

PERCY THOMSON TRUST

- Percy Thomson Gallery
- Percy Thomson Herbarium
- Percy Thomson Arboretum



16 December 2024

NOTICE OF MEETING

Notice is hereby given that the meeting of the Percy Thomson Trust will be held at the Committee Room, Stratford District Council, 63 Miranda Street, Stratford on **Thursday 19 December 2024** at 3pm.

Yours faithfully
E Hall
CHAIRPERSON

Per: Carissa Reynolds
HR and Governance Administrator

AGENDA

PERCY THOMSON TRUST

- Percy Thomson Gallery
- Percy Thomson Herbarium
- Percy Thomson Arboretum



F16/1072 – D24/57160

Date: Thursday 19 December 2024 at 3pm
Venue: Committee Room, Stratford District Council

Opening Karakia

1. Announcements
2. Apologies
3. Confirmation of Minutes

3.1 Meeting – Thursday 21 November 2024 The minutes of the Ordinary Meeting are attached.

Recommendation

THAT the minutes of the Percy Thomson Trust Ordinary Meeting held on Thursday 21 November 2024 be confirmed.

/
Moved/Seconded

3.1 Emergency Meeting – Monday 9 December 2024 The minutes of the Ordinary Meeting are attached.

Recommendation

THAT the minutes of the Percy Thomson Trust Emergency Meeting held on Monday 9 December 2024 be confirmed.

/
Moved/Seconded

4. **Matters Outstanding**
The Matters outstanding are attached.

5. **Correspondence**

5.1 Inwards

- 5.1.1 Todd Park Investments Limited – Post AGM Update
- 5.1.2 Osterley Way Investments Limited – Post AGM Update
- 5.1.3 Bush Road Property Investments Limited – Post AGM Update
- 5.1.4 Secondary Sales Opportunities – Centuria NZ
- 5.1.5 Centuria NZ Industrial Fund Limited – Biannual Report
- 5.1.6 Letter of Expectations

5.2 Outwards

Recommendation

THAT the inwards correspondence be received.

/
Moved/Seconded

6. **Financial Statements**

The financial statement for the months of November 2024 are attached.

Recommendation

THAT the financial statement for the months of November 2024 as presented, be received.

/
Moved/Seconded

7. **Investment Performance**

A report on Investment Performance Report is attached.

Recommendation

THAT the Investment Performance Report be received.

/
Moved/Seconded

7.1 Investment Policy Review

The Investment Policy is attached.

8. **Gallery Report**

The Gallery report will be presented.

Recommendation

THAT the Gallery report be received.

/
Moved/Seconded

9. **Asset Report**

The Asset report will be presented.

Recommendation

THAT the report Gallery Director's report be received.

/
Moved/Seconded

10. **Arboretum & Herbarium Report**

The report will be presented.

Recommendation

THAT the arboretum and herbarium updates be received.

/
Moved/Seconded

11. Resolution to Exclude the Public

Recommendation

THAT the public be excluded from the following parts of the proceedings of this meeting, namely:

Agenda Item No: 11

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution to each matter	Grounds under section 48(1) for the passing of this resolution
Rent Review	The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information <i>and</i> to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist, under section 6 and section 7 of the Act - specifically Section 7(2)(b)(ii) and Section 7(2)(h). (Section 48(1)(a) Local Government Official Information and Meetings Act 1987.

/_____
Moved/Seconded

12. Public Excluded Item

Recommendation

THAT the open meeting resume.

/_____
Moved/Seconded

13. Questions

14. Next Meeting

12.1 Next Meeting

The next meeting of the Percy Thomson Trust is to be held on Thursday 19 December 2024 at 3pm.

Closing Karakia



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.

AGENDA

PERCY THOMSON TRUST

- Percy Thomson Gallery
- Percy Thomson Herbarium
- Percy Thomson Arboretum



F16/1072 - D24/57181

Minutes of the Percy Thomson Trust Ordinary Meeting
Date: Thursday 21 November 2024 at 3pm
Venue: Committee Room, Stratford District Council

Present

Chairperson Councillor Ellen Hall, Councillor Annette Dudley, Trustees - Bruce Ellis, Deborah Clough, Helen Cloke, Doug Robinson and Mary Bourke.

In attendance

The Acting Committee Advisor and Executive Assistant – Carissa Reynolds.

Opening Karakia

1. Announcements

There were no announcements.

2. Apologies

There were no apologies.

3. Confirmation of Minutes

3.1 Meeting – Thursday 17 October 2024

The minutes of the Ordinary Meeting are attached.

Recommendation

THAT the minutes of the Percy Thomson Trust Ordinary Meeting held on Thursday 17 October 2024 be confirmed.

ROBINSON/CLOKE
Carried

The HR & Governance Administrator undertook to make the following amendments:

- Update Mrs Bourke to Miss Bourke.
- HR & Governance Administrator noted the Corporate Accountant had clarified some information in the minutes:
 - TET funding can be applied to separate from Council
 - TOI funding needs to be applied to in conjunction with Council, as that is there rules.
 - The Trust has applied to NZCT and the Lotteries commission before due to the bank balance and the fact that the Trust owns a \$2 million building.
 - The Emergence exhibition costs were mostly spent in this financial year, and the funding was received in this financial year.

4. Matters Outstanding

The Matters outstanding were attached.

Points noted in discussion:

- The investment policy which is within the Statement of intent will be included in December's agenda.

5. Correspondence

5.1 Inwards

- 5.1.1 Interest rate adjustment – TPPIL
- 5.1.2 Secondary Sales Opportunities – Centuria NZ
- 5.1.3 Centuria NZ Industrial Fund Limited – Industrial Fund – Annual Meeting Minutes, PPT Presentation and Investor Booklet
- 5.1.4 Secondary Sales Opportunities – Centuria NZ
- 5.1.5 Secondary Sales Opportunities – Centuria NZ
- 5.1.6 Percy Thomson Trust Trustees Liability Insurance Renewal

5.2 Outwards

- 5.2.1.1 Term Deposit - Investment of Funds - Percy Thomson Trust - November 2024

Recommendation

THAT the inwards correspondence be received and the outwards approved.

DUDLEY/CLOUGH
Carried

6. Financial Statements

The financial statement for the months of September and October 2024 were attached.

Recommendation

THAT the financial statement for the months of September and October 2024 as presented, be received.

HALL/ROBINSON
Carried

Councillor Hall noted the following points:

- She had a meeting with the Corporate Accountant, who noted the problem is the reporting is very manual.
- Included in this months financial reports is an annual cashflow, one which shows the impact of the term deposit, and one without.
- The Statement of Comprehensive revenue expense now includes a monthly budget vs actual. This will give the Trust an indication on what is going on, and the ability to ask more questions or query things. This now includes and emergence line, which will hopefully be offset by the emergence grant.
- There is still come work to do around expense codes.
- The Salary and Wages line is higher as the departing Gallery Director was paid out her leave balance.
- She has looked at the lease agreement for Sgt Pepper, it is a two yearly agreement and if the opportunity to review the rent is not taken now, the Trust could potentially miss out on 2 years of rent reviews. The Property Officer is reviewing this and notifying the tenants.
- Two meetings ago delegations were assigned to the Gallery Director, however she cannot see any items outside the exhibition budget that the Gallery Director needs to spend. In light of this she would like the delegation outside this budget line to be zero.
- It was decided the delegation for the Gallery Director outside of the exhibition Budget would be zero, and any other expenses would be approved by the Chair on behalf of the Trust.
- She has worked with the Corporate Accountant to put together and operation budget, this will be given to the Gallery Director and will be apportioned through the year.

- Mrs Clough questioned if there is any money being raised for the exhibition, as the Gallery Director is responsible for finding funding. Councillor Hall noted external funding was used to make the budget zero.
- Mr Ellis advised external funding applications were put on hold until the Trust worked out where they were. Councillor Hall noted the Trust needed to keep on going, and look at ways to bridge their loss. Mrs Clough questioned if this should be part of the Directors job. It was agreed it was.

7. Investment Performance

A report on Investment Performance Report was be tabled.

Recommendation

THAT the Investment Performance Report be received.

ELLIS/CLOUGH
Carried

- Miss Bourke noted it is difficult to make intelligent conversation on what is in the report when it isn't available to be read prior to the meeting.
- Mr Ellis noted the following:
 - He has entered the data into tabular form, and on the right hand side he has put in a separate column for the monthly update.
 - It was recommended in October that the Trust wait for the reversing interest rate trends over the next few months. He has updated the report to advise to continue to hold to see the flow on effect of interest rate reductions.
 - The management of the Cameron Road investment has changed, they are working on securing new tenants and reducing the bank loan.
- Miss Bourke noted she is a bit bemused as to why the Trust is relying on Mr Ellis as a Trustee to bring the Investment report, as this is a big responsibility to place on one Trustee. Mr Ellis advised there had been a discussion in 2022 with Craig's Investments regarding them taking over the investment management of the portfolio, however that did not proceed. Miss Bourke questioned why this was. Mr Ellis noted the essential issue was that while the term deposit could be easily worked with, the investments were a bit harder. Miss Bourke noted this seems a precarious place for the Trust and Mr Ellis.
- Mr Ellis advised the Trust has made a decision in principle that the investments would be sold, the question is when, and he does not think now is the right time as to quit them as a quick sale the Trust would be selling them at less than their inherent value. Councillor Hall questioned at what point did Mr Ellis think the Trust would be in a position to sell. Mr Ellis advised there is no easy answer.
- Miss Bourke questioned if it will be unreasonable to due to having made a decision to exit these investments to ask for an indication to consider a review in February as at what stage it would be possible to exit the investments. Mr Ellis advised three out of five of the investments would sell at a reasonable profit, but would make a loss on the other two. Miss Bourke noted the decision could be made to sell them all at once, or to do a staged exit. Councillor Hall noted the Trust is paying a very large audit fees because of the investment portfolio and that having these investments after June is not in the best interest of the Trust. Mr Ellis noted each of the investments come out with a six monthly review. He advised he could ask them to answer some questions on the status of the investments to provide information to the Trust at the February meeting.
- Miss Bourke questioned if the Trust can get information for the December agenda on how the LGF funding works and what the Trust can expect. Mrs Clough questioned why the Trust has never been offered this before, Mr Ellis advised the Trust had considered themselves independent.
- Miss Bourke noted there has to be some sort of agreement in terms of how these funds will work if they are liquidated, and if this will be doable by December. Councillor Hall advised she will do her best, and give an update then.
- Miss Bourke questioned if there as a way to create a matrix which indicates the investment earnings over the last little while. Mr Ellis advised yes.

8. Gallery Report

The Gallery report was tabled.

Recommendation

THAT the Gallery report be received.

BOURKE/DULEY
Carried

Councillor Hall noted the following:

- Council IT department are completing and audit, this is in action at the moment.
- Rhiannon is utilising Indesign, as this was unable to be refunded.
- The handover of Facebook was messy, this is being worked on at the moment.
- There was an agreement between the departed Gallery Director and Mrs Hill that Mrs Hill would spend 2 hours a week on social media, Councillor Hall has stopped this.
- The Gallery Assistant hours have been adjusted so that they are there five days a week.
- There is no database for the Friends of the Gallery. No renewals have been send out to the Friends of the Gallery, this is usually send at the start of the financial year.
- Most of the booked exhibitions did not have contracts signed, the departed Gallery Director sent most of the contracts out on her last day, although she had mentioned in her last Gallery Director report that all contracts are signed.

Recommendation

THAT the public be excluded from the following parts of the proceedings of this meeting, namely the discussion of Human Resource Matters.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for excluding the public	Grounds under section 48(1) for the passing of this resolution
Human Resource Matters	The withholding of the information is necessary to protect the privacy of a natural person.	To protect the privacy of natural persons, including that of deceased natural persons (s 7(2)(a)).

BOURKE/DUDLEY
Carried

Recommendation

THAT the open meeting resume.

BOURKE/HALL
Carried

9. Asset Report

The Asset report was presented.

Recommendation

THAT the report Gallery Director's report be received.

CLOKE/BOURKE
Carried

Councillor Hall noted the following:

- She has met with the Chief Executive, who has asked Neil Cooper to complete an Asset Management report on the building, to get an overall picture on what the assets look like. Mr Cooper did not think the roof needed to be replaced just yet, but there needed to be work done around the cladding and gutters.
- The Property Officer is following up with quotes for the heat pump.

10. Arboretum & Herbarium Report

The report was attached.

Recommendation

THAT the arboretum and herbarium updates be received.

DUDLEY/ROBINSON
Carried

Mrs Cloke noted the following:

- She had met Mr Clarkson who gave her his notebook of all the plants, he pointed plants out to her.
- The gardens are looking tidy for the first two metres from the path. There are some dead plants, this could be from spray even though it is in a spray free area.
- The timber seats need to be stained. Mr Robinson is happy to stain the seats, but would like someone to help him. He would like to use another stain as the stain the manufacturer supplied does not seem very good.
- There are a lot of invasive weeds coming through onto the path, this may be beyond the Council maintenance contract.
- There is a gap from the spray damage which will need plants to fill it. This will cost approximately \$100-\$150.
- There is an issue with Chilean Mirtle which DOC have identified as an emerging pest, so this is something which should be addressed now. There are around three specimen plants, with five significant sized trees. Mrs Cloke has talked with a landscaper who advised the felling of the trees would be quick and easy, and cost approximately \$140 each. It is difficult to get a quote as the more you look, the more you see.

Recommendation

THAT Mrs Cloke be delegated \$5,000 to remove the trees and purchase plants.

ELLIS/CLOUGH
Carried

11. Amendment to Meeting Schedule

The report was attached.

Recommendation

1. THAT the report be received.
2. THAT the amended meeting schedule be approved.

HALL/BOURKE
Carried

12. Questions

13. Next Meeting

12.1 Next Meeting

The next meeting of the Percy Thomson Trust is to be held on Thursday 16 January 2025 at 3pm.

Closing Karakia

The meeting closed at 5.18pm

PERCY THOMSON TRUST

- Percy Thomson Gallery
- Percy Thomson Herbarium
- Percy Thomson Arboretum



Minutes of the Percy Thomson Trust Emergency Meeting

Date: Monday 9 December 2024 at 1.00PM

Venue: TSB Chamber, War memorial Centre

Present

Chairperson Councillor Ellen Hall, Councillor Annette Dudley, Trustees - Bruce Ellis, Helen Cloke, Doug Robinson and Mary Bourke.

In Attendance

The Acting Committee Advisor and Executive Assistant – Carissa Reynolds.

Opening Karakia

1. Apologies

An apology was received by Deborah Clough.

Recommendation

THAT the apology be received.

ROBINSON/CLOKE
Carried

2. Resolution to Exclude the Public

Recommendation

THAT the public be excluded from the following parts of the proceedings of this meeting, namely the discussion of Item 3.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for excluding the public	Grounds under section 48(1) for the passing of this resolution
Human Resource Matters	The withholding of the information is necessary to protect the privacy of a natural person.	To protect the privacy of natural persons, including that of deceased natural persons (s 7(2)(a)).

BOURKE/HALL
Moved/Seconded

3. Public Excluded Item

Recommendation

THAT the open meeting resume.

HALL/ROBINSON
Moved/Seconded

Closing Karakia

The closing karakia was read.

The meeting closed at 1.27pm.

MATTERS OUTSTANDING

ITEM OF MATTER	MEETING RAISED	RESPONSIBILITY	CURRENT PROGRESS	EXPECTED RESPONSE
Legal agreements – Aboard Exhibition <ul style="list-style-type: none"> - Confirmation of 30% of commission for sales - \$1,000 per venue showing exhibition fee 	March 2023	Laura / Bruce	Finalising after exhibition at Percy Thomson Gallery	October
The trust becoming members of the New Zealand Plant Conservation Network	Unknown	Bruce	Bruce to confirm how other Trustees access this using his membership.	
Investment Performance	Raised in Deloitte's Management Report	Bruce	Included in October 2024 Agenda. Bruce to follow up on the exact requirements from Deloitte's.	June 2023 October 2024
Review of Investment Policy	Raised in Deloitte's Management Report	Bruce	For August Agenda	June 2023 October 2024
Smaller Signs for Arboretum	June 2023	Ellen		December 2024
QR Codes	May 2024	Helen	Ellen following up on the requirements to dig a hole to install these.	
What the Trust wants to see in the Gallery Directors report	October 2024	Trust		

From: [Christine R Craig](#)
To: [Councillor Ellen Hall](#); [Carissa Reynolds](#)
Subject: FW: Todd Park Investments Limited - Post AGM Update
Date: Friday, 22 November 2024 9:27:53 AM
Attachments: [Todd_Park_AGM_Minutes_2024.pdf](#)
[image001.png](#)
[image003.png](#)

FYI. I have saved the minutes as a separate document.

Christine Craig
Corporate Accountant
Te Kaunihera ā Rohe o Whakaahurangi | Stratford District Council

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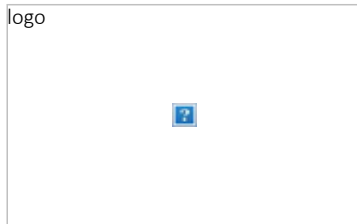


TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL



From: Maat Group <info@maat.co.nz>
Sent: Thursday, November 21, 2024 9:18 PM
To: Christine R Craig <ccraig@stratford.govt.nz>
Subject: Todd Park Investments Limited - Post AGM Update

CAUTION: This email originated from outside the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.



[Click here for AGM Minutes](#)

Sent on behalf of Neil Tuffin, Managing Director

21 November 2024

Dear Percy Thomson Trust,

Todd Park Investments Limited – Post AGM Update

We hope that this finds you well as we near the end of a difficult economic year.

Please find attached the Minutes of the Todd Park 2024 AGM.

Some matters of note:

- We are pleased to advise that Bill Knight, Wairarapa, has been appointed as the Investor Rep. to join Ray Welson. Bill (a former accountant) has many years of experience in property investment, including with a range of syndicators. We are looking forward to his input.

We are meeting on-site at Todd Park for a tour on 29 November, before holding our quarterly meeting in Wellington.

- The official opening of the Port Nicholson Fisheries tenancy at Todd Park will be on 11 December, to which Paul (our leasing manager) and myself have been invited and will attend.

Please contact either myself on 021 481 441 or Jodi on 021 0844 2523 (or 09 414 6078) to discuss any aspect of your Todd Park investment.

Kind regards,
Neil Tuffin
Managing Director
PO Box 301 848, Albany, Auckland 0752
(09) 414 6078
(021) 481 441
ntuffin@maat.co.nz
www.maat.co.nz

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TODD PARK INVESTMENTS LIMITED
MINUTES OF THE ANNUAL GENERAL MEETING
HELD AT THE ELLERSLIE EVENTS CENTRE, AUCKLAND
THURSDAY 19 SEPTEMBER 2024, AT 10.45AM

		Action Required
PRESENT:	Audrey Holdings Limited, Alderman Trust, D Jones, Estate of Richard Fort, F & V Stansfield, F & G Parr, G McGregor, G Wingate, Holmes Trust, J Huston, J Jones, K & M Robbins, M & A Hall, MBM Trust, P & J Tremlett, P Greenfield, The Keith Smith Inheritance Trust, W Knight, J Ruijne	
ZOOM	Alison Sampson Trust, Seaside Trust, The Percy Thomson Trust, C McNally, D Robertson, D & W Haigh, F Reed, J & G Morrison, G Holland, G Pease, J Jones, RG & JM Chandler Family Trust, K Williams, L Dalton, M Peck, D Packer, R Welson, R Bolus, T McBeth	
PROXY	N Tuffin; 39: D Jones: 1; R Welson: 1; J Tuffin: 1; R Lindsay: 1; S King: 4: M Hughson: 1.	
APOLOGIES	Fraser on Trust Ltd, G & M Ludlow, HM Jolson Family Trust, J Craig, J Young, K Allan, K Wyatt, M Charteris, Necol Investments Ltd, Norman Family Trust, Peter & Patricia Bellringer (Partnership), RL & AJ Garnett Family Trust, Swizo Ltd, The Simperingham Family Trust, Glenferrie Trust, A Scott, Te Mata Finance Ltd, D & L Collins, Howe-Smith Family Trust, M Erb, RJC & JL Warren Partnership, W Erb, Annette Zaloum Family Trust, B King, J Phuah, C Newton, Dallas-Parker No. 2 Trust, G Ince, G Pitcher, Meadowbank Trust, R & C Walton, R Bennett, The Driftwood Trust, A Phillips, B & R Carpenter Trust, B Carpenter, C Rose, Floteck Consultants Ltd, Glenro Trust, Hosken 2020 Family Trust, K Haycock, N Atkins, N Kelly, PA Westend Trust No2, R Laphorne, R Carpenter, R Gaskin & R Bristol, Seaview Corporation Ltd, Stoney Creek Trust, T & K Whitton Trust, The Laurie Trust, The Viking Trust, W White, W & A Ainge	
IN ATTENDANCE	Maat as managers of the investment: Neil Tuffin (NT), Director; Mark Hughson (MH), Director; Michelle Lomas (ML), Finance Manager; Tony Lomas (TL); Senior Facilities Manager; Jodi Tuffin (JT), Investor Relations Manager; Laurinda Howarth (LH); Administrator; Paul Tuffin (PT), on Zoom, Leasing and Facilities Manager.	
OPENING	NT welcomed everyone to the meeting, acknowledging it as the ninth AGM of Todd Park, with the continuing success of the Todd Park investment evident in its sustainability and growth through the last 3 years of a difficult economy.	
MINUTES OF THE PREVIOUS MEETING	It was moved that the Minutes of the last AGM, in September 2023, be taken as a true and correct record? Moved: Peter Greenfield Seconded: Paul Tremlett Passed	

	<p>NT provided an update on the claim brought by Craig Priscott (CNP Holdings) against Maat, as explained at the 2023 AGM.</p> <p>Maat went to the High Court on 26 August 2024 to have the CNP's claim struck out. Maat provided substantial evidence that Priscott (a shareholder activist) had the predominant purpose of pursuing Maat to sell their business to him at a heavily reduced price rather than being entangled in a drawn out and costly court case to defend against his 'claims'. The High Court decision was in favour of Maat and Priscott's claim was Struck Out by the Judge in a decision dated 5 September for 'an abuse of court process.'</p> <p>Maat is seeking full recovery of legal fees, which is under review by the Judge. It is likely that Priscott will appeal the decision.</p>	
<p>ANNUAL REPORT</p>	<p>NT referred to the Annual Report's content, noting :</p> <ul style="list-style-type: none"> • That the OCR is expected to drop to 3% by late 2025, with a 1% reduction anticipated by February 2025. • A 0.25% interest rate drop equates to a \$41,000 annual savings, with a potential total savings of \$410,000 if the OCR is reduced to 3%. (a 2.5% reduction), if the whole of the OCR reduction is passed on to borrowers; • Dividend returns to investors increased back to 10% p.a. from 1 April 2024, after being reduced to 8% p.a. from 1 July 2023 to 31 March 2024. The increase was made even allowing for the future cash reserve accumulation. <p>Tenancies</p> <p>Hexatronic: Renewed lease for another 3 years from 7 April 2025 They continue to produce fibre conduit for New Zealand's fibre rollout.</p> <p>Mitsubishi: Rent increased by 32-35%, but still below market rates. Efforts are being made to close the rent gap.</p> <p>Whānau Maanaki Kindergarten: Rent increased by 35%, but still 25% below market value.</p> <p>Conroy Removals: Lease renewal discussions are ongoing, with a focus on transitioning to a net lease.</p> <p>Port Nicholson Fisheries: 15-year lease secured, combining two premises into one at Todd Park. The new TP facility is expected to be opened in October 2024.</p> <p>Downers: Lease expires in April 2025, with renewal status pending.</p> <p>Valuation</p> <ul style="list-style-type: none"> • The purchase price of Todd Park was \$36.85m, including issue costs. • Shareholder's equity at 31 March 2024 was \$107,749 per \$50,000 share parcel compared to \$122,315 at year end March 23. The drop was attributable to a fall in value from \$65m at 31 March 2023 to \$59m at 31 March 2024 (a 9.23% reduction) partly due to the raising of the market capitalisation rate from 7.25% in 2023 to 7.5% at 31 March 2024. • As interest rates fall, there is expected to be an inverse reaction, with commercial property values rising. 	

	<ul style="list-style-type: none"> • NT recapped that there are 400 share parcels in Todd Park (\$20m of investor funds) held by 178 shareholders. So it's still been a very good investment. <p>Financial Performance:</p> <p>NT noted the Key Indicator table comparisons between 2023 & 2024:</p> <ul style="list-style-type: none"> • Lease income increased by \$400,000 from 2023 to 2024. • Interest expenses rose significantly, by \$400,000, with a 46.59% increase compared to 2023. • Interest coverage ratio dropped from 2.92 in 2023 to 2.37 in 2024, but still well above the required 1.5x threshold. • Todd Park's loan from ASB stands at \$16.4 million, with a low risk profile due to a 27.83% loan-to-value ratio. <p>ASB Loan</p> <ul style="list-style-type: none"> • Term loan renewal is expected without difficulty, but discussions are ongoing on whether to fix interest rates. • Historical interest rate trends were discussed, with a significant 228% increase in interest expenses from 2021 to 2024 due to rising rates. <p>Seismic Rating</p> <p>A seismic rating for Todd Park is pending. Initial reports indicate the building remains structurally sound.</p> <p>General outlook is optimistic, anticipating improvements in property value as interest rates drop.</p> <p>The Directors Report concluded with thanks, acknowledging the resilience of Todd Park and positive future outlooks for both cash reserves and overall performance.</p> <p>BE (Bruce Ellis, Percy Thomson Trust) noted that, in Note 11 of the financial statements, the payment to Maat of the annual audit preparation fee is to be regularized which shouldn't be overlooked when also fixing the gross income definition.</p> <p>Neil acknowledged the question and said he would revert back to him.</p>	
SHAREHOLDER DISTRIBUTION	<p>NT moved that the distribution will remain at 10% for the year ending 31 March 2025.</p> <p>Seconded: B Knight</p> <p>Passed</p>	
APPOINTMENT OF AUDITOR	<p>NT moved that Baker Tilly Staples Rodway be reappointed.</p> <p>Moved by N Tuffin</p> <p>Seconded: P Greenfield</p>	
APPOINTMENT OF INVESTOR REPS	<p>Passed over</p> <p>Seconded:</p> <p>Passed</p>	
RESOLUTION TO 'OPT OUT'	<p>NT explained that a resolution was necessary to opt out from filing the financial report electronically.</p>	

	<p>He moved that it be resolved that approval be granted to the Directors of the company to opt out from complying with Regulation 61D of the Financial Markets Conduct Regulations, whereby e-reporting entities are required to publicise their annual reports.</p> <p>Seconded: P Greenfield</p> <p>Passed</p>	
APPOINTMENT OF DIRECTORS	<p>NT asked investors for nominations for a role as Director. It is non-paying job though and does have all the responsibilities of directors.</p> <p>Moved by Peter Greenfield that MH and NT be re-appointed as Directors for the 2024 year.</p> <p>Seconded: MBM Trust (David Nilsson)</p> <p>Passed</p>	
CLOSING	<p>There being no further business, NT thanked everyone for their attendance and closed the meeting at 11.37am.</p>	

From: [Christine R Craig](#)
To: [Councillor Ellen Hall](#); [Carissa Reynolds](#)
Subject: FW: Osterley Way Investments Limited - Post AGM Update
Date: Monday, 25 November 2024 8:26:42 AM
Attachments: [Osterley_Way_2024_AGM_minutes_.pdf](#)
[image001.png](#)
[image003.png](#)

See below, document referred to in link is attached.

Christine Craig
Corporate Accountant
Te Kaunihera ā Rohe o Whakaahurangi | Stratford District Council

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Stratford 4352

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TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL



From: Maat Group <info@maat.co.nz>
Sent: Friday, November 22, 2024 8:46 PM
To: Christine R Craig <ccraig@stratford.govt.nz>
Subject: Osterley Way Investments Limited - Post AGM Update

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Sent on behalf of Neil Tuffin, Managing Director

21 November 2024

Dear Percy Thomson Trust,

Osterley Way Investments Limited – Post AGM Update

We hope that you are well as we lead into this happy period following a difficult economic year.

A major point of interest for investors is that we met with the IRD's national property management team on Thursday, 24 October, as planned six months previously.

We updated the IRD team on our progress in meeting their requirements for their lease renewal beyond their next 3 year term ending June 2029.

Outcomes-

- i) The IRD re-confirmed that 5 Osterley Way will be a long term option for their future in South Auckland if a refurb is completed
- ii) Maat advised:
 - assessing options for the upgrade of the air conditioning system
 - the replacement of the seals around the windows is continuing
 - they will need to assess the cost of the refurb against the likely rise in rent required
- iii) Maat is to prepare a formal response to the IRD as to the nature of the work to be done and the timetable, by late November / early December

In relation to the potential sale of the property as mentioned at the AGM -

The prospective buyer for the property is still interested at \$20m. He is a developer and not a long term holder of property. His price is seen by the Directors to be too low. It is recommended if the option is to sell, that we have a wide sales campaign, rather than just having one interested purchaser.

The investment is forecast to move from the current 0% dividend to 5%p.a. from 1 April 2025. The reduction in interest should have a positive effect on the value of the building, as will the renewal of the IRD lease.

Please contact either Neil on 021 481 441 or Jodi on 0210844 2523 (or 09 414 6078) for clarification of any aspect of this investment.

Kind regards,
Neil Tuffin
Managing Director
PO Box 301 848, Albany, Auckland 0752
(09) 414 6078
(021) 481 441
ntuffin@maat.co.nz
www.maaf.co.nz

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**MINUTES OF THE 2024 ANNUAL GENERAL MEETING OF
OSTERLEY WAY INVESTMENTS LIMITED
HELD AT THE ELLERSLIE EVENTS CENTRE, AUCKLAND
ON WEDNESDAY 19 SEPTEMBER 2024, AT 9.15AM**

PRESENT	P. Greenfield; G McGregor	
ATTENDEES ON ZOOM	D Packer, C Gibson, M & N Clark, D Mitchell, Percy Thomson Trust, E Tubil	
APOLOGIES	A Scott, Berleigh Trust, C Tiller, CM & S McCutcheon, DI & RJ Candy Partnership, Fava's Sports Car World Ltd, Fraser on Trust Ltd, G Ince, G & B McLeay, G Natusch, G Bradley, Grierson Family Trust, GS & BK Brown Trust, J Rodewald, Kauri Trust, K Haycock, K Walker, K Orr, K Wyatt, KR & JH Small Family Trust, M & J Craig, Necol Investments Ltd, N Tanner, Outside the Square (2005) Ltd, RL & AJ Garnett Family Trust, P & D Trust, PV Overall Family Trust, Whyte Farming Partnership	
IN ATTENDANCE	Maat Staff: Neil Tuffin (NT), Director; Mark Hughson (MH), Director; Michelle Lomas (ML), Finance Manager; Jodi Tuffin (JT), Investor Relations Manager; Laurinda Howarth (LH), Administrator; Tony Lomas (TL), Senior Facilities Manager; Paul Tuffin (PT), Leasing and facilities Manager.	
PROXIES	N Tuffin; 24: M Hughson; 1; J Tuffin; 3: Investor Rep; 1	
OPENING	(NT) welcomed everyone to the 9th Annual General Meeting of Osterley Way Limited.	Action Points
MINUTES OF PREVIOUS MEETING	<p>The Minutes of the previous AGM (September 2023) were taken as a true and correct record.</p> <p>Moved: Percy Thomson Trust</p> <p>Seconded: Peter Greenfield</p> <p>Passed</p> <p>Matters Arising</p> <p>Bruce Ellis (Percy Thompson Trust) raised two issues from the previous AGM, which were responded to by NT:</p> <p>BDO Auditor Feedback:</p> <p>NT explained that BDO auditors had responded that the audit work papers belong to the auditor and were not required to be distributed to the client. They were not therefore bound to share the details of the audit work they had performed on behalf of Maat over the years. BDO maintained that their audit process adhered to professional standards.</p> <p>CNP's claim against Maat:</p> <p>NT provided an update on the legal case filed by CNP Holdings Limited (Craig Priscott) against the directors and Maat relating to the Nido investment.</p> <p>Maat applied to have Priscott's case struck out as it was using the Court to enhance his own purposes and was 'an abuse of the Court's process'. Following a High Court hearing on 26 August, the presiding Judge ruled in</p>	

	<p>favour of Maat and its directors in a decision dated 5 September. This is considered a significant legal victory, as it is rare for such claims to be struck out in New Zealand’s High Court.</p> <p>Priscott has until mid-October to file an appeal.</p> <p>Bruce Ellis requested an update regarding potential overcharging in management fees, as alleged by Priscott. Maat had presented evidence disproving this claim, on several occasions to Priscott, showing that, overall, management fees had been undercharged rather than overcharged.</p>	
<p>DIRECTORS’ REPORT</p>	<p>NT provided an in-depth financial overview, highlighting the key impacts of interest rate changes and the performance of Osterley Way Investments Limited.</p> <p>The report focused on the effects of interest rate rises over the last 3 years and the potential impact on Osterley Way from the imminent rapid decrease in interest rates.</p> <p>Commercial property sectors, including syndicators and private investors, have been severely affected by rising interest rates.</p> <p>NT noted that, for every 0.25% drop in the OCR (Official Cash Rate), there would be an annual savings of \$21,908 p.a. in interest for Osterley Way.</p> <p>By the end of 2025, the OCR is expected to reduce to just under 3%. The directors expect interest rates to decrease rapidly, which will benefit both households and businesses.</p> <p>Despite the struggles of the current environment, the directors have worked to avoid major losses experienced by some competitors in the sector. An example from Christchurch was shared, where a property sold at half the price of its purchase value.</p> <p>Financial Performance:</p> <p>The table of Key Indicators between 2023 and 2024 was referred to, as well as the audited financial report included in the annual report.</p> <p>Income was consistent at \$2m p.a.</p> <p>Interest expense: Increased from \$528,000 in 2023 to \$739,000 in 2024, an increase of \$210,000, 40%. The interest rate at 31 March 2024 was 8.49% compared to 7.85% in 2023.</p> <p>A table in the report noted that the interest payable in 2021 was \$254,000 compared to 2024’s \$739,000, an increase of \$485,000 p.a.(203%)!</p> <p>Special Report: Includes \$88,000 spent on a seismic report. Confirmed that the building is at 100% NBS.</p> <p>Capital expenditure: \$136k spent on replacement of old air conditioning units. Part of a plan for renewal over a period of time.</p> <p>Tenancy Update: IRD Negotiations:</p> <p>IRD has advised ha they would not relinquish its tenancy on levels six and seven of Osterley Way.</p> <p>Maat met with the IRD’s national property management in April 2024 to understand what IRD’s strategy was for leasing continuing their lease of the building for (at least) the 3 years from the end of their current lease term on 23 June 2026 contingent on upgrades to bathrooms, foyers, electronic door systems, lighting, air conditioning and exterior painting.</p>	

	<p>Another meeting with IRD is scheduled for October to discuss the next steps.</p> <p>There is an interested party considering purchasing the building, with the possibility of a proposal by next week. This sale option will be presented to investors together with the option to retain once that detail is available.</p> <p>Cost of Renovations:</p> <p>Estimated renovation costs to retain IRD are approximately \$1m to 1.5m.</p> <p>If IRD commits to extend their lease through to June 2029, the directors believe a further investment could secure a nine-year lease.</p> <p>IRD's current rent is under \$300 per square metre, but the directors project a significant increase in the rent per square metre post-renovation.</p> <p>The April 2026 forecast includes a 5% p.a. dividend to investors, as a result of the anticipated drop in interest rates.</p> <p>Interest rate reductions are expected to save \$100,000 annually by the year ending in 2026.</p> <p>Asset Value</p> <p>The value of Osterley Way was \$24.5 million in 2022; \$21,750,000 in 2023; and reduced to \$19 million in 2024, due to uncertainty surrounding IRD's tenancy and the movement in the market capitalisation rate from 5.75% in 2022 to 7% in 2024.</p> <p>Directors forecast that the value will rise significantly if the IRD tenancy is secured.</p> <p>In response to a question from Bil Knight, an explanation was given regarding the disparity between the rateable value (\$47.7 million) and the market valuation (\$19 million), which was attributed to the commercial property being valued based on its rental income rather than its land & buildings valuation for rating.</p> <p>Financial Forecast:</p> <p>ML presented the financial forecasts:</p> <p>A programme is in place to upgrade the air conditioning systems with \$136,000 being spent in the 2024 financial year.</p> <p>The interest expense increased by 40% from \$528,000 in 2023 to \$739,000 in 2024, largely due to rising interest rates, as explained above.</p> <p>Interest rates are expected to decrease by the end of 2025, bringing down the LVR (Loan-to-Value Ratio), which currently stands at 46%.</p> <p>Cash reserves for 2025 are projected at \$250,000, while 2026 reserves are expected to be \$228,000.</p> <p>A proposed 5% investor distribution for 2026 is forecasted at \$525,000.</p> <p>Proposed Change to the Management Agreement:</p> <p>A review of the management agreement revealed a discrepancy between the agreed fee of 2% of gross rental income and the actual fee of 2.91% charged as per the product disclosure statement (PDS).</p> <p>The directors propose amending the management agreement to align with the 2.91% charge, which will require an ordinary resolution (over 50% approval) from investors.</p>	
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	Further discussion and voting on this matter will take place once more information is shared with the investors.	
DIVIDEND DISTRIBUTIONS	<p>NT moved that the distribution rate remains at 0% through to 31 March 2025.</p> <p>Seconded: Tony Mercer</p> <p>Passed</p>	
APPOINTMENT OF AUDITORS	<p>NT moved to appoint Baker Tilly Staples Rodway as auditors for the '25 year. They audited all properties this year, with a fee of \$12,750, compared to last year's \$13,150, paid to BDO Auckland.</p> <p>Seconded: Peter Greenfield</p> <p>Passed</p>	
RESOLUTION TO OPT-OUT	<p>NT moved that approval be granted to the Directors of the company to opt out from complying with regulation 61D, of the Financial Markets Conduct Regulations, whereby e-reporting entities are required to publish their Annual Reports.</p> <p>Seconded: Peter Greenfield</p> <p>Passed</p>	
APPOINTMENT OF DIRECTORS	<p>NT and MH offered themselves for re-election as Directors. There were no other nominations.</p> <p>Moved: Peter Greenfield</p> <p>Seconded: Bill Knight</p> <p>Passed</p> <p>Discussion: NT mentioned that unlike other syndicators, their offers are structured as a company and not under a proportionate ownership scheme. The role of directors is continuous unless they resign or are removed, and reappointments may be made annually.</p>	
APPOINTMENT OF INVESTOR REPS	<p>NT moved to reappoint Don Mitchell as the Investor Representative.</p> <p>Seconded: SH Bruce Trust</p> <p>Passed</p> <p>Discussion: This scheme, introduced in 2022, provides an additional layer of oversight during quarterly meetings. Don Mitchell has performed well in this role.</p>	
	<p>Discussion: Peter G. raised the question regarding the tax treatment of a million-dollar upgrade requested by the IRD. NT and ML clarified that as of April 1 2024, building upgrades are no longer tax deductible. However, depreciation can still be claimed for fixtures and fittings, and some expenses, like repairs, may be fully deductible. The upgrade expenditure will need to be categorized tax purposes.</p>	
CLOSING	<p>NT thanked all investors for their attendance and input during the meeting. There being no further business, the meeting closed at 9.50am.</p>	

From: [Christine R Craig](#)
To: [Councillor Ellen Hall](#); [Carissa Reynolds](#)
Subject: FW: Bush Road Property Investments Limited - Post AGM Update
Date: Tuesday, 26 November 2024 11:49:50 AM
Attachments: [Bush_Road_AGM_Minutes_2024.pdf](#)
[image001.png](#)
[image003.png](#)

Another one.

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TE KAUNIHERA Ā ROHE O
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From: Maat Group <info@maat.co.nz>
Sent: Monday, November 25, 2024 2:40 PM
To: Christine R Craig <ccraig@stratford.govt.nz>
Subject: Bush Road Property Investments Limited - Post AGM Update

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Sent on behalf of Neil Tuffin, Managing Director

24 November 2024

Dear Percy Thomson Trust,

Bush Road Property Investments Limited – Post AGM Update

We carried out the survey as to the willingness to sell the property following the AGM, with an overwhelming no. of investors who responded supporting that action.

As explained in the Minutes, the Directors view is that the impact of the reduction in interest rates will result in the increase in values of properties.

The sale of commercial properties has slowed significantly over the last 2 ½ years due to the impact of the higher interest rates, resulting in landlords withholding their properties from the market for sale and investors finding it difficult to make a deal financially viable at the increased borrowing rates.

The next OCR announcement (on 27 November), including the associated Reserve Bank's future strategy, will be of note as we look to market the Bush Road property for sale in the first quarter of 2025.

The quarterly Investor Rep meeting will be held next Thursday, 28 November, when the option to sell will be discussed.

Please contact either Neil on 021 481 441, or Jodi on 021 0844 2523 (or 09 414 6078) for clarification of any aspect of your long-standing investment in Bush Road.

Kind regards,
Neil Tuffin
Managing Director
PO Box 301 848, Albany, Auckland 0752
(09) 414 6078
(021) 481 441
ntuffin@maat.co.nz
www.maat.co.nz

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**BUSH ROAD PROPERTY INVESTMENTS LIMITED
MINUTES OF THE ANNUAL GENERAL MEETING
HELD AT THE ELLERSLIE EVENT CENTRE ON
WEDNESDAY, 18 SEPTEMBER 2024, AT 9:15AM**

		Action Required
Present	R & V Owles (RO)	
Attendees via Zoom	B Ellis (BE), J Lane (JL), K Green (KG)	
Proxy	Neil Tuffin (NT): 3; Jodi Tuffin: 1; Mark Hughson (MH): 1; Shareholder Representative: 1	
In Attendance	Maat Staff: (NT), Director; (MH), Director; Michelle Lomas (ML), Finance Manager; Jodi Tuffin (JT), Investor Relations Manager; Tony Lomas (TL), Senior Facilities Manager; Laurinda Howarth (LH), Accounts Administrator; Paul Tuffin (PT), Leasing Manager and Facilities Manager (via zoom).	
Opening	On behalf of the Directors, NT extended a warm welcome to those attending the AGM. NT advised that he will summarise the key points from the Directors' Report later, which mainly focuses on the future and the turning point for commercial property.	
Minutes of the previous AGM	Moved: (RH), that the Minutes of the meeting on 20 September 2023 be accepted as a true and correct record. Seconded: (BE) (Percy Thompson Trust) Passed	
Action points / Updates from Previous AGM	BE asked NT for an update on the legal claim by C Priscott re the failed Nido investment. NT reported that on August 26th, Maat and its Directors went to court to have Priscott's claim struck out, which was successful. Although an appeal is expected, NT believes there are no grounds for overturning the judgment. An appeal must be filed by October 3 rd .. The judge ruled that Priscott's case was an 'Abuse of Process', labelling him a shareholder activist with intentions to benefit personally., NT noted that there was a small report in the NBR after the judgment on September 5th, which BE had not read. BE suggested including the NBR report with the meeting Minutes for investors. NT acknowledged the suggestion, though advising of Maat's preference to avoid media involvement but agrees investors should be informed.	
Directors Report	NT referred those present to the Directors Report, noting: <ul style="list-style-type: none"> • Director's summary focuses on the future of commercial property and its turning point. • Property values won't return to levels seen during low-interest rate periods, but a drop in rates is forecasted over the next 15 months, likely until the end of 2025. • ASB's latest weekly report predicts the OCR rate will drop from 5.25% to 2.9%, a significant decrease from its previous high of 5.5%. • The drop in rates will increase cash reserves for investments and raise property values, which had fallen as rates rose. 	

	<ul style="list-style-type: none"> • There is currently hesitation among potential buyers, awaiting further updates on the OCR, which are expected to drop by at least 1.25% by February 2025. • High interest rates have reduced spending power, impacting both local and global demand. <p>Acquisition update: The property was purchased for \$5.9m, with parcel values at \$25,000 initially, now valued at \$78,000 (down slightly from \$80,000 in 2023).</p> <p>Shareholder equity and tenancy updates:</p> <p>Thermo Fisher Scientific remains the tenant, with no indication they won't renew in 2026.</p> <p>Asset value update: The valuation was \$13.7m in 2023, compared to \$13.35m in 2024 (2.55% decrease) The decline is due to the increased capitalisation rate (from 5.75% in 2023 to 6.0% in 2024), which decreases property values despite stable income. There is hope for this trend to reverse. Loan-to-value ratio remains low risk at 20%.</p> <p>Financial performance: Financial statements and audit report are included, adhering to IFRS standards. Michelle has put in significant effort to complete the audit, working long hours. Interest expenses rose significantly from \$164,000 in 2023 to \$236,000 in 2024, a 43% increase.</p> <p>Investor statistics: 21 investors 138 share parcels, each valued at \$78,00</p> <p>Bank loan update: The BNZ facility expires on May 29, 2026, aligning with the current lease expiry for Thermo Fisher. Interest rate impact: In 2021, the interest rate was 3.03%, an expense of \$95,000. By 2024, the rate rose to 8.44%, a 147% increase, adding \$141,000 more in interest expenses. Forecast for March 2025: Interest rate expected to drop to 7.46%, potentially lower as rates decline.</p> <p>Historical OCR movement summary: The last time the OCR was at 3% was in August 2022. Between August 2022 and May 2023, the base interest rate increased hugely from 3% to 5.5%.</p> <p>Financial forecast for 2025-2026: Rental income is stable. Interest expense forecast at \$219,000 in 2025, dropping to \$188,000 in 2026, with an operating surplus of \$219,000 forecast at 31 March 2025. increasing to \$242,000 at 31 March 2026.</p>	
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	<p>Cash reserves forecast: March 2025: \$214,000 March 2026: \$264,000 Assumptions behind these forecasts are listed on page XI.</p> <p>Proposed change to the Management Agreement: Priscott had claimed Maat was overcharging management fees. Evidence was presented showing Maat was actually undercharging, which Priscott did not challenge in court.</p> <p>Current management fees: Since purchase date in 2010, Maat has charged management fees of 1.75% of net rental income (base rent only).</p> <p>Maat proposes for the 2024 financial year and beyond to charge management fees based on a Gross Income basis, which requires the Management Agreement to be amended from the current description of Gross Rental Income. 'Gross' refers to the fee being calculated on the base rental plus recovered operating expenditure.</p> <p>A formal voting procedure to change the management agreement is required, with 50.1% of investors required to approve this change. Investors will be provided with numbers to inform their decision before voting.</p>	
Dividend	<p>NT moved that the dividends be approved at 5% per annum (after tax) for the 2025 financial year, with potential for higher distribution depending on cash reserves and additional downward movement in interest rates.</p> <p>Seconded: RH Passed.</p>	
Appointment of Auditor	<p>NT moved that Baker Tilly Staples Rodway be reappointed as Auditors for 2025, subject to reaching an agreement on costs</p> <p>Seconded: RO Passed.</p>	
Appointment of Investor Rep	<p>NT moved that RO be reappointed as the Investor Rep for the 2025 year.</p> <p>Seconded: JL Passed</p>	
Resolution to 'Opt-Out'	<p>NT explained that it is necessary to pass a resolution to opt out from the requirements of Regulation 61D of the Financial Markets Conduct Regulations, whereby e-reporting entities are required to publicise their Annual Reports on an internet site over which the reporting entity has control.</p> <p>Moved: NT Seconded: RO</p>	

	Passed	
Appointment of Directors	<p>NT advised that both MH and he were available for reappointment as Directors.</p> <p>There were no other nominations received; so, MH and NT were re-elected un-opposed.</p> <p>Moved: RO</p> <p>Seconded: BE</p> <p>Passed</p>	
Other Business	<p>KG asked a question via Zoom about the potential sale of the property.</p> <p>RO addressed the issue, highlighting concerns raised at the previous AGM about the property’s rent lagging behind its market value.</p> <p>He believes the rent will not catch up even with the next lease renewal in 2026, if the tenant, Thermo Fisher, decides to renew.</p> <p>Other management companies are focusing on improving lease strength with established tenants, but Maat’s relationship with Thermo Fisher is indirect, managed through the real estate company, Jones Lang LaSalle (JLL).</p> <p>RO noted a conflict of interest with JLL representing both Maat (for the Valuation) and Thermo Fisher Scientific, as their ‘Tenant Rep’ to negotiate lease terms. He recalled concerns from the last renewal where Thermo Fisher initially sought only a one-year renewal, raising red flags about their long-term plans. Though they renewed for three years, RO still has doubts about renewal in 2026.RO supports building reserves to prepare for the possibility of the building sitting empty and suggests considering selling the property.</p> <p>He sees potential upside in selling, as a new buyer might be able to bring the lease up to market value. One shareholder and a co-trustee of his family trust have raised similar concerns.</p> <p>RO asked for Maat’s thoughts on preparing for the possibility of Thermo Fisher vacating in 2026, noting that the tenant only has to give three months' notice and JLL might not share key insights on their plans.</p> <p>NT responded to RO;s concerns about JLL’s role as the tenant representative for Thermo Fisher, clarifying that JLL was appointed globally by Thermo Fisher, which is common practice for large companies.</p> <p>Other firms like Colliers and CBRE also serve in similar capacities worldwide (for their international clients)</p> <p>While JLL manages Thermo Fisher’s global strategy, negotiations still happen at the local level and any significant moves by the tenant would be known in advance.</p> <p>Regarding the timing of a potential sale, NT advised that now may not be the best time as prices might increase alongside reducing interest rates.</p> <p>He acknowledges that there’s significant capital tied up in the property and the next rent increase will be crucial to consider.</p>	

	<p>Thermo Fisher New Zealand is managed through Australia, but local management keeps Maat informed about future directions.</p> <p>There has been no indication that Thermo Fisher plans to downsize or move out. In fact, they've centralized operations at Bush Road after closing another distribution centre.</p> <p>Neil suggests continuing to monitor the situation and gather feedback directly from the firm.</p> <p>JLL will only become involved closer to the time of lease negotiations.</p> <p>NT highlighted that, in similar scenarios, firms like Colliers keep their valuation and leasing departments separate to avoid conflicts of interest.</p>	
<p>Other Business continued</p>	<p>JT cut in to address time constraints and asked (JL) if their questions regarding rent increases and ratchets were answered. Paul, the leasing manager, was introduced to respond.</p> <p>Jo (JL) raised two main concerns:</p> <p>Going to the market to get an indication of the property's value and polling shareholders to gauge interest in selling.</p> <p>Understanding the lease terms regarding rent increases, ratchets, annual increases, and whether the rent will rise to market value at renewal.</p> <p>PT acknowledged the difficulties of negotiating with agents rather than directly with decision-makers. He reassured Jo that next year, he will engage with Thermo Fisher to explore what can be done about rent increases. While acknowledging the risk of losing the tenant, PT stated that retaining them on a three-year term, when they originally considered just a one-year lease, was a positive outcome. He also agreed to put together a report for shareholders detailing the lease terms and suggested revisiting the property's valuation.</p> <p>JT responded that, due to Zoom's limitations, they couldn't add a polling question about selling during the meeting but would follow up with investors afterward. He asked Neil (NT) about the timeline for gathering valuation information.</p> <p>(NT) replied that the first quarter of next year would be the appropriate time to engage valuers, as large companies like Thermo Fisher often have long-term strategies. He pointed out that the current rent is well below market value, estimating the market rent should be around \$200 per square meter. NT suggested that they aim to narrow that rent gap and retain the tenant. He acknowledged Jo's request for a poll and promised to relay that to shareholders but emphasized that meaningful decisions could be made in early 2025.</p> <p>JT agreed with Neil's timeline and confirmed that in the next month or so, they would poll investors on their interest in selling and provide information on the lease terms.</p> <p>RO quickly added that the tenant had benefited from below-market rent for several years and that it would be important to seek an early indication in 2025 of their intentions to renew the lease in 2026, while also making them aware of how much they've benefited from favourable lease terms.</p>	<p>Maat to complete a poll to test the water of selling the property</p>
<p>Closing</p>	<p>There being no further business, the meeting closed at 10.00am.</p>	

From: [Christine R Craig](#)
 To: [Centuria Limited](#)
 Cc: [Centuria Limited](#)
 Subject: FW: Secondary Sales Opportunities | Centuria NZ
 Date: Wednesday, 27 November 2024 1:46:32 PM
 Attachments: [image001.png](#)

FYI

Christine Craig
 Corporate Accountant
 Te Kaunihera ā Rohe o Whakaahurangi | Stratford District Council

63 Miranda Street P. 06 765 6099
 PO Box 320 stratford.govt.nz
 Stratford 4352



From: Centuria Secondary Market <kerri.ewart@centuria.co.nz>
 Sent: Wednesday, November 27, 2024 10:17 AM
 To: Christine R Craig <ccraig@stratford.govt.nz>
 Subject: Secondary Sales Opportunities | Centuria NZ

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Centuria Secondary Sales Opportunities

Please see below for the current listings available on our Secondary Market.

The Centuria [Secondary Market website](#) sets out the terms and conditions relating to the secondary market. You should review those terms and conditions as well as the disclaimers set out [here](#).

Williams Street Nominees Joint Venture

Type Industrial
 Distribution rate (p.a.) \$6,000 per unit (12.00% on the original unit value of \$50,000)
 More information [Click here](#)

Manadon Street Property Scheme

Type Retail
 Distribution rate (p.a.) \$2,500 per unit (5.00% on the original unit value of \$50,000)
 More information [Click here](#)

Airpark Nominees Joint Venture

Type Industrial
 Distribution rate (p.a.) \$4,500 per unit (18.00% on the original unit value of \$25,000)
 More information [Click here](#)

Sir William Pickering Drive Limited Partnership

Type Office
 Distribution rate (p.a.) \$1,250 per unit (2.50% on the original unit value of \$50,000)
 More information [Click here](#)

Shands Road Limited Partnership

Type Industrial
 Distribution rate (p.a.) \$2,750 per unit (5.50% on the original unit value of \$50,000)
 More information [Click here](#)

Takanini Nominees Joint Venture

Type Retail
 Distribution rate (p.a.) \$3,750 per unit (7.50% on the original unit value of \$50,000)
 More information [Click here](#)

Building B Graham Street Limited Partnership

Type Office
 Distribution rate (p.a.) \$1,000 per unit (2.00% on the original unit value of \$50,000)
 More information [Click here](#)

Building A Graham Street Limited Partnership

Type Office
 Distribution rate (p.a.) \$2,125 per unit (4.25% on the original unit value of \$50,000)
 More information [Click here](#)

St Georges Bay Road Property Trust

Type Office
Distribution rate (p.a.) \$3,375 per unit (6.75% on the original unit value of \$50,000)
More information [Click here](#)

33 Broadway Trust

Type Office
Distribution rate (p.a.) \$3,000 per unit (6.00% on the original unit value of \$50,000)
More information [Click here](#)

Centuria Penrose Limited

Type Industrial
Distribution rate (p.a.) 5.00 cents per share
More information [Click here](#)

Centuria NZ Diversified Property Fund

Type Diversified
Distribution rate (p.a.) 4.50 cents per unit
More information [Click here](#)

Centuria NZ Healthcare Property Fund Limited

Type Healthcare
Distribution rate (p.a.) 5.0 cents per share
More information [Click here](#)

Centuria NZ Industrial Fund Limited

Type Industrial
Distribution rate (p.a.) 5.0 cents per share
More information [Click here](#)

Regards



Kerri Ewart
Secondary Sales Manager

Disclaimer:
For the purposes of the secondary market:

- Neither Centuria Capital Ltd, nor Centuria Funds Management (NZ) Ltd is providing financial advice. You should obtain independent financial advice before you make any investment decisions.
- Centuria Funds Management (NZ) Ltd will be charging an administration fee for arranging the transfer, which equates to 2% of the transaction value (payable by the seller).
- Centuria Funds Management (NZ) Ltd will not be acting as broker for any party.
- The secondary market facility provided by Centuria Funds Management (NZ) Ltd is not a registered securities exchange or authorised securities exchange or regulated under New Zealand securities markets laws.
- There is no binding contract to purchase a unit until a deed is signed by both the seller and the purchaser.
- In the event of multiple offers of the same value being received and these being the highest offer overall, the first offer received by date & time will take precedence in regards to presentation to the vendor.
- Any person making an offer on the Secondary Market must be physically present in NZ at the time of making the offer.
- Late payment of settlement may be charged interest to the Purchaser.
- The Vendor/Purchaser has not relied upon any representations or advice by Centuria on whether to buy/sell the units and what is the appropriate price and all decisions are ultimately made by the Vendor/Purchaser.
- The sale and purchase of a unit in a property syndicate comes with all the usual property risks.

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Centuria Capital Limited Level 2, Bayleys House 30 Gaunt Street, Wynyard Quarter Auckland, Auckland 1010 New Zealand

From: [Christine R Craig](#)
To: [Councillor Ellen Hall](#)
Cc: [Carissa Reynolds](#)
Subject: FW: Centuria NZ Industrial Fund Limited - Biannual Report
Date: Wednesday, 4 December 2024 9:14:57 AM
Attachments: [Centuria NZ Industrial Fund Limited - Biannual Report 30 September 2024.pdf](#)
[image001.png](#)

Christine Craig
Corporate Accountant
Te Kaunihera ā Rohe o Whakaahurangi | Stratford District Council

63 Miranda Street
PO Box 320
Stratford 4352

P.06 765 6099
stratford.govt.nz



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL



From: Centuria NZ Industrial Fund Limited <CenturiaNZ.Enquiry@CenturiaInvestor.com>
Sent: Tuesday, December 3, 2024 3:30 PM
To: Christine R Craig <ccraig@stratford.govt.nz>
Subject: Centuria NZ Industrial Fund Limited - Biannual Report

CAUTION: This email originated from outside the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.



Dear Investor,

Please find below a link to the biannual report for your investment.

- [Biannual Report](#)

You might notice that the timing of sending this report has changed. To ensure we keep you up to date with information about your investment, we will be sending you a biannual report in each June and November.

- As per previous years, each April, we will send you information about the property's annual re-valuation.
- As usual, the investor annual meeting will be held in August or September, and the meeting minutes and presentation are sent within weeks of the meeting being held.
- If any important information about the property or the tenant

comes to hand, we will send an update letter.
We trust this frequency of communication is satisfactory. Please feel free to reach out to the team if you have any questions or concerns.

Please contact Centuria Investor Services on 0800 369 520 (within New Zealand) or +64 800 369 520 (outside New Zealand) or email CenturiaNZ.Enquiry@CenturiaInvestor.com if you have updated your PIR rate or wish to change your investor details.

Yours faithfully,

Centuria Funds Management (NZ) Limited

Follow us on

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a above, and it will magically appear in the frame below.



Centuria NZ Industrial Fund Limited

Biannual Report
30 September 2024



Portfolio Metrics

As at 30 September 2024

Metric	31 Mar 2023	31 Mar 2024	30 Sept 2024
Assets	21	19	18
Tenants	53	54	53
Portfolio Valuation	\$666.5m	\$636.5m	\$633.0m
Passing Rental pa	\$34.7m	\$37.7m	\$37.4m
Passing Yield	5.2%	5.9%	5.9%
WALT (years)	6.7	7.0	6.7
Occupancy (% of income)	99.6%	98.2%	94.5%
LVR	41.9%	43.9%	44.5%
Portfolio Weighting to Auckland (by value)	72%	68%	68%



Auckland

15 properties
\$430m sum of valuations
68% of fund

Hawkes Bay

1 property
\$54m valuation
8% of fund

Wellington

1 property
\$67m sum of valuations
11% of fund

Christchurch

2 properties
\$82m sum of valuations
13% of fund

Quarterly Highlights

Portfolio Update

Fund Occupancy

- Vacancy has increased to 5.5% of Fund income following the expiry of the Repco lease at 510 Mt. Wellington Highway in Auckland.
- Immediately following Repco vacating a short-term lease with Visy Logistics commenced, expiring in September.
- Marketing is now underway to secure a new tenant for the space, and we have been working with several parties who have viewed the property.

Acquisitions & Disposals

- The proposed sale of 5 & 21 Beach Rd at \$40.0 million did not conclude following the purchaser pulling out in September under their due diligence clause.
- The sale of the small non-core asset at 63 Angle St settled in September for \$3.25 million (6.3% initial yield). Proceeds from the sale have been applied to pay down debt.
- No acquisitions are currently being pursued.

114-156 Swanson Rd

- Works to facilitate the new 10-year lease of the former United tenancy to Bluestar are well advanced. The total estimated costs are tracking to budget at approximately \$1.45 million.
- The net rental has increased by approximately \$1.1 million p.a.
- Subdivision – Resource consent has recently been approved to subdivide the site into four titles. Works to advance the subdivision will commence in 2025.
- NPD has started their development work for the new service station on the surplus land at the front of the site. There is no capital cost for the Fund and the new 15-year lease has commenced and provides an additional \$135,000 p.a. rental.



Quarterly Highlights

Portfolio Update (continued)

Office development, 20 Paisley Place

- Resource consent has recently been granted for the development of the new 300sqm office at the front of the site.
- Building consent is currently being processed and demolition and redevelopment works are set to commence in January.

Repcos retail expansion, 510 Mt. Wellington Highway

- Development works to expand Repco's retail tenancy by 320sqm are now complete.
- The works have been completed to a high standard given the tenancy is now Repco's flagship NZ store.
- Development costs totalled approximately \$1.2 million, with the annual rental increased by \$112,000.

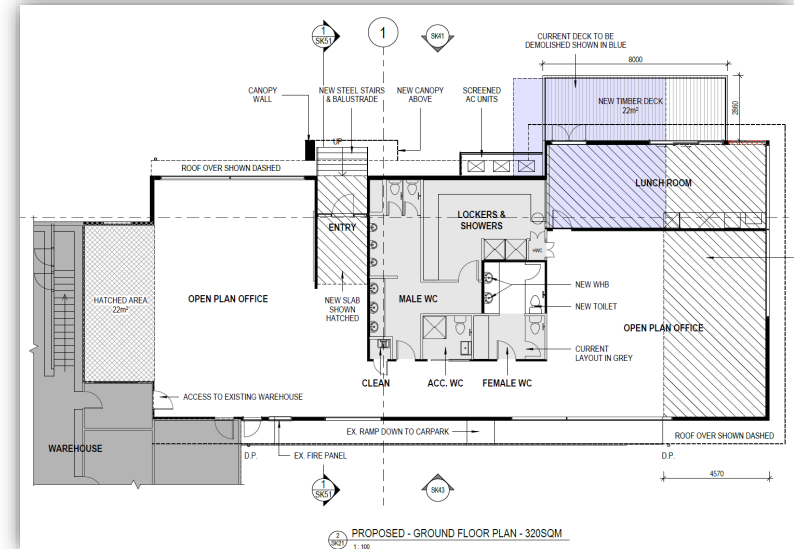
Treasury Update

Fund Debt

- The Fund has a syndicated facility totalling \$295 million across five banks.
- As at 30 September 2024 \$282 million of debt was drawn representing an LVR of 44.5%.

Hedging

- The Fund has entered into a number of swaps arrangements, hedging the variable base rate portion of the interest rate.
- As at 30 September 2024 the weighted average term remaining on the Fund's hedging is 3.2 years, including forward start swaps which are not yet effective.
- As at 30 September 2024 the all-in floating interest rate is 7.33% vs the Fund's all-in weighted interest rate including hedging of 6.14%, a saving for the Fund of 1.19%.



20 Paisley Place – New build office floor plan and computer generated imagery.

Centuria

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Office of the Mayor



Our reference
F16/1315 – D24/55290

12 December 2024

The Board of Trustees
Percy Thomson Trust
C/- P O Box 320
Stratford 4352

Dear Trustees

Letter of Expectations for the year ending 30 June 2026

1. This Letter of Expectations (the Letter) outlines the matters the Stratford District Council (SDC) expects the board of the Percy Thomson Trust (PTT) to address in the business planning process for the 2025/2026 financial year.
2. The Letter is intended to create an opportunity for PTT and SDC to have strategic alignment through enhanced communication and engagement.

PTT purpose

3. PTT is responsible for the ongoing management of the Percy Thomson Gallery, the Thomson Arboretum and the Thomson Herbarium as set out in the objects of the Trust Deed.

Focus for the remainder of the 2024/2025 financial year

4. For the remainder of the 2024/2025 financial year, we expect PTT to continue with its purpose of delivering the objects set out in the Trust Deed and its current Statement of Intent, as well as
 - Ensuring best practice governance for PTT;
 - Being transparent and accountable, including compliance with Local Government Official Information and Meetings Act 1987 (LGOIMA) and information disclosure policies;
 - Ensuring health and safety is a top priority across all of its activities, and that appropriate policies and structures are in place to support this;
 - Ensuring appropriate risk management structures are in place;
 - Ensuring prudent financial management practices are in place and adhered to;
 - In readiness for 2025/2026 year, review all financial investments by the trust in the light of overall cost and benefit. The overall cost must consider any and all costs arising from the chosen investment type and structure, not only for PTT but also for SDC, particularly in light of required audit reconciliations for annual reports for both organisations; and
 - Positioning itself to address the items raised within this Letter of Expectations.

Intent

In addition to the trust's normal business, Council asks the Percy Thomson Trust trustees to:

5. Provide the analysis of PTT's current investments as per point 4 above to SDC and present its future financial and investment strategy and how this addresses SDC's concerns raised in points 4 and 9.
6. Consider its financial position in light of eligibility for third party funding. We ask the trust to ensure that it maximises external funding opportunities and considers and explores whether the current financial support provided by council and or PTT's investments compromise eligibility for third party funding. Pending the outcome of such an assessment we further ask the trust to consider remedies to ensure financial sustainability and longevity of the trust's activities.
7. Ensure long-term upkeep of trust owned facilities, especially the Gallery building. As Council holds no financial reserves or budgets for the repair or maintenance of these facilities, it expects the trust to adhere to the appropriate maintenance and renewal practices to avoid or at least minimise any significant unbudgeted liabilities arising.
8. Consider whether the trust is best placed to deal with the obligations and management overhead arising from the direct employment of staff. A common alternative would be for PTT to outsource employment matters to council, with the employee(s) engaged by council and seconded (or similar) to PTT. This has the potential to de-risk employment matters and free up trustee time to focus on PTT's core business.

Financial Prudence

9. While we acknowledge that PTT is going through changes at the board as well as at staff level, Council is very concerned about the significant gap between the trust's income and expenditure. SDC asks PTT to ensure its budgets are set and managed in consideration of its overall financial position and appropriate financial controls are in place. Any matters that are reliant on grant funding should only proceed if such funding is successfully secured.

Working with SDC

10. We expect PTT to keep Council informed as to its financial performance and progress towards achieving the goals set in the Statements of Intent. This includes any funding shortfall as well as financial or investment matters related to these raised in PTT's or SDC's annual report.
11. We expect PTT to work on the future outlook for PTT and to provide a high level forecast of the finances for the next 1-5 years.
12. We expect PTT to provide SDC with strategic options that allow SDC to consider the implications for SDC as shareholder with a particular focus on PTT's ability to deliver the objects of the trust as well as any financial implications on SDC.
13. We require PTT to provide:
 - Half-yearly and Annual Reports in accordance with the Local Government Act 2002
 - An annual, risk-focused update to SDC's Audit and Risk committee addressing current and emerging risks to or arising from PTT's operations and any implications for SDC
 - Briefings for Councillors on matters of significance as required.

Next steps

14. The Letter of Expectations forms the basis for the development of your Statement of Intent by PTT for the year ending 30 June 2026.
15. Council considered requiring a revised Statement of Intent for the remainder of the 2024/2025 year from PTT but concluded that the delivery timelines would be too tight. Instead it is issuing this letter of expectations early to enable PTT to utilise the remainder of the 2024/2025 year to establish the foundation to deliver against the matters raised within this Letter of Expectations, especially the analysis of PTT's financial investments. Your Statements of Intent should reflect this Letter of Expectations and comply with the requirements of the Local Government Act (see s64 and Schedule 8).
16. We look forward to working with you in the coming financial year. Please contact me if you have any queries relating to this letter or Council's expectations of PTT.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N C Volzke', written in a cursive style.

N C Volzke JP
District Mayor

Percy Thomson Trust - December 2024 - Open - Financial Statements

Percy Thomson Trust - Cashflow Forecast												
	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Opening Balance	91,879	76,304	64,690	47,777	25,583	22,632	7,712	- 6,708	- 21,628	- 34,348	- 50,768	- 63,488
Inwards Cash												
General	5,122	4,778	6,682	5,729	13,384	5,580	5,580	5,580	5,580	5,580	5,580	5,580
GST refund	2,320	-	2,794	-	617	-	2,000	-	2,200	-	2,200	-
Council Grant	-	-	-	-	57,500	-	-	-	-	-	-	-
Term deposit maturity	-	-	-	-	-	-	-	-	-	-	-	-
Taranaki Foundation	-	18,691	-	-	-	-	-	-	-	-	-	-
Total	7,442	23,469	9,476	5,729	71,501	5,580	7,580	5,580	7,780	5,580	7,780	5,580
Outwards Cash												
Staff costs	13,934	8,492	9,530	17,926	9,504	8,500	10,000	8,500	8,500	10,000	8,500	8,500
General	9,083	26,591	4,409	9,997	15,573	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Audit fees	-	-	-	-	25,685							
Council - administration fees					23,690							
GST payment	-	-	-	-	-	-	-	-	-	-	-	-
Emergence prize money and judges	-	-	12,450	-	-							
Total	23,017	35,083	26,389	27,923	74,452	20,500	22,000	20,500	20,500	22,000	20,500	20,500
Balance at end of month	76,304	64,690	47,777	25,583	22,632	7,712	- 6,708	- 21,628	- 34,348	- 50,768	- 63,488	- 78,408
Note October staff costs includes Laura's final pay												
November costs include \$5200 for roof repairs and the administratio fee to Council												

<u>Exhibition Transactions</u>	
Emergence Exhibition	
Prize money	\$ 11,450
Judges	\$ 1,000
Photography	\$ 1,170
Major Exhibition	
<i>Adam Portraiture Awards</i>	
Exhibition fee	\$ 3,000
Freight to return art works	\$ 1,480
Catalogues	\$ 260
Abstract Signs	\$ 940
Hannah Doherty	\$ 177
Ryan Polei photography	\$ 75
Opening night catering	\$ 170
Other Exhibitions	
Advertising	\$ 1,430
Postage and freight	\$ 34
Printing and stationery	\$ 383
Signs	\$ 1,442
Opening night catering	\$ 1,099

Statement of Comprehensive Revenue and Expense						
For the period ended 30 November 2024						
	November	November Budget	Year to date Actual	Year to date Budget	Annual Budget 2024/25	Projected Year End 2024/25
ART GALLERY						
Art Gallery Revenue	\$6,569	\$2,800	\$11,964	\$10,333	\$33,600	\$34,000
"Friends" Donations	\$96	\$133	\$96	\$667	\$1,600	\$1,000
Commissions - Gallery	\$2,179	\$500	\$3,472	\$2,500	\$6,000	\$6,000
Commissions - Percy's Place	\$1,626	\$1,000	\$4,051	\$5,000	\$12,000	\$12,000
Donation Box	\$375	\$250	\$2,052	\$1,250	\$3,000	\$4,000
Rental/Hireage	\$2,293	\$917	\$2,293	\$917	\$11,000	\$11,000
Art Gallery Expenditure	\$12,733	\$14,995	\$90,668	\$84,695	\$187,450	\$189,497
ACC Levy	\$0	\$320	\$320	\$320	\$350	\$320
Recruitment costs	\$107	\$0	\$2,973	\$0	\$0	\$2,973
Communications	\$170	\$300	\$673	\$1,500	\$3,600	\$2,200
Energy Costs	\$986	\$1,250	\$4,383	\$6,250	\$15,000	\$15,000
Insurance	\$0	\$0	\$1,004	\$1,000	\$1,000	\$1,004
Major Exhibition	\$0	\$0	\$6,167	\$10,000	\$10,000	\$10,000
Miscellaneous	\$99	\$67	\$332	\$333	\$800	\$800
Printing and stationery	\$0	\$0	\$60	\$0	\$0	\$100
Programme	\$464	\$1,667	\$4,784	\$8,333	\$20,000	\$20,000
Emergence Exhibition	\$1,170	\$0	\$13,620	\$0	\$0	\$0
Publications & Subscriptions	\$230	\$17	\$816	\$83	\$200	\$600
Salary & Wages	\$9,507	\$11,250	\$55,536	\$56,250	\$135,000	\$135,000
Training	\$0	\$125	\$0	\$625	\$1,500	\$1,500
Profit (Loss) from Art Gallery	\$ 6,164	\$ 12,195	\$ 78,704	\$ 74,362	\$ 153,850	\$ 155,497
PROPERTY						
Property Revenue	\$2,675	\$2,675	\$14,075	\$14,074	\$33,500	\$33,500
Café Lease	\$1,175	\$1,175	\$5,875	\$5,874	\$14,100	\$14,100
Lease of building space	\$1,500	\$1,500	\$7,500	\$7,500	\$18,000	\$18,000
Post Box Lobby Rental	\$0	\$0	\$700	\$700	\$1,400	\$1,400
Property Expenditure	\$8,819	\$8,671	\$67,224	\$58,252	\$124,948	\$145,984
Depreciation	\$8,304	\$7,004	\$41,520	\$35,021	\$84,050	\$99,600
Insurance	\$0	\$0	\$13,762	\$13,000	\$13,000	\$13,762
Rates (Services Only)	\$0	\$0	\$1,622	\$1,898	\$1,898	\$1,622
Repairs and Maintenance Arboretum	\$0	\$0	\$0	\$0	\$5,000	\$5,000
Repairs and Maintenance Building	\$515	\$1,667	\$10,320	\$8,333	\$20,000	\$25,000
Repairs and Maintenance Herbarium	\$0	\$0	\$0	\$0	\$1,000	\$1,000
Profit (Loss) from Property	\$ (6,144)	\$ (5,996)	\$ (53,149)	\$ (44,178)	\$ (91,448)	\$ (112,484)

Percy Thomson Trust - December 2024 - Open - Financial Statements

	October	October Budget	Year to date Actual	Year to date Budget	Annual Budget 2024/25	Projected Year End 2024/25
OTHER TRUST REVENUE AND EXPENDITURE						
Other Trust Revenue	\$51,221	\$52,917	\$74,796	\$64,583	\$135,000	\$120,000
Stratford District Council Grant	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
External Funding - split below	\$0	\$0	\$0	\$0	\$50,000	\$50,000
Emergence sponsorship	\$0	\$0	\$18,691	\$0	\$0	\$0
Interest	\$1,221	\$2,917	\$6,105	\$14,583	\$35,000	\$20,000
Other Trust Expenditure	\$0	\$0	\$20,600	\$20,600	\$48,870	\$48,870
Administration	\$0	\$0	\$20,600	\$20,600	\$20,600	\$20,600
Audit Fees	\$0	\$0	\$0	\$0	\$25,000	\$25,000
Insurance - Trustees Liability	\$0	\$0	\$0	\$0	\$2,970	\$2,970
Investment Expenses	\$0	\$0	\$0	\$0	\$300	\$300
Profit (Loss)	\$51,221	\$52,917	\$54,196	\$43,983	\$86,130	\$71,130
SUMMARY						
OPERATING REVENUE						
Art Gallery	\$6,569	\$2,800	\$11,964	\$10,333	\$33,600	\$34,000
Property	\$2,675	\$2,675	\$14,075	\$14,074	\$33,500	\$33,500
Other Revenue	\$51,221	\$52,917	\$74,796	\$64,583	\$135,000	\$120,000
Total Operating Revenue	\$60,465	\$58,392	\$100,835	\$88,991	\$202,100	\$187,500
OPERATING EXPENDITURE						
Art Gallery	\$12,733	\$14,995	\$90,668	\$84,695	\$187,450	\$189,497
Property	\$8,819	\$8,671	\$67,224	\$58,252	\$124,948	\$145,984
Other Expenditure	\$0	\$0	\$20,600	\$20,600	\$48,870	\$48,870
Total Operating Expenditure	\$21,552	\$23,666	\$178,492	\$163,547	\$361,268	\$384,351
Net Surplus (deficit)	\$ 38,913	\$ 34,726	\$ (77,657)	\$ (74,557)	\$ (159,168)	\$ (196,851)

Statement of Financial Position - Percy Thomson Trust				
As at 30 November 2024				
			Actual as at 30 November 2024	Annual Budget 2024/25
Assets				
	Current Assets			
	Debtors and Prepayments		\$12,859	\$10,000
	Bank Accounts and Cash		\$22,631	\$35,000
	Investments -term deposit		\$250,000	\$300,000
	Current Assets Total		\$285,490	\$345,000
	Non-Current Assets			
	Other Financial Assets		\$397,000	\$397,000
	Property, Plant and Equipment		\$2,410,391	\$2,381,000
	Non-Current Assets Total		\$2,807,391	\$2,778,000
Assets Total			\$3,092,881	\$3,123,000
Liabilities & Equity				
	Liabilities			
	Current Liabilities			
	Creditors and Accrued Expenses		\$11,255	\$5,000
	Employee Costs Payable		\$11,106	\$2,000
	Liabilities Total		\$22,361	\$7,000
	Trust Equity			
	Accumulated Surpluses		\$1,161,010	\$1,207,000
	Revaluation Reserve		\$1,909,510	\$1,909,000
	Equity Total		\$3,070,520	\$3,116,000
Liabilities & Equity Total			\$3,092,881	\$3,123,000

Depreciation

	Carrying Amount	Additions	Depreciation	Carrying Amount
	1/07/24		to 30/11/24	at 30/11/2024
	\$000		\$000	\$000
Buildings	1,992	-	39	1,953
Land	385	-	-	385
Furniture and Fittings, Plant and equipment	76	-	3	73
Total	2,452	-	42	2,410

PAYMENT LISTING - November 2024

<i>Payee</i>	<i>Description</i>	<i>Amount</i>
New World	Stratford Art Society opening night catering	\$148.29
Stratford District Council	Annual administration fee	\$23,690.00
Stratford District Council	Monthly fire security service	\$131.86
Stratford District Council	Quarterly fire alarm monitoring	\$177.99
Stratford District Council	Spark October 2024	\$196.45
Stratford District Council	Meridian October 2024	\$513.42
Abstract Signs	Stratford Art Society signs	\$281.75
Paper Plus	Receipt book	\$26.24
Museums Aotearoa	Annual membership	\$264.50
Stratford District Council	Gallery Director advertisement and job evaluation	\$2,916.29
Stratford District Council	Roof gutter repairs	\$5,278.50
Stratford District Council	HVAC repairs	\$1,932.00
Stratford District Council	ADT Security SIM fee	\$47.20
Brett Morrison	Emergence awards photography	\$1,169.80
K Rickard	Adam Portraiture Award transport artworks	\$1,702.00
Maree Burnnand	Claim expenses - print posters	\$19.00
H Doherty	Stratford Art Society design	\$276.00
Deloitte	Audit fees	\$25,685.25
About Image Limited	Fibreworks flyers	\$35.65
Inland Revenue	PAYE November	\$2,481.70
Dairymaster Milking Systems NZ Ltd	Check lights in gallery	\$409.40
ASB	Credit card fees	\$10.70
Paymark	Bank fee	\$21.74
Wages	Paid 5 November 2024	\$1,509.61
Wages	Paid 12 November 2024	\$1,665.61
Wages	Paid 19 November 2024	\$2,375.03
Wages	Paid 26 November 2024	\$1,472.03
EFTPOS Specialists	SIM rental for eftpos machine	\$14.89
TOTAL		<u>\$74,452.90</u>

Percy Thomson Trust - December 2024 - Open - Financial Statements

PERCY THOMSON TRUST INVESTMENTS - as at 30 November 2024										
	Maximum Policy Limit	Individual Investee Policy Limit	Actual Investment	Interest Rate	Due Date	Frequency of Interest Payments	Amount	% Invested	Annual interest	
Bank Investments	100%	50%	TSB Bank - Current account	Various - Premier cheque rates	Call	Annual	\$22,631		Approx	\$1,000
			TSB Bank - Term investment	5.90%	4/12/2024	Maturity	\$250,000			\$14,750
							\$272,631	38.6%		
Promissory Notes	35%	20%					\$0			
Bonds	Other 80%	50%					\$0			
Listed Shares	30%			<i>Original rate</i>	<i>Current rate</i>		\$0	0.0%		
Real Estate	75%		Proportionate ownership share - Bush Road, Albany, Auckland	7.80%	3.72%	Monthly	\$125,000	19.3%		\$4,653
			Proportionate ownership share - Osterley Way, Manukau, Auckland	9.25%	4.00%	Monthly	\$50,000	7.7%		\$2,000
			Proportionate ownership share - Todd Park, Porirua, Wellington	6.42%	5.56%	Monthly	\$72,000	11.1%		\$4,000
			Proportionate ownership share - Cameron Road, Tauranga	7.80%	0.00%	Monthly	\$50,000	7.7%		\$0
			Proportionate ownership share - Henderson, Auckland	6.50%	5.00%	Monthly	\$100,000	15.5%		\$5,000
Professional Portfolios	50%						\$0	0%		
Total Portfolio							\$669,631	100.00%		\$31,403
<p>The policy only allows up to 50% in any one bank investment (based on the total of promissory notes, bonds, deposits etc).</p> <p>The Trust currently has 38.6% in TSB Bank (excluding the current account), which complies with the policy for all types of investments.</p>										

REPORT TO: Percy Thomson Trust Trustees
FROM: Bruce Ellis, Trustee, Percy Thomson Trust
DATE: 13 December 2024
SUBJECT: **Investment Report**

Introduction

There has been little change or information on our investments since the November meeting. For this report:

1. I have re-presented in the Appendix the investment detail presented at the November meeting and updated information in the right hand column where this is available.
2. Attached is the update from Silverfin on the current position with the Cameron Road property.
3. Attached is the December share sale schedule received from Maat Consulting.

At the meeting I will table the investment portfolio with updated investment returns received on these.

For consideration at the meeting:

1. Confirm recommendation to hold investments until review in February.
2. Consider inviting Neil Tuffin or Mark Hughson, Directors of Maat Consulting, to attend either the January or February meeting to discuss the performance of the investments they manage.
3. Consider inviting Mark Butterworth of Craigs Investment Partners to the February meeting to discuss the management of our investment portfolio.



Bruce Ellis

306 Cameron Road

From: Silverfin Info <info@silverfin.nz>

Sent: Thursday, 12 December 2024 11:18 AM

Subject: 306 Cameron Road - Re-Financing and Leasing Update

Attachments: 241127 - 306 Cameron Road Marketing Document, Unispace.pdf; 241122 EOI.pdf

Good morning

A quick update on progress with re-financing and leasing:

1). Re-financing

- The subordinated loan for \$3.0 M is now in place with 20 individual lenders (all investors in the scheme).
- The term is a maximum of 30 months, and the interest rate is 9.0% pa. The subordinated loan has been used to pay down the senior debt with CCB to \$14.95 M (as at January 2025).
- The CCB debt will now reflect a Loan to Value Ratio (LVR) of 41.5%, which CCB are more comfortable with.
- Based on the reduced LVR, CCB has conditionally agreed to provide a 12-month loan extension from 01/02/2025 to 31/01/2026. The CCB Expression of Interest (EOI) is attached.
- You will see that there are a number of Conditions Precedent in the EOI, including an updated valuation. We have instructed JLL and expect an updated valuation this side of Christmas. I am hoping that the value holds at the March 2024 level of \$36 M, as any deterioration is likely to cause issues with CCB.
- You will also see that there is a condition that we make progress with the leasing program by 30 June 2025.

If no progress has been made by then, CCB will be expecting us to commence marketing the property for sale ahead of the 31/01/2026 loan expiry date.

- The interest rate associated with the new loan is BKBM + 4.5%. BKBM is currently 4.40% meaning the 'all in rate' is 8.9%. Note that BKBM will likely reduce over the next 12-month period.
- The CCB terms for the 12-month loan are difficult. However, the 12 months buys us time to make progress with leasing - and once we have locked in IRD for a further term (see below), we can circle back to other banks that were considering providing terms.

2). Leasing – Existing Tenants:

- During last month we held Zoom calls with the property representatives for Kainga Ora and IRD (both based in Wellington).
- Kainga Ora (KO) lease expires 9/10/2025. KO confirmed their intention to remain in the building over the longer term. The size of their current space of ~350 sqm is about right (note that ~150 sqm is sub-leased from IRD), however they would like to see whether their occupancy could be consolidated into a single area on the ground floor.
- IRD lease expires 13/02/2026. IRD also confirmed their intention to remain over the longer term. However, IRD has changed their tune somewhat from when we first spoke to them. Whilst, IRD initially stated that they were happy to renew their existing area of 3,118 sqm, they are now undertaking a space planning exercise to better understand size requirements and may look to reduce in area. IRD expect to complete the space planning early in the new year whereupon they will be in a position to confirm their renewal.
- We asked the representatives of both Kainga Ora and IRD to ensure the Central Government property team is aware of 306 Cameron Road. They committed to do so and we will follow this up in due course.
- Tauranga City Council (TCC) occupy 4,483 sqm on a lease that expires 13/02/2025. TCC had verbally confirmed an extension to 31/05/2025, however this had never been formally documented. We have prepared a Deed of Extension which has been executed by TCC and we are waiting on the document's

return.

- We instructed a quantity surveyor from CBRE to prepare a 'make good' assessment of the TCC space. CBRE assess that TCC's make good obligation under their lease is \$483 K (excluding contingency). This report has been provided to TCC, who are considering the report. TCC's initial feedback is that the report is reasonable, however the cost assessments are too high. They have committed to provide a formal response prior to the Christmas break. The intention is that there will be a cash settlement for the make good.

3). Leasing – New Tenant:

- Unispace has completed space planning work and prepared a leasing pack, which we have provided to leasing agents Colliers, Bayleys and Raine and Horne (see attached). The leasing pack has split up the top floor (level 4) into three separate tenancies of between 230 to 426 sqm.

- This has already elicited interest in 'tenancy 3' on level 4 from a potential tenant called TSA Riley for 150 sqm. We met with TSA Riley yesterday to discuss terms and they seem keen to proceed with a new lease commencing in June next year.

- The majority of tenants in the Tauranga market are small to medium businesses. Progress with TSA Riley suggests that we are likely to have more leasing success in the 'under 500 sqm' segment of the market than the 'over 500 sqm' segment.

- We are meeting today with the National Director of leasing for CBRE who has a number of Government instructions. We will enlist CBRE to help identify larger potential occupiers.

I hope you all have a great Christmas break and further updates will be provided in the New Year.

Regards

MILES BROWN CHIEF EXECUTIVE OFFICER

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email miles@silverfin.nz

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address PO Box 105527, Auckland 1143

web silverfin.nz

SHARE SALES

From: Maat Group <info@maat.co.nz>

Sent: Thursday, 5 December 2024 6:22 PM

To: Percy Thomson Trust

Subject: CORRECTION: Share Sales - December 2024

Sent on behalf of Jodi Tuffin, Investor Relations Manager

5 December 2024

Dear Investor.

Please find below detail of the share sales for December 2024.

This month we have the following share parcels for sale:

NB. All of the share parcels in these investments below were originally purchased for \$50,000 at the time of acquisition-

- The Hub Properties Limited – 3 share parcels – starting price of \$45,000 per share parcel
- Fred Thomas Property Investment Limited – 7 share parcels – all offers to be considered
- 650 Great South Road Limited – multiple share parcels available – all offers to be considered
- 210 Khyber Pass Investments Limited – 6 share parcels – from \$55,000 per share parcel or near offer
- Osterley Way Investments Limited – 6 share parcels – from \$40,000 per share parcel or near offer
- Cashel Property Investment Limited – 5 share parcels – from \$35,000 per share parcel

NB. The share parcels below in this investment were originally purchased for \$25,000 at the time of acquisition-

- Phoenix Drive Property Investments Limited – 4 share parcels - \$44,000 each

The share parcels for purchase are in an existing equity investment:

The Hub Properties Limited, established in 2013, is situated at State Highway 30, Whakatane. It is an open mall containing high profile tenants such as Harvey Norman, Rebel Sports and Briscoes.

Fred Thomas Property Investment Limited, established in 2017, is at 2-4 Fred Thomas Drive, Takapuna, Auckland. This large complex has a mix of office and medical tenants.

650 Great South Road Limited, established in June 2016, is at 650 Great South Road, Manukau. It is a 3-storey office-tenanted building.

210 Khyber Pass Investments Limited, established in 2013, is situated at 210 Khyber Pass Road, Grafton, Auckland. It is an office-tenanted building across 5 levels.

Osterley Way Investments Limited, established in 2015, is situated at 5 Osterley Way, Manukau, Auckland. It is an 8 storey, unique building housing IRD as its main tenant, with One NZ also occupying a small area on the top floor.

Cashel Property Investment Limited, established in 2020, is situated at 60 and 38 Cashel Street, Christchurch. A new building, built to the highest of building standards for office space. Tenanted by major tenants such as PwC and Crombie Lockwood (among others)
Phoenix Drive Property Investments Limited, established in 2012, is situated in Phoenix Drive, Whakatane. The single tenant is Bunnings Whakatane.

If any of these share parcel sales appeal to you, please contact the office at info@maat.co.nz or call (09) 414 6078 to discuss this further and receive further information, i.e. annual reports; financial statements; quarterly reports.

Please be advised that the share parcel sales are not “first in, first served” basis. Should multiple investors be interested in one share parcel at a particular price (unless there are multiple share parcels available in that investment), a multi-offer will be given to those investors and further explanation given.

Offers must be in by Friday 20 December 2024 at 12pm. Funds for purchase need to be available on Monday 30 December 2024.

If you have any questions on the sale process, please contact me.

Kind regards,

Jodi Tuffin

Investor Relations Manager

Maat Group

(09) 414 6078

APPENDIX – INVESTMENT SCHEDULE AND DETAIL

Context

The Trust in the term of Roger Hignett as Chairperson of the Trust decided to invest in these property syndicates with a view to increasing the income and capital returns of the overall investment funds.

The particular features of these investments:

- The syndicates bring together investors for the purchase of significant commercial property;
- Each syndicate may consist of one property only or be a combination of properties;
- In the assessment of each syndicate/property important elements are the quality of the respective buildings; the quality and security of the tenancies within each property; and the quality and experience of the managers of the respective properties;
- The investment returns of the properties are affected by the level of interest rates in the economy affecting alternative investment streams for investors, and the cost of borrowings for the syndicates;
- There is a lack of ready liquidity in the investments ranging from the overall property market should a decision be made to sell a building, to the availability of secondary market purchasers of individual investor's holdings.

Investment Funds

The investment portfolio is:

Category	Book Value @ 30/6/24	Book Value @ 31/10/24
Bank Balances	92,000	25,583
Trading Bank Term Deposits	250,000	250,000
Commercial Property through Proportionate Ownership Schemes and Property Investment Funds	397,000	397,000
Total	\$739,000	\$672,583

Parameters affecting total portfolio

	As Reported October 2024	Update 20 November and 13 December 2024
Movement	The reduction in funds has been to continue the operations of the Trust, and in particular the Gallery, at an unchanged level requiring a call on reserves to offset reduced income. This situation is expected to persist whilst the overall future of the Trust is determined in discussions between the Trustees and the Stratford District Council.	No update

Overall Performance	The performance of these investments has been affected by the overall conditions of the economy and, in particular, the level of interest rates, some carry over from the pandemic, and the general sluggishness of the rental market.	See under "Interest Rates"
Valuation parameters	Values are set with regard to the rental agreements in place and the capitalisation of the rentals. The capitalisation rate in turn is affected by the level of interest rates in the economy. Over the past few years as base interest rates have fallen and then risen the trend of the capitalisation rate has moved similarly. When applied to the rental profile of individual buildings this means as the capitalisation rate falls the building value increases and vice versa when the capitalisation rate rises.	No update
Interest rate scenario	Over the past three years ended 31 March the Official Cash Rate as set by the Reserve Bank has risen from 0.25% to 5.5% - but reduced to 5.25% in August 2024 and now to 4.75% in October 2024. The flow on to the rates at which the syndicates borrow funds rose from around 3% to around 8.5%. The effect of this increase in interest costs has seen the necessity to reduce dividends paid to shareholders to an average of 4.77% for the 2024 year – indications for the 2025 year following the increase in the OCR is to see rates rise closer to the 6% on average.	Interest rates continue to show signs of falling .with OCR reductions of 0.5% in each of October and November. The next review is on 19 February when a further 0.5% reduction is a real prospect. These movements continue to underlay the prospects for value of our investments to increase along with interest returns in the coming year.

<p>Recommendation to Trustees</p>	<p>As previously reported we are working towards the appropriate time to liquidate these investments to reduce our exposure in this market which tends to be less liquid and secure than bank securities whilst providing potential advantages in earnings rates and as a hedge against inflation.</p> <p>The timing for such a change remains problematic. The effect of rising bank interest rates has seen the dividends for these investments reduce and the capital values reduce as well.</p> <p>However, the good news is that as the OCR reduces these adverse trends are reversed so that the opportunity for individual shareholders to sell their holdings and/or for syndicate managers to look to sell properties is enhanced.</p> <p>My view is that we wait for the time being for these reversing trends to materialise in returns and values over the next few months.</p>	<p>November - Continue to hold our position until reviewed again in the new year to see the flow on effects of interest rate reductions.</p> <p>December – No change in position recommended.</p>

Individual Investment detail

Property held by Investment Fund	Financial Summary as at 31/3/24	Report Summary from October 2024	Update 20 November and 13 December 2024 (if any)
Bush Road, Albany, Auckland – light industrial	<ul style="list-style-type: none"> - Property valuation - \$13.35m - Net assets - \$10.79m - Net assets per \$1 share - \$3.13 - Ave div rate (y/e 31/3/24 – 5.875% - Weighted ave lease term – 2.2 years - Occupancy rate – 100% - Loan to value ratio – 20.33% 	<ul style="list-style-type: none"> - Tenancy expires 31/5/26 with a 3 year right of renewal. - The Bank Loan of \$2.714 m at 31/3/24 had an interest rate of 8.44%. The loan facility expires on 29/5/26. - With the increased interest cost, the dividend rate was reduced to 5% pa (tax paid) from 1/7/23 and is currently forecast to remain at that level through the 2025 and 2026 financial years. - Following the discussion at the AGM, the Director's have decided to test the market in the 1st quarter of the new financial year for this property with a view to its sale depending on offers received and a 75% majority of shareholders. This timing is aimed at the settling down on interest rate reductions and a flow through to property valuations. 	No update
<ul style="list-style-type: none"> • Investment - \$125,000 • MV @ 31/3/24 - \$312,624 • Cash return Y/E 31/3/24 – 4.70% 			

<p>Osterley Way, Manukau, Auckland – office building</p>	<ul style="list-style-type: none"> - Property valuation - \$19.00m - Net assets - \$10.01m - Net assets per \$1 share - \$0.95 - Ave div rate (y/e 31/3/24 – 5.125% - Weighted ave lease term – 1.1 years - Occupancy rate – 100% - Loan to value ratio – 46.12% 	<ul style="list-style-type: none"> - Since balance date the tenancy has been extended for 3 years to 14 June 2029. Discussions are underway with the tenant (the IRD) with a view to further medium or long term renewals dependant on the level of building upgrade to be undertaken. The Directors are to discuss with the IRD and report back to shareholders in October. - The Bank Loan of \$8.763 m at 31/3/24 had an interest rate of 8.49%. The loan facility expires on 14/6/25. - With the increased interest cost, the dividend rate was reduced from 8.5% pa to 4% pa (tax paid) from 1/7/23, and further to 0% from 1/4/24. The financial forecasts provide for the dividend rate to be increased to 5% pa from 1/4/25. The Directors are having discussions with a possible purchaser and expect to report back on this later in October. My view is that a sale at this time of the property market cycle is not that likely. 	<p>No update</p>
<ul style="list-style-type: none"> • Investment - \$50,000 • MV @ 31/3/24 - \$47,655 • Cash return Y/E 31/3/24 – 5.125% 			
<p>Todd Park, Porirua, Wellington – light office/industrial complex</p>	<ul style="list-style-type: none"> - Property valuation - \$59.00m - Net assets - \$43.10m - Net assets per \$1 share - \$2.15 - Ave div rate (y/e 31/3/24 – 8.5% - Weighted ave lease term – 4.581 years - Occupancy rate – 100% - Loan to value ratio – 27.83% 	<ul style="list-style-type: none"> - Tenancies expire from April 2026 to December 2037 with a range of rights of renewal. - The Bank Loan of \$16.420 m at 31/3/24 had an interest rate of 7.91%. The loan facility expired on 30/9/24 and has been renewed for a further two years. - With the increased interest cost, the dividend rate was reduced from 10% (tax paid) to 8% from 1/7/23, but restored to 10% from 1/4/24. 	<p>No update</p>
<ul style="list-style-type: none"> • Investment - \$72,000 • MV @ 31/3/24 - \$107,749 • Cash return Y/E 31/3/24 – 5.90% 			

<p>Cameron Road, Tauranga – Office building and retail</p>	<ul style="list-style-type: none"> - Property valuation - \$36.00m - Net assets - \$17.53m - Net assets per \$1 share - \$0.77 - Ave div rate (y/e 31/3/24 – 2.0% - Weighted ave lease term – 1.3 years - Occupancy rate – 100% - Loan to value ratio – 53.53% 	<ul style="list-style-type: none"> - The major tenant, Tauranga City Council, accounting for 56.28% of lettable space, is to vacate it's space from 31 May 2025. Of concern is the seemingly lack of real progress on finding alternative tenants. The IRD space is expected to be extended for a further three years from 14 February 2026. - The Bank Loan of \$19.272 m at 31/3/24 had an interest rate of 8.84%. The loan to value ratio at 53.53% was in default of the then covenant. Since balance date further principal reductions have occurred and discussions with the China Construction Bank are continuing with a view to having the loan extended to 25 November 2025. With the increased interest cost, the dividend rate was reduced to 4% pa (tax paid) from 1/6/23; 3% from 1/8/23 and nil% from 1/10/23. In lieu of dividends 2% pa has been paid to the bank as a principal reduction. - Largely as a result of dissatisfaction with Maat Consulting's performance as the Investment Manager of this property, especially in relation to the lack of progress on finding replacement tenants and re-negotiating bank finance, shareholders at a Special General Meeting following the Annual General Meeting to appoint Silverfin Capital to replace Maat Consulting as Manager. - The future of our investment in this property is dependant on the refinancing and releasing steps underway. Given the underlying quality of the building, the longer term prospects appear favourable. This is supported by the movement now occurring in interest rates which will bring down the financing costs, increase the valuation, and raise the prospects for a sale of the building. 	<p>November - Property management has now been taken over by Silverfin who are working to secure tenants for the space to vacated by the Tauranga City Council from May 2025, and to raise subordinated debt of \$3 million to reduce the bank loan and therefore secure the renewal of the bank finance for a further 3 years.</p> <p>The transfer of the property management appears to have gone smoothly</p> <p>December – see separate report attached.</p>
<ul style="list-style-type: none"> • Investment - \$50,000 • MV @ 31/3/24 - \$38,350 • Cash return Y/E 31/3/24 – 2.0% 			

<p>Centuria NZ Industrial Fund – light industrial mainly in Auckland (Name change from Augusta Industrial Fund)</p>	<ul style="list-style-type: none"> - Property valuation - \$636.5m - Net assets - \$357.58m - Net assets per \$1 share - \$1.43 - Ave div rate (y/e 31/3/24 – 5.25% - Weighted ave lease term – 7.0 years - Occupancy rate – 98.2% - Loan to value ratio – 43.9% 	<p>- Just to note that this fund consists of 19 industrial properties, whereas the other investments are single properties per investment. There are a total of 54 tenants with an average expiry term of 7 years. The Bank Loans totalling \$279.25 m at 31/3/24 are provided by 5 Banks and had weighted average interest rate of 6.02%. The weighted average term to maturity is 3.25 years. With the increased interest cost, the dividend rate was reduced to 5% pa (tax paid) from 1/6/23. The Fund has indicated the rate will increase to 6% from 1/4/25.</p>	<p>November - No separate update but refer to the communication from Centuria with the meeting papers. December – No further update</p>
<ul style="list-style-type: none"> • Investment - \$100,000 • MV @ 31/3/24 - \$142,924 • Cash return Y/E 31/3/24 – 5.25% 			
<p>Total</p>			
<ul style="list-style-type: none"> • Investment - \$397,000 • MV @ 31/3/24 - \$649,302 • Cash return Y/E 31/3/24 – 4.77% 			

Bruce Ellis
Trustee
13 December 2024.

INVESTMENT POLICY

Last reviewed February 2021, next review due February 2024

PHILOSOPHY

The investment strategy of the Percy Thomson Trust is to maintain the income level required to achieve the Trust objectives whilst also inflation-proofing the capital base.

CRITERIA FOR INVESTMENT

Investments must be made to optimise returns while balancing risk and return considerations. As a responsible Trust with a public benefit aim, the Percy Thomson Trust investments should be low risk. The criteria to be applied to investments are:

- Safety of Capital - Safety of capital is a dominant consideration in all investment decisions.
- Liquidity - Investments are managed to ensure that sufficient funds are available to meet liabilities as and when they fall due.
- Returns - Long term investments reflect the objective of maximizing returns in excess of the inflation rate consistent with moderate to low risk exposure and to provide consistent real income over the long term.

PERFORMANCE MEASURES

Maintain the real value of the capital of the Trust with regard to inflation. (using the Statistics New Zealand All Groups CPI).

Types of Investment

The Trust may hold the following types of investments. See other sections of this policy for restrictions on the management of each type.

- Bank deposits, bank accepted bills and bank issued certificates of deposit
- Short term Promissory Notes issued by companies and Local Authorities
- Stocks and bonds issued by Government, SOE's, Local Authorities and suitably rated Corporate entities
- Shares in listed public companies
- Real Estate
- Professionally managed portfolios of investments, either by direct investment or through Unit Trusts including:
 - Equities both New Zealand and overseas domiciled
 - Fixed interest both New Zealand and overseas domiciled
 - Short term cash
 - Real estate

The following types of investments are prohibited:

- Loans to individuals
- Loans to community organisations

ASSESSMENT AND MANAGEMENT OF RISKS BY TYPE OF INVESTMENT

Authorised Bank Instruments

The Trust may invest in any registered bank in New Zealand subject to the following:

- The bank remains the primary debtor throughout the term of the investment.
- Investments will only be in banks on the list of registered banks in New Zealand as approved by the Reserve Bank of New Zealand.
 - any other organisation with a Standard and Poor's short term credit rating of A-3 or better and a long term credit rating of A- or better (equivalent Moody's ratings may be used).
- Up to 100% of the available funds may be invested.
- A maximum of 50% of the total investments issued by the financial market (which is made up of short term bank deposits, promissory notes and long term stocks and bonds including those issued by Local Authorities and Government Stock) may be invested with any one bank.
- Deposits may not include foreign currency.

Promissory Notes by NZ Companies and Local Authorities

The Trust may invest in Promissory Notes issued in New Zealand by Corporates and Local Authorities in New Zealand currency subject to the following:

- Up to 35% of the available funds may be invested where the Promissory Notes are issued by any company in New Zealand subject to the issuer having a Standard and Poor's long term credit rating of Investment Grade or better (equivalent Moody's ratings may be used) and subject to a maximum 20% of the total investments with any one issuer.
- The term is no more than 180 days.
- The interest rate must be better than Bank deposits for the same term.
- For registered Promissory Notes the note must be held in the Trust's name.
- For 'bearer' Promissory Notes, the certificate may be held by the Trust or by a suitable agent such as a Bank.
- To avoid the Trust being exposed to settlement risk, payment on maturity or sale requires settlement by 'Cleared Funds'.

Authorised Stock or Bond Investments

The Trust may invest in any fixed term stock or bond issued in New Zealand subject to the following:

- Up to 100% of the available funds may be invested where the stock is issued by the New Zealand Government or State Owned Enterprise guaranteed by the Government.
- Up to 100% of the available funds may be invested where the stock is issued by a Local Authority and is rate secured, but subject to a maximum of 50% of the total investments with any one issuer.
- Up to 80% of the available funds may be invested where the bonds are issued by any company in New Zealand subject to the issuer having a Standard and Poor's long term credit rating of Investment Grade or better (equivalent Moody's ratings may be used) and subject to a maximum 20% of the total investments with any one issuer.

Shares in Listed Public Companies

The Trust may invest in any public company listed on the New Zealand Stock Exchange subject to the following:

- Specific resolution is required by the Trust to invest directly in a listed equity, such resolution to have considered professional advice from a broker.
- There is to be an annual review by a broker to assess price, total value, and hold or sell advice.
- Up to 30% of the available funds may be invested.

Real Estate

The Trust may invest in real estate subject to the following:

- The property is directly linked to the aims and purpose of the Trust; or
- The property was included in the initial assets of the Trust.
- Up to 75% of the available funds may be invested.

Professionally Managed Portfolios

The Trust may invest in professionally managed portfolios subject to the following:

- In selecting the fund manager the Trust shall consider:
 - Performance and competence
 - Diversification of the asset class
 - Expected return
 - Volatility of return, both in the past and expected
 - Trust’s tolerance to risk
- The management of the investment, once made with a professional Fund Manager, shall be handled entirely by that Fund Manager. Therefore, restrictions stated elsewhere in this policy governing the selection and handling of direct investments shall not apply.
- Up to 50% of the available funds may be invested.

Diversification Summary

Investment Category	Fund Weighting Restriction	Other Restrictions
Bank Instruments	100% of fund	Maximum 50% with any one bank
Promissory Notes	35% of fund	No more than 180 days; No more than 20% with one issuer
Authorised Stock/Bonds	100% of fund Government Stock; 100% of fund Local Authority; 80% of fund Others	No more than 50% with one Local Authority; No more than 20% with one issuer
Listed Shares	30% of fund	
Real Estate	75% of fund	Aims of Trust
Professional Portfolios	50% of fund	

Reporting

The Percy Thomson Trust shall receive with each set of accounts reported to the Trust a statement of investments including book value, maturity date, return, market value, and other features deemed relevant.

Delegated authority to act on all investments in accordance with this policy, (except Real Estate, Shares, and Professionally Managed Funds) is granted to the Chairman of the Trust and any one other authorised account signatory.

ACTIVITIES FOR WHICH COMPENSATION SOUGHT

The Percy Thomson Trust is seeking a continuation of the annual cash grant of \$50,000 from the Stratford District Council.

This grant helps fund the activities of the Trust and is a recognition of the benefits the operations of the Trust bring to the wellbeing of the Stratford District. It is noted that the grant has not been increased since 2012. The Trust has up until recently been able to absorb inflationary cost pressures on wages and operational costs mainly through fundraising and outside grants, however this has now become significantly harder so that there has been some resort to reserves. If the grant had maintained a similar proportion of rate income over this period the current grant would be of the order of \$80,000. No increase in the grant is being sought at this time given the discussions taking place on the future of the Trust and recognising the financial constraints on Council.

The Trust is also seeking \$15,000 of maintenance work on the Arboretum, delivered "in kind" - no change from previous Statement.

In addition, the Trust is seeking \$15,000 of cleaning and maintenance services of the building, and the public toilets within the Percy Thomson Building, delivered 'in kind' - no change from previous Statement.

The Council also provides administration services to the Trust for \$20,600 per annum - no change from previous Statement.

As a Council controlled organisation, any funding applications to TSB Community Trust must be made in conjunction with Council's applications.



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.