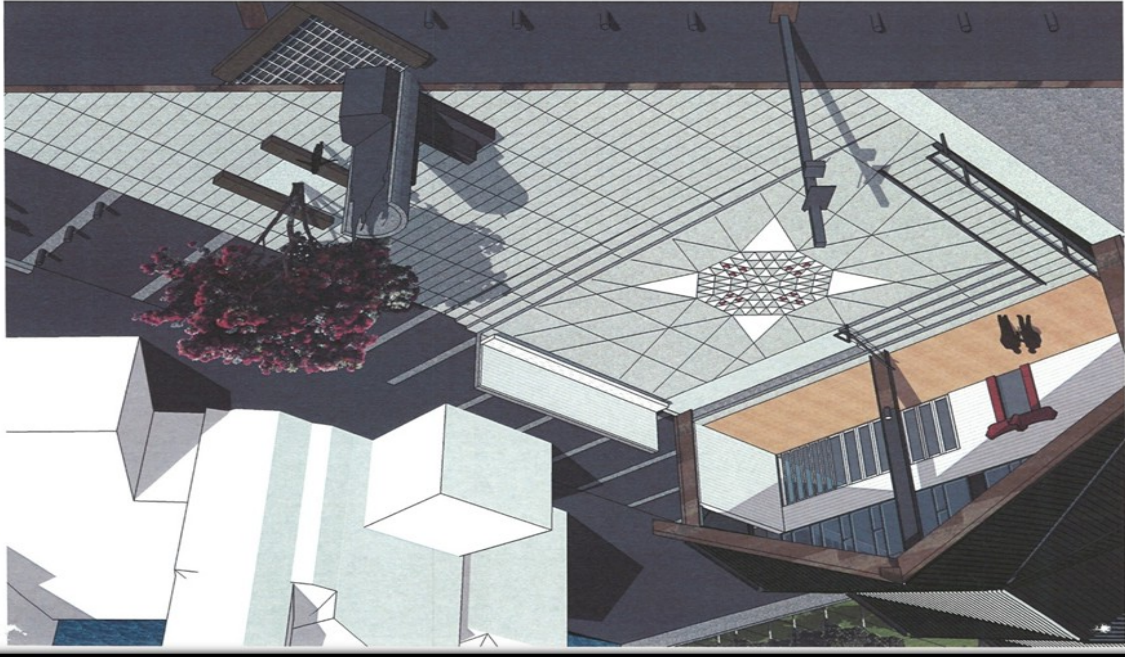
The CD is available by contacting the office on 04 4732502 or by sending an email to yicki@tekau.maori.nz.



Te Wharewaka o Ponoke

The Wharewaka o Ponoke is on target for completion in late January. An Organising Committee is now meeting weekly to work through the logistics of the Official Opening which will take place at dawn on Sunday, February 6, 2011.

All are welcome to attend. If you want to attend PLEASE contact the PNBST Trust The Wharewaka opening start the formal Wellington City Council Waitangi Day celebrations.



Port Nicholson Block Settlement Trust and Te Wananga o Aotearoa are offering Free Education Opportunities in 2011

In 2011 academic year the Port Nicholson Block Settlement Trust in conjunction with Te Wananga o Aotearoa will be offering educational programmes for Taranaki Whānui. The programmes are:

- Certificate in Waka Ama
- Certificate in Tikanga Mārae
- Certificate in Te Ara Reo
- Certificate in Kawai Raupapa (Performing Arts)
- Certificate in First Steps to Business
- Certificate in Small Business Management

Each of the programmes is approved by the NZ Qualifications Authority and do not have any fees attached to them for those wanting to enrol. While these specific programmes are being offered for Trust members, others will be able to enrol.

Each programme has a minimum number of students required for the programme to commence – in most cases that is 20 individuals.

If you responded via the recent Port Nicholson Block Settlement Trust surveys you will be contacted directly either by phone or by email – but don't wait for us to contact you! Give Ben or Will a call, details are below.

Hui are being held in late January for those wanting to register for these programmes. If you would like to register why not attend one of these hui – bring with you some photo identification (driver license, passport) and any other information which may be relevant for enrolment purposes. Each

hui will commence at 6pm and will conclude at 7.30pm. The hui are being held as follows:

Tuesday, January 26, Portua, Te Wananga o Aotearoa Campus, 3 Heriot Drive

Wednesday, January 27, Hutt Valley, Hikoiko, 24D Marine Parade, Petone

Thursday, January 28, Wellington, Trust office, 55 Waterloo Quay

If you would like more information about any of the above programmes or hui please contact either Ben Ngaia or Will Goldsmith at the PNBSST office – phone 04 472 3872 or by email to mataraunga@portnicholson.org.nz.

Or check the Trusts website for more details (www.pnbsst.maori.nz) or through our Facebook page.

Executive Office
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Contact Details

Managing Trustees of the Palmerston North Reserve Trust are:
 Sir Ngatata Love (Chairman), Jeanie Hughes, Paula King, Dr Catherine Love, Matthew Love-Parata, Liz Mellish, Wikitoria Michalanne, Anne Somerville, Ann Reweti, Mark Te One

The refurbished Countdown is now providing a very positive cash flow situation for the Trust. The Chairman provided a comparison of the pre- and post-refurbishment rental to demonstrate the uplift that has been achieved. Prior to refurbishment the annual rent received from Woolworths was \$450,000. However following refurbishment the annual rent from Countdown is \$1,201,399 – an increase of \$751,400 per annum.

The Chairman again reported that Palmy 31 and Baxters continue to be steady investments for the Trust. Occupancy levels are relatively good with work being done to get occupancy levels up during the long vacation periods. Some maintenance work has been required during the year on Palmy 31 and this will be completed during the summer vacation period.

Student Accommodation

Sir Ngatata advised that the retail sector is being particularly impacted by the economic climate. But Trustees and Trust representatives are monitoring and working closely with tenants to ensure they are retained through the difficult period. It is important that Trust assets such as Tikei Mall retain tenants by showing flexibility in challenging times.

Tikei Mall



Countdown

AGM—Property Transactions



At the AGM Trustees recommended to owners that three properties be sold. The properties are located at 22, 26 and 28 Ward Street and are not a strategic nature for the future development of the Trust's portfolio. Therefore owners agreed with the recommendation of Trustees to sell these properties which would enable the purchase of a strategic property in Fitchett Street and to provide funds to invest in the Mitre 10 Mega development.

AGM-Trustee Election

A record nine candidates stood for the three available Trustee positions. The nominees were:

1. Karena Efaraimo
2. Karena Rangiwhehu
3. Frances Kingi-Katene
4. Morrie Love
5. Peter Love
6. Wikitoria Michalanney
7. Aisha Ross
8. Anne Somerville
9. Mark Te One

Frances Kingi-Katene and Mark Te One retired by rotation and offered themselves for re-election. There was a vacancy due to the resignation during the year of Holden Hohaia.

The nominees were:

1. Wikitoria Michalanney
2. Anne Somerville
3. Mark Te One

Subsequent to the meeting the election result was officially declared by Euan Playle, BDO Wellington. Those persons elected were:

AGM—Statement of Financial Position

	2010	2009
CURRENT ASSETS		
OTHER INVESTMENTS	2,108,700	956,643
INVESTMENT PROPERTIES	7,648,623	8,508,797
Leasehold properties	12,881,000	14,296,000
Freehold properties	47,048,000	42,937,500
FIXED ASSETS	559,103	294,677
INTANGIBLE ASSETS	32,000	40,000
TOTAL ASSETS	70,277,426	67,033,617
Less		
CURRENT LIABILITIES	1,533,239	8,029,673
TERM LIABILITIES	18,304,653	7,417,738
TOTAL LIABILITIES	19,837,892	15,447,411
NET ASSETS	50,439,534	51,586,206

Mitre 10 Mega

The Mitre 10 Mega development is over 13,000m² and includes around 300 carparks.

The development will incorporate a Mitre 10 Mega retail centre, drive thru, cafe and garden centre. Access to the completed development will be via Nash or Featherston Streets.

This development will add a further flagship operation to the Trust's portfolio and is the result of over four years effort by the Trust and Carrus Corporation.



AGM—Financial Report

- The year ended March 31, 2010 has been a pleasing one for the Trust in a challenging environment.
 - Net property revenue is up to \$2,037,910 compared to \$1,243,642 last year
 - Total income is \$2,486,273 compared to \$1,292,566 last year
 - The income from Metlifecare for the Trust year ended March 31, 2010 was \$343,900 compared to a loss of \$113,000 last year. A slight complication with this reporting is Metlifecare having June 30 balance date whereas the Trust has a year end of March 31. A comparison of the Trust's Net Operating Surplus for the past three years is:
- Statement of Financial Performance*
- In presenting the Statement of Financial Performance Mr Playle noted the following matters:
- Rental Income has increased from \$3,189,069 to \$3,562,394
 - Property expenses have been reduced from \$524,280 to \$478,304
 - Interest payments have been reduced over the period from \$1,421,147 to \$1,046,180



Share Value and Distribution

While the shares of the Trust cannot be traded on the open market, management were able to give a simple mathematical calculation of the total asset of the Trust divided by the total number of shares in the Trust. This calculation shows that the share value for the year ended March 31, 2010 is \$264.32 per share. This distribution payment of \$2.60 per share. This is a total commitment of \$496,162.30. The dividend is again a capital distribution and payment was completed in November. The AGM approved a

AGM—Overall Trust Performance

Sir Ngata Love spoke of trends with a particular focus on the portfolio spread of the Trust. The Trust's overall financial position remains positive with owner's equity remaining high at 71.8%.

introduction at the Annual General Meeting of the Trust on September 5, 2010.

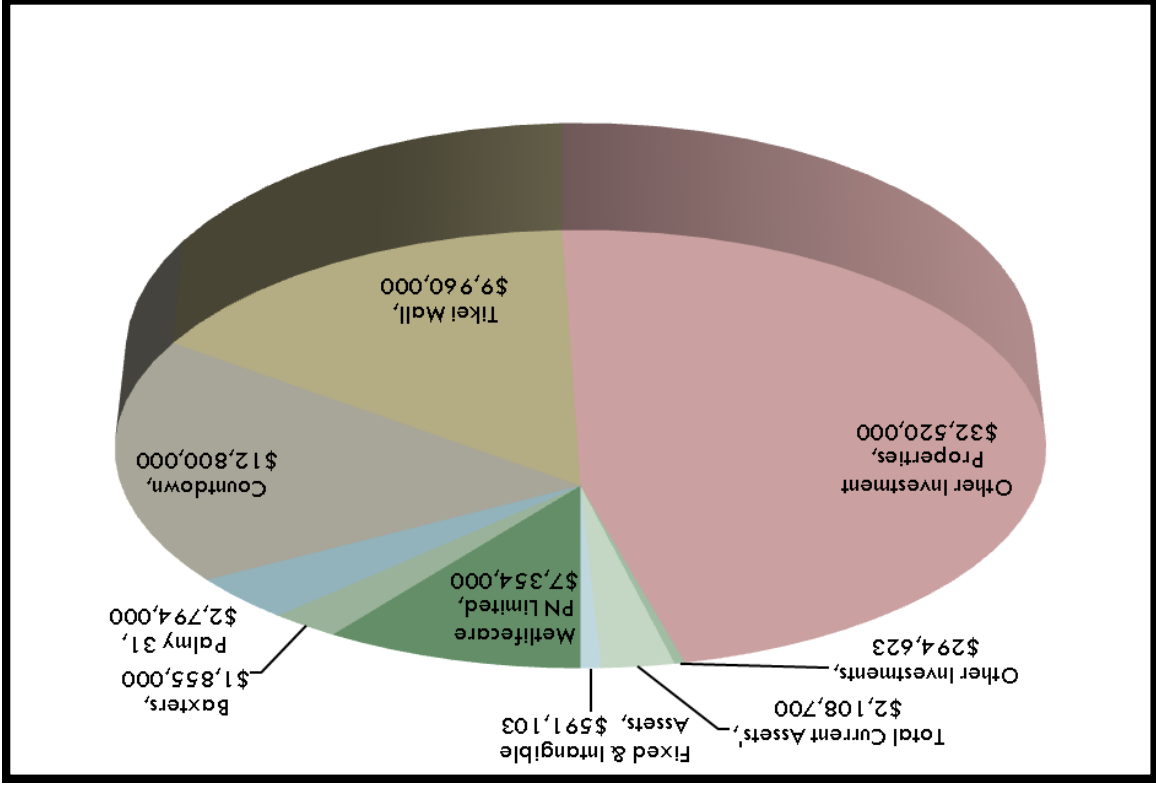


The Chairman then advised owners that the removal of depreciation on all buildings announced in the May 2010 Budget would have an impact on the Trust. For example, based on the year ended March 31, 2010 additional tax of \$167,420 would have been payable with the depreciation removed.

The Financial Statements show the Trust has been able to achieve a reduction in costs, an increase in income but that the anticipated property valuation decrease has been as expected and has followed regional and national trends.

He said Trustees had exercised prudence by receiving regular reports on property and market

Total assets now stand at \$70,277,426 (see pie graph below).



NEWSLETTER FOR OWNERS

From the Chairman

new Mitre 10 Mega store in Palmerston North. More hard yards have been required in the last three months to finalise all the planning and design details to enable the resource consent and building consents to be applied for. Carrus Corporation are confident that actual development will commence early in 2011 to meet the desired target of Mitre 10 being in residence on the site before Christmas 2011.

I extend my best wishes to you for a healthy and positive 2011.

Sir Ngata Love



place on the Featherston, Nash, Ngata Street collection of properties that are owned by the Trust and our joint venture partner—Carrus Corporation.

Mitre 10 New Zealand at their meeting in mid September 2010 decided that this site was their preferred location for a

Tena koutou katoa. Nga mihi nui kia koutou katoa mo te Tau Hou.

It is some months since the last newsletter. But we hope this issue will give a clear indication of the work that has been undertaken.

The 2010 year was a busy one for the Palmerston North Maori Reserve Trust. Trustees and the Executive Office team have worked hard to ensure positive results.

It is particularly pleasing to announce the significant development that is to take

This is an artist's impression of the completed Mitre 10 Mega store on the Nash, Ngata, Featherston Street site. A lot of work has been required to ensure that the development will meet the requirements of the district plan. This will be another flagship property for the Trust in Palmerston North.

