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Manawātū Community Trust

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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Chairperson's Report

Manawatū Community Trust For the year ended 30 June 2025

It is an honour to present, on behalf of the Trustees of the Manawatū Community Trust, the Annual Report for the year ending 30 June 2025.

The Trust wishes to recognise the service of Tyson Schmidt, a Trustee for nine years, with half of these as Trustee Chair. Tyson brought a level of commercial rigor to the Trust while ensuring focus remained on our social housing strategic goals. Under Tyson's leadership, many initiatives were implemented, including the establishment of a stronger governance framework.

Working alongside the Manawatū District Council, a comprehensive recruitment process was undertaken for Tyson's replacement. A key outcome of this process was to ensure the skills of the new Trustee complemented and added to the current Trust skill base. It was pleasing to appoint Ian McKelvie at the end of the process; Ian brings a wealth of local and national government experience.

In addition, I would like to extend a warm welcome to Ed Kronast as a new member of the MCT team, and also acknowledge the dedication of our current staff in achieving the Trust's strategic goals and thank the Trustees for their continued stewardship and service to the community.

Under the leadership of Teresa Hague, Trust General Manager, the residential portfolio met its Healthy Homes requirements, increased occupancy rates, increased routine maintenance, and completed planned unit upgrades ensuring the three-star accommodation levels of service were consistently maintained.

To improve tenant services and enhance the quality of tenancy and property information, we have introduced new software. This implementation is expected to facilitate better communication, improve tenant wellbeing outcomes, and enhance reporting capabilities.

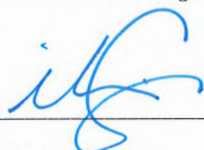
The Trust would like to thank Central Energy Trust and the Manawatū District Council for their financial assistance through impact investing and loans which will facilitate the development of 16 new homes to meet the needs of older adults and people living with disabilities in our community.

With this support, construction has commenced to build four new homes in Prince Street, Feilding. This development will provide modern and comfortable accommodation and demonstrates our commitment to growing our affordable housing portfolio.

Looking further forward, planning for the Corrick Court development, consisting of 12 new homes, continues and is expected to commence early in 2026.

The Trust continues to work closely with Feilding Health Care in providing high quality facilities at 7 Duke Street to support delivery of health services to our community.

The Trust financial position remains strong and while the cost of construction will present some challenges, MCT remains committed to increasing the number of safe, healthy and affordable homes in our portfolio in the years to come.



Liam Greer
Chairperson

Date:

30-Sep-2025

Entity Information

Manawatū Community Trust For the year ended 30 June 2025

Legal Name of Entity

Manawatū Community Trust

Entity Type and Legal Basis

The Trust is a Registered Charity in New Zealand under the Charitable Trusts Act 1957. The Trust is controlled by The Manawatū District Council as a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

Entity's Purpose or Mission

The primary objective of the Trust is to promote and provide housing, health and wellbeing services that are relevant and meet the long term needs of the community.

Entity's Operational Structure

The trust operates as a single unit.

Entity's governance arrangements

The Trust comprises a Board of five Trustees who oversee the governance of the Trust, a Trust Manager/General Manager Teresa Hague, who is responsible for the day to day management of the Trust's business and all reporting requirements of the Trust which includes reporting to the Trust Board. The Trust also employs five other people with particular responsibilities for property and tenancy management, accounts and office administration. The Trustees are appointed by Manawatū District Council for a three year term. The Trust produces an Annual Statement of Intent which is approved by Manawatū District Council, the Trust reports to Council against this statement on a 6 monthly basis.

Trustees

Allan Davey
Joanne Shortall
Liam Greer
Tracey Hunt
Tyson Schmidt (Resigned June 2025)
Ian McKelvie (Appointed July 2025)

Accountant

BDO Manawatu Limited
32 Amesbury Street
Palmerston North

Auditors

Audit New Zealand
31 Amesbury Street
Palmerston North

Bankers

ANZ Bank New Zealand Limited
Commercial Banking
PO Box 92210
Auckland 1142

Lawyers

John W Key Barristers -Solicitors
Law House
71 Kimbolton Road
Feilding

Approval of Performance Report

Manawatū Community Trust
For the year ended 30 June 2025

The Trustees are pleased to present the approved Performance report including the historical financial statements of Manawatū Community Trust for year ended 30 June 2025.

APPROVED



Chairperson

Date 30-Sep-2025



Trustee

Date 30-Sep-2025

Statement of Financial Performance

Manawatū Community Trust

For the year ended 30 June 2025

	NOTES	ACTUAL 2025	BUDGET 2025	ACTUAL 2024
Revenue				
Donations, koha, bequests and other fundraising revenue	1	7	-	-
Revenue from service delivery grants/contracts (central or local government)	1	-	-	2,447
Revenue from service delivery grants/contracts (non-government)	1	3,123,324	3,044,043	2,926,417
Interest, dividends, and other investment revenue	1	30,841	9,363	9,852
Other revenue	1	5,000	-	-
Total Revenue		3,159,172	3,053,406	2,938,716
Expenses				
Employee remuneration and other related expenses	2	551,581	609,482	517,078
Other expenses related to service delivery	2	1,185,411	1,071,754	960,477
Other expenses	2	1,258,547	1,292,322	1,213,032
Total Expenses		2,995,539	2,973,558	2,690,587
Surplus/(Deficit) for the Year		163,634	79,848	248,129

Statement of Financial Position

Manawatū Community Trust

As at 30 June 2025

	NOTES	ACTUAL 30 JUNE 2025	BUDGET 30 JUNE 2025	ACTUAL 30 JUNE 2024
Assets				
Current Assets				
Cash and short-term deposits	3	561,603	404,138	486,067
Debtors and prepayments	3	57,886	337,663	68,595
Inventory	3	7,235	-	6,188
Investments	4	620,818	-	-
Total Current Assets		1,247,542	741,801	560,849
Non-Current Assets				
Property, Plant and Equipment	6	35,781,216	37,372,375	36,238,110
Total Non-Current Assets		35,781,216	37,372,375	36,238,110
Total Assets		37,028,758	38,114,176	36,798,960
Liabilities				
Current Liabilities				
Bank overdraft	7	939	-	939
Creditors and accrued expenses	7	229,641	464,225	302,895
Employee costs payable	7	51,060	52,000	60,169
Deferred revenue	7	21,178	22,000	18,010
Loans	8	581,011	498,873	532,403
Other current liabilities	7	19,205	13,080	100,208
Total Current Liabilities		903,033	1,050,178	1,014,624
Non-Current Liabilities				
Loans	8	5,087,020	6,125,763	4,904,966
Other non-current liabilities	7	106,300	103,428	110,599
Total Non-Current Liabilities		5,193,320	6,229,191	5,015,565
Total Liabilities		6,096,353	7,279,369	6,030,189
Total Assets less Total Liabilities (Net Assets)		30,932,405	30,834,807	30,768,771
Accumulated Funds				
Capital contributed by owners or members	9	10	10	10
Accumulated surpluses or (deficits)	9	15,190,450	14,858,535	15,026,816
Asset revaluation reserves	9	15,741,945	15,976,262	15,741,945
Total Accumulated Funds		30,932,405	30,834,807	30,768,771

Statement of Cash Flows

Manawatū Community Trust For the year ended 30 June 2025

	NOTES	ACTUAL 2025	BUDGET 2025	ACTUAL 2024
Capital grants and donations				
Cash Flows from Operating Activities				
Cash was received from				
Donations, koha, bequests, and other fundraising receipts	7	-	-	-
Funding from non-government service delivery grants/contracts	3,118,436	3,044,043	2,883,318	
Interest, dividends and other investment receipts	29,762	9,363	9,852	
Goods and Services Tax	1,106	-	17,730	
Total Cash was received from	3,149,311	3,053,406	2,910,900	
Cash was applied to				
Employee remuneration and other related payments	(560,690)	(609,482)	(512,278)	
Payments related to service delivery	(1,323,253)	(1,071,755)	(903,237)	
Other payments	(289,340)	(373,164)	(287,017)	
Total Cash was applied to	(2,173,283)	(2,054,401)	(1,702,532)	
Total Cash Flows from Operating Activities	976,028	999,005	1,208,368	
Cash Flows from other activities				
Cash was received from				
Sale of property, plant and equipment	5,000	-	-	
Cash received from loans from other parties	800,000	1,180,000	600,000	
Total Cash was received from	805,000	1,180,000	600,000	
Cash was applied to				
Payments to acquire property, plant and equipment	(515,336)	(1,489,000)	(772,406)	
Payments to purchase investments	(620,818)	-	-	
Repayments of loans from other parties	(569,338)	(495,105)	(502,564)	
Total Cash was applied to	(1,705,492)	(1,984,105)	(1,274,970)	
Total Cash Flows from other activities	(900,492)	(804,105)	(674,970)	
Net Increase/(Decrease) in Cash	75,536	194,900	533,398	
Opening Cash Balance	485,128	209,238	(48,270)	
Closing Cash Balance	560,664	404,138	485,128	

Statement of Accounting Policies

Manawatū Community Trust For the year ended 30 June 2025

Basis of Preparation

The Trust has elected to apply with XRB's Tier 3 PBE (PS) standard. This is on the basis that it does not have public accountability and has total annual expenses equal to or less than \$5,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Trust will continue to operate in the foreseeable future.

This is the Trust's first Performance Report presented in accordance with XRB's NFP Tier 3 Standards.

Goods and Services Tax (GST)

The Trust is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST. The Trust also carries out transactions which fall under exempt supplies legislation for GST purposes and therefore are not applicable for GST and are recorded gross in the financial statements.

Income Tax

Manawatū Community Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Presentation Currency

The Performance Report is presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$.

Revenue Recognition

Donations and grants with a documented expectation regarding use have been recognised as revenue over time as the expectation is satisfied.

Donated assets that are significant and have useful lives of 12 months or more are recorded on receipt at readily obtainable values. Other donated assets are not recorded.

Sale of goods is recorded when the goods are sold (usually when the goods are received by the purchaser).

Provision of services are recognised on a stage of completion basis.

Lease or rental revenue is recorded on a straight line basis unless another systematic basis is representative of the user's benefit.

Interest income is recorded as it is earned.

Trade Receivables

Trade receivables are initially measured at the amount owed. When it is likely that the amount owed, or some portion, will not be collected, an impairment adjustment is recorded. Interest charged on overdue amounts are added to the individual debtor balance.

Inventories

Inventories are recorded at cost and if become impaired, written down to lower of cost and selling price.

Property, Plant and Equipment

Property, plant and equipment consist of rental accommodation available for the elderly and disabled, and property leased out and operated as an integrated health centre, the Manchester House Senior Hub Facility and The Feilding Menzshed. This has been classified as property plant and equipment rather than investment property as it is held to meet service delivery objectives rather than to earn rentals or for capital appreciation.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from the assets' fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then an off-cycle asset valuation is undertaken.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results of revaluing are credited or debited to the asset revaluation reserve in equity. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the Statement of Comprehensive Revenue and Expenses. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expenses will be first recognised in the Statement of Comprehensive Revenue and Expenses up to the amount previously expensed, and then recognised in equity.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the asset will provide future economic benefits or service potential to the Trust and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Financial Performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Financial Performance.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which is not depreciated), at rates that will write off the cost (or valuation) of the assets over their useful lives. The residual value and useful life of an asset is reviewed and adjusted, if applicable, at each financial year end.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Land	Indefinite	None
Buildings and Improvements	2 - 78 years	1.28% - 50%
Furniture and Fittings	7.69 - 10 years	10% - 13%
Motor Vehicles	5 years	20%
Plant and Equipment	3 - 10 years	10% - 33%

Impairment of Assets

Property, plant, and equipment assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the Statement of Financial Performance. The reversal of an impairment loss is recognised in the Statement of Financial Performance.

Intangible Assets

Recognition and measurement

Intangible assets are initially measured at cost. All of the Trust's intangible assets are subsequently measured in accordance with the *cost model*, being cost (or fair value for items acquired through non-exchange transactions) less accumulated amortisation and impairment. The Trust has no intangible assets with indefinite useful lives. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

Amortisation

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each amortisable intangible asset.

The estimated useful lives amortisation rates are:

- Software 3 years (2024: 3 years).

Investments

Investments are recorded when purchased and are recorded at cost. If it appears that the carrying amount of the investment will not be recovered, it shall be written down to the current market price. Any impairment expense is recorded in the Statement of Financial Performance.

Provisions

Provisions are recognised when the Trust has an obligation which can be reliably measured at balance date as a result of a past event and it is probable that the company will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at balance date. Movements in the best estimate are recorded in the Statement of Financial Performance.

Loans

Loans are recorded when the amount borrowed has been received and measured at cost. Interest expense is recognised on an accruals basis.

Tier 2 PBE Accounting Standards Applied

The Trust has elected to apply Tier 2 Accounting Standard PBE IPSAS 17 Property, Plant and Equipment and PBE IPSAS 31 Intangible Assets when preparing its financial statements.

Budget Figures

The budget figures are derived from the Statement of Intent, as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with the Tier 3 standard, using accounting policies that are consistent with those adopted by the Board in preparing this performance report.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Notes to the Performance Report

Manawatū Community Trust For the year ended 30 June 2025

	2025	2024
1. Analysis of Revenue		
Donations, koha, bequests, and other general fundraising activities		
Donation Income	7	-
Total Donations, koha, bequests, and other general fundraising activities	7	-
Government service delivery grants/contracts		
Grants	-	2,447
Total Government service delivery grants/contracts	-	2,447
Non-government service delivery grants/contracts		
Commercial Lease Received	1,038,218	1,011,050
Residential Rent Received	2,056,704	1,889,933
Other Revenue	28,402	25,433
Total Non-government service delivery grants/contracts	3,123,324	2,926,417
Interest, dividends and other investment revenue		
Interest Received	30,841	9,852
Total Interest, dividends and other investment revenue	30,841	9,852
Other revenue		
Depreciation Recovered on Sale of Fixed Assets	5,000	-
Total Other revenue	5,000	-
	2025	2024

2. Analysis of Expenses

Employee remuneration and other related expenses		
Wages & Salaries	483,434	433,489
Superannuation Contributions	13,581	12,858
Annual & Statutory Leave	23,481	23,954
Other related costs	31,084	46,777
Total Employee remuneration and other related expenses	551,581	517,078
Other expenses related to service delivery		
Administration Expenses		
Accounting Fees	15,807	26,392
Audit Fees	56,881	45,883
Bank Charges	419	490
Consultants Fees	-	20,508
Legal Fees	-	4,744
Motor Vehicle expenses	14,401	14,212
Non Property Insurances	2,460	3,392
Office Expenses	40,775	30,166
Trust Development Fund	4,097	4,421

	2025	2024
Wellbeing Initiative	-	2,086
Total Administration Expenses	134,839	152,294
Bowen Street Expenses		
Maintenance	-	1,880
Property Expenses	7,884	5,811
Total Bowen Street Expenses	7,884	7,691
Feilding Health Centre		
General Expenses	11,492	5,873
Grounds Maintenance	14,391	21,516
Lease Expense	34,699	19,977
Property Insurance	85,663	77,929
Rates	4,156	4,163
Repairs & Maintenance	75,154	47,384
Valuation Expenses	2,140	5,300
Total Feilding Health Centre	227,694	182,141
Housing		
Bad Debts Expense	-	2,059
General Expenses	4,515	1,379
Healthy Homes Compliance	22,290	3,228
Maintenance	309,189	148,073
Major Maintenance	-	2,261
Property Insurance	264,710	252,376
Rates	142,670	137,924
Rubbish Removal	14,891	14,619
Valuation Expenses	1,800	2,070
Volumetric Water Charges	54,928	54,362
Total Housing	814,994	618,351
Total Other expenses related to service delivery	1,185,411	960,477
Other expenses		
Amortisation Expense	-	432
Depreciation	972,230	925,583
Interest Expense	286,317	287,017
Total Other expenses	1,258,547	1,213,032
	2025	2024

3. Analysis of Assets

Cash and short term deposits		
ANZ Current Account	545,349	69,099
ANZ Savings Account	11,192	413,962
ANZ Debit Card	4,967	1,993
Petty Cash Account	95	1,012
Total Cash and short term deposits	561,603	486,067

	2025	2024
Debtors and prepayments		
Trade Receivables	48,817	38,546
Prepayments	9,069	18,296
Deferred GST Receivable	-	11,752
Total Debtors and prepayments	57,886	68,595
Inventory		
Appliances on Hand	7,235	6,188
Total Inventory	7,235	6,188

The carrying value of debtors and prepayments approximates their fair value. The trade receivables have been individually assessed as impaired where the tenant has vacated the premises and management have concluded that it is remote that the overdue amounts will be recovered. The amount of trade receivables written off during the period was \$Nil (30 June 2024: \$2,096). The Trust holds no collateral as security against these financial assets.

Trade Receivables includes accrued revenue of \$19,938 for the commercial rent increase from 1 March 2025 to 14 June 2025. There is the possibility the Trust will apply a discount for the rent increase. However, this is still under negotiation.

	2025	2024
4. Investments		
Current		
Term Deposits (held at cost)		
Opening carrying value	-	-
Investments	620,818	-
Closing carrying value	620,818	-
Total Investments	620,818	-

5. Intangible Assets 2025

Cost	Software
Opening 1 July 2024	16,553
Additions	0
Closing Cost Amount	16,553
Accumulated Amortisation	
Opening Accumulated Amortisation	16,553
Amortisation	
Closing Accumulated Amortisation	16,553
Net Book Value	5,949
As at 1 July 2023	432
As at 30 June 2024	0
As at 30 June 2025	0

Intangible Assets 2024

Cost	Software
Opening 1 July 2023	16,553
Additions	0
Closing Cost Amount	16,553
Accumulated Amortisation	
Opening Accumulated Amortisation	16,122
Amortisation	431
Closing Accumulated Amortisation	16,553
Net Book Value	5,949
As at 1 July 2022	5,949
As at 30 June 2023	432
As at 30 June 2024	0

6. Property, Plant and Equipment 2025

Cost	Commercial Land & Buildings	Residential Land	Residential Buildings & Improvements	Residential Furniture & Fittings	Work in Progress	Plant & Equipment	Vehicles	Total
Opening 1 July 2024	12,982,000	8,692,000	14,611,556	379,481	445,445	71,915	54,402	37,236,799
Additions	-	-	-	27,311	445,481	9,489	33,055	515,336
Disposals	-	-	-	-	-	-	(9,370)	(9,370)
Work in progress transferred to capital	-	-	435,543	-	(435,543)	-	-	-
Closing Cost Amount	12,982,000	8,692,000	15,047,099	406,792	455,384	81,404	78,087	37,742,765
Accumulated Depreciation								
Opening accumulated depreciation	(261,484)	-	(620,461)	(40,286)	-	(50,899)	(25,559)	(998,689)
Depreciation expense	(261,484)	-	(647,151)	(40,957)	-	(8,329)	(14,308)	(972,230)
Disposals	-	-	-	-	-	-	9,370	9,370
Closing Accumulated Depreciation	(522,968)	-	(1,267,612)	(81,243)	-	(59,228)	(30,497)	(1,961,549)
Net book value								
As at 1 July 2023	12,982,000	8,692,000	14,180,000	-	314,377	15,328	37,849	36,221,554
As at 30 June 2024	12,720,516	8,692,000	13,991,095	339,195	445,445	21,016	28,843	36,238,110
As at 30 June 2025	12,459,032	8,692,000	13,779,487	325,549	455,384	22,176	47,590	35,781,216

Property, Plant and Equipment 2024

Cost	Commercial Land & Buildings	Residential Land	Residential Buildings & Improvements	Residential Furniture & Fittings	Work in Progress	Plant & Equipment	Vehicles	Total
Opening 1 July 2023	12,982,000	8,692,000	14,180,000	-	314,377	60,669	54,402	36,283,448
Restated Assets	-	-	194,174	-	-	-	-	194,174
Reclassified Assets	-	-	(194,174)	194,174	-	-	-	-
Additions	-	-	-	185,307	562,624	14,095	-	762,025
Disposals	-	-	-	-	-	(2,849)	-	(2,849)
Work in progress transferred to capital	-	-	431,556	-	(431,556)	-	-	-
Closing Cost Amount	12,982,000	8,692,000	14,611,556	379,481	445,445	71,915	54,402	37,236,799
Accumulated Depreciation								
Opening accumulated depreciation	-	-	-	-	-	(45,341)	(16,553)	(61,894)
Restated Assets	-	-	(11,212)	-	-	-	-	(11,212)
Reclassified Assets	-	-	11,212	(11,212)	-	-	-	-
Depreciation expense	(261,484)	-	(620,461)	(29,074)	-	(5,558)	(9,006)	(925,583)
Closing Accumulated Depreciation	(261,484)	-	(620,461)	(40,286)	-	(50,899)	(25,559)	(998,689)
Net book value								
As at 1 July 2022	13,105,000	9,848,000	16,615,000	-	242,214	18,985	29,601	39,858,800
As at 30 June 2023	12,982,000	8,692,000	14,180,000	-	314,377	15,328	37,849	36,221,554
As at 30 June 2024	12,720,516	8,692,000	13,991,095	339,195	445,445	21,016	28,843	36,238,110

Commercial Land and Buildings

A full valuation report of the Feilding Health Centre has been undertaken by Morgans for the year ended 30 June 2024 and a market rent review of the Feilding Health Centre has been undertaken by Morgans for the year 30 June 2025. The valuation of the market movement was not material, therefore, the three yearly cycle of revaluation assessments was appropriate.

Land and Buildings were revalued as at 30 June 2023 using an independent valuer - Morgans. In determining fair value Morgans have utilised an assessment of the following approaches:

- Replacement cost approach – the replacement cost of new structures less an allowance for depreciation and saleability.
- Income approach
 - Income capitalisation approach - references the capitalisation of the passing and/or potential net rental income utilising yields have been derived from sales of comparable properties.
 - Discounted cash flow method – discount of known and potential income streams after allowing for growth, non-recovered outgoings, any capital expenditure and other related costs
- Market approach – provides an indication of value by comparing the assets with identical or comparable assets for which price information is available.

Significant assumptions in the 30 June 2023 valuation of the FHC include rental increase and capitalisation rate:

- Rental increase of 3% - 3.50%
- Capitalisation rates of 7.30% - 8.50% on actual rentals.
- Discount rates in the range of 8.15% to 8.65% have been utilised reflecting the current ten-year Government Stock plus an increased margin for investment risk/property type.

Residential Land, Buildings, and Improvements

For the year ended 30 June 2025 and 30 June 2024 the assessment of property market value movements was undertaken by QV and the analysis of the market movement was not material, therefore the three yearly cycle of revaluation assessments was appropriate

Land and buildings were revalued as at 30 June 2023 using an independent valuer (Morgans). In estimating the fair value of land and buildings, the Fair Value method was used under a highest and best use scenario.

The Fair Value method does make significant use of observable prices in active markets and recent market transactions on arm's length basis. The Highest and Best Use is defined as the most probable use of the asset that is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value.

For the year ended 30 June 2023 QV have been engaged by the Trust to consider and analyse the indicative percentage movement of the residential properties under the ownership of the Trust for the 12-month period from 1 July 2022 to 30 June 2023. QV reported a 10-15% decrease in the market valuations. Therefore, JP Morgans and Associates Limited ("Morgans") have been engaged to complete a full valuation of the residential properties. Due to the significant decrease that the Morgans valuation indicates for the fair value of land and residential buildings, the Trust has used the valuation as a basis for adjusting the carrying value of land and residential buildings as at 30 June 2023.

Significant assumptions in the 30 June 2023 valuation of residential property include market rents and market yields:

- Market rents for a unit range from \$200/pw - \$450/pw
- Market yields ranged from 2.95% - 10.31%. The yield of 2.95% related to a property with a large amount of surplus land. The yield on the assessed market rental excluding surplus land is 5.96%.

Restrictions over titles

The land and buildings situated at 100 Awahuri Road, Feilding, with a valuation of \$3.7m as at 30 June 2025 (30 June 2024: \$3.7m) are pledged as a security for the loan advanced by Manawātū District Council to the Trust. Land and buildings situated at 1-7 Duke Street, with a valuation of \$12.5m as at 30 June 2025 (30 June 2024: \$12.5m), are pledged as a security for the loan advanced by ANZ. ANZ also holds a General Security Agreement of the Assets of the Trust (Please refer to note 8 for more information on loans). There are no other restrictions over the title of the Trust's property, plant and equipment.

	2025	2024
7. Analysis of Liabilities		
Bank overdraft		
Commercial Flexi Facility	939	939
Total Bank overdraft	939	939
Creditors and accrued expenses		
Trade Creditors	155,633	229,989
Sundry Expenditure Accruals	65,595	57,310
Tenancy Bonds	1,440	600
GST	6,972	14,996
Total Creditors and accrued expenses	229,641	302,895
Employee costs payable		
Wages Payable	10,809	24,003
Annual Leave Entitlement	23,481	23,954
PAYE Payable	16,769	12,212
Total Employee costs payable	51,060	60,169
Deferred revenue		
Income in Advance	21,178	18,010
Total Deferred revenue	21,178	18,010
Other current liabilities		
14 Bowen Street - Deferred Payment	-	90,000
Lease Payable	19,205	10,208
Total Other current liabilities	19,205	100,208
Other non-current liabilities		
Lease Payable	106,300	110,599
Total Other non-current liabilities	106,300	110,599

	2025	2024
8. Loans		
ANZ Term Loan 1001 - Feilding Health Centre		
Current Portion	216,000	216,000
Non-current Portion	578,000	794,000
Total ANZ Term Loan 1001 - Feilding Health Centre	794,000	1,010,000
Manawatū District Council Loans A & B		
Current Portion	117,399	112,126
Non-current Portion	101,332	218,659
Total Manawatū District Council Loans A & B	218,731	330,785
Manawatū District Council - Feilding Health Centre		
Current Portion	176,407	174,651
Non-current Portion	722,680	899,283
Total Manawatū District Council - Feilding Health Centre	899,087	1,073,934
Manawatū District Council - 14 Bowen Street		
Current Portion	4,489	4,278
Non-current Portion	18,657	23,149
Total Manawatū District Council - 14 Bowen Street	23,146	27,427
Manawatū District Council - LTP Loan 1		
Non-current Portion	1,000,000	1,000,000
Total Manawatū District Council - LTP Loan 1	1,000,000	1,000,000
Manawatū District Council - LTP Loan 2		
Non-current Portion	1,400,000	1,400,000
Total Manawatū District Council - LTP Loan 2	1,400,000	1,400,000
Manawatū District Council - LTP Loan 3		
Current Portion	66,716	25,347
Non-current Portion	1,266,351	569,876
Total Manawatū District Council - LTP Loan 3	1,333,067	595,223
Total Loans	5,668,031	5,437,369

ANZ Term Facilities - Feilding Health Centre

ANZ Term Loan 1001 is for 36 months with interest rate at 30 June 2025 was floating at 6.42% (2024: 8.95%). Maturity date for this loan is set at 30 November 2026. ANZ holds a General Security Agreement of the assets of the Trust. This loan has been refinanced and proceeds have been used to repay previous loans.

The Trust has access to an ANZ Commercial Flexi Facility of \$1,500,000 which is an on-demand facility and can be repaid at any time. Interest is incurred at 6.24% with a service line fee of 0.75%. As at 30 June 2025 \$939 was drawn down (2024: \$939).

Manawatū District Council Loans A & B

Interest is incurred at the Council's borrowing rate of 4.74% p.a. for the twelve months ended 30 June 2025 (interest rate of 4.67% p.a. for year ended 30 June 2024). The loan from Manawatū District Council is secured by way of registered first mortgage over the land owned by the Trust at 100 Awahuri Road, Feilding.

Manawatū District Council - Feilding Health Centre

The loan was granted by the Council to assist with the development of the Feilding Health Centre. The interest rate applicable to the interest bearing portion of the loan at 30 June 2025 was 4.74% (30 June 2024: 4.67%). The Trust is charged the effective interest rate of 2.37%, because 50% of the loan is interest free (0%). No security is held for this loan.

Manawatū District Council - 14 Bowen Street

The loan was granted by the Council to assist with the purchase of 14 Bowen Street. The interest rate applicable to the interest bearing portion of the loan at 30 June 2025 was 4.74% (30 June 2024: 4.67%). No security is held for this loan.

Manawatū District Council - LTP Loan 1

The term of the loan is 15 years from the date of the first drawing (18 November 2019). The interest rate applicable to the interest bearing portion of the loan at 30 June 2025 was 2.77% (30 June 2024: 2.42%). No security is held for this loan.

Manawatū District Council - LTP Loan 2

The term of the loan is 15 years from the date of the first drawing (15 December 2021). The interest rate applicable to the interest bearing portion of the loan at 30 June 2025 was 4.74% (30 June 2024: 4.67%). No security is held for this loan.

Manawatū District Council - LTP Loan 3

The loan was established in two stages with MDC. The first agreement was entered into in July 2023 for \$600,000. In May 2024, a subsequent agreement was executed, increasing the total loan to \$1,400,000. The term of the loan is 15 years from the date of the first drawing (17 July 2023). The interest rate applicable to the interest bearing portion of the loan at 30 June 2025 was 5.27% (2024: 6.09%). No security is held for this loan.

	2025	2024
9. Accumulated Funds		
Capital contributed by owners or members		
Opening Balance	10	10
Total Capital contributed by owners or members	10	10
Accumulated surpluses or (deficits)		
Opening Balance	15,026,816	14,778,687
Current year earnings	163,634	248,129
Total Accumulated surpluses or (deficits)	15,190,450	15,026,816
Asset revaluation reserves		
Opening Balance	15,741,945	15,558,983
Gain on Revaluation of Property, Plant & Equipment	-	182,962
Total Asset revaluation reserves	15,741,945	15,741,945
Total Accumulated Funds	30,932,405	30,768,771

10. Commitments

Commitments to lease assets

Land lease for Feilding Health Centre

The Trust has entered into a 34 years and 11 months lease of the land effective from 13 April 2015. Under the terms of the agreement the Trust received a five year rental holiday, which expired on 13 April 2020. Should the lease not be renewed at the end of the 36 year term the Trust will sell the buildings to the Lessor at a prescribed purchase price.

Commitment to purchase property, plant and equipment

Housing Development

The Trust signed a contract agreement dated 11 October 2024 with Colspec Construction Limited for the Housing Development of 7 Prince Street. The construction started in December 2024 and is estimated to be completed in April 2026. The total contract price for the project is \$1,601,306 and actual costs for the 2025 financial year was \$84,229.

	2025	2024
Commitments		
Commitments to lease or rent assets		
Current (less than twelve months)	30,000	30,000
Non Current (later than twelve months)	710,000	740,000
Total Commitments to lease or rent assets	740,000	770,000
Commitment to purchase property, plant and equipment		
Current (less than twelve months)	1,517,077	-
Non Current (later than twelve months)	-	-
Total Commitment to purchase property, plant and equipment	1,517,077	-

11. Related Party Transactions

Key management personnel

The Trustees received payment of \$108,741 in the 2025 financial year (2024: \$108,741). Other than Trustees fees there were no other benefits paid to Trustees.

Manawatū District Council

The Manawatū Community Trust is a Council Controlled Organisation of Manawatū District Council. The related party transactions are within a normal supplier or client/recipient relationship on terms and conditions no more favourable or less favourable than those that is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances, except for the \$2,500,000 loan from the Manawatū District Council that interest is only charged on 50% of the outstanding loan balance.

No provision has been required, nor any expense recognised, for the impairment of receivables from related parties.

	2025	2024
The following transactions were carried out with Manawatū District Council:		
Payments		
Loans repaid	353,337	286,558
Rates	145,700	140,406
Volumetric water charges	28,360	58,681
Interest Expense	203,912	143,687
Total Payments	731,309	629,331

	2025	2024
Amounts owing at balance date to Manawātū District Council:		
Rates	17,489	66,410
Loans Outstanding	4,874,032	4,427,369
Interest Expense	26,281	28,202
Total Amounts owing at balance date to Manawātū District Council:	4,917,803	4,521,981

12. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2025 (2024: Nil).

13. Capital Management

The Trust's capital is its equity, which comprises Trust capital and retained surpluses. Equity is represented by net assets. The Trust deed requires the Trustees to manage all aspects of the business prudently. The Trust's equity is largely managed as a by product of managing all financial dealings. The objective of managing the Trust's equity is to ensure the Trust effectively achieves its objectives and purpose, whilst remaining a going concern.

14. Events After the Balance Date

On 3 June 2025, the Trust entered into a loan agreement with Central Energy Trust for \$1,000,000. The Loan funds were received after balance date on 17 July 2025. As the funds were not received until after balance date, no liability has been recognised in these financial statements.

There were no other events that have occurred after the balance date that would have a material impact on the Performance Report

15. Explanation of Major Variances Against Budget

Explanations for major variances from the Trust's budgeted figures in the 30 June 2025 statement of intent are as follows:

Statement of Financial Performance

- **Revenue from service delivery grants/contracts (non-government):** Positive variance to budget of \$79,281, due to higher tenancy occupancy rates.
- **Employee remuneration and other related expenses:** Positive variance to budget of \$57,901, due to staff vacancies with certain roles remaining unfilled for part of the period, resulting in lower personnel costs.
- **Other expenses related to service delivery:** Negative variance to budget of \$113,657, primarily due to clearing delayed maintenance and historical issues.
- **Depreciation of property, plant, and equipment:** Negative variance to budget of \$53,072, resulting from completion of residential building improvements and additional residential furniture and fittings installations.
- **Interest on borrowing:** Positive variance to budget of \$86,847, due to reduced borrowing requirements due to the Prince Street Project progress, later adoption of CET loan and lower interest.

Statement of Financial Position

- **Bank accounts and cash:** Positive variance to budget of \$157,465, primarily due to the anticipated costs of the Prince Street development not being incurred in the 2025 financial year.
- **Investments:** Positive variance against budget of \$620,818, funds for the Prince Street development were invested in term deposits until required.
- **Debtors and prepayments:** Negative variance to budget of \$279,777, mainly due to MCT insurance policies were aligned with the June balance date, mitigating the need for accrual of prepaid insurance expenses.
- **Property, plant, and equipment:** Negative variance to budget of \$1,591,159, mainly due to the Prince Street development not being completed in the 2025 financial year.
- **Creditors and accrued expenses:** Positive variance to budget of \$234,584, mainly due to delays in capital projects resulting in lower contractor costs payable.

- **Loans:** Positive variance to budget of \$956,605, mainly due to delays in the Prince Street development resulting in less borrowing required.

Statement of Cash Flows

- **Funding from non-government service delivery grants/contracts:** Positive variance to budget of \$74,393, due to higher tenancy occupancy rates.
- **Payments to related service delivery:** Negative variance to budget of \$251,498, primarily due to increased building repairs and maintenance.
- **Other Payments:** Positive variance of \$83,824, due to lower bank interest rates and increased principal repayments.
- **Cash received from loans from other parties:** Negative variance to budget of \$380,000, due to less funding required for the Prince Street development.
- **Payments to acquire property, plant, and equipment:** Positive variance to budget of \$973,664, mainly due to the Prince Street development not being completed in the 2025 financial year.
- **Repayments of Loans from other parties:** Negative variance to budget of \$74,233, due to lower bank interest rates and increased principal repayments.

There are no other major variances against the prospective statement of financial performance, statement of financial position and statement of cash flows.



Statement of Performance 2024/25

Against Statement of Intent which covers the year 1 July 2024 to 30 June 2025

PURPOSE

The purpose of the statement of intent is to

- (a) state publicly the activities and intentions of this council-controlled organisation for the year and the objectives to which those activities will contribute; and
- (b) provide an opportunity for shareholders¹ to influence the direction of the organisation; and
- (c) provide a basis for the accountability of the directors² to their shareholders for the performance of the organisation.

OBJECTIVES OF THE COUNCIL CONTROLLED ORGANISATION

1. Section 59 of the Local Government Act 2002 provides:

Principal objective of a council-controlled organisation

- (1) The principal objective of a council-controlled organisation is to
 - (a) achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the statement of intent; and
 - (b) be a good employer; and
 - (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavoring to accommodate or encourage these when able to do so; and
 - (d) if the council-controlled organisation is a council-controlled trading organisation, conduct its affairs in accordance with sound business practice.
- (2) In subsection (1)(b), good employer has the same meaning as in clause 36 of Schedule 7 of the Local Government Act 2002.

NATURE AND SCOPE OF ACTIVITIES

Nature

The Nature of the Trust is to promote and provide housing and wellbeing services that are relevant and meet long term community needs.

¹ 'Shareholders' include any partners, joint venture partners, members or other persons holding equity securities in relation to the organisation. In this case the shareholders will be the Mayor and the Councillors of the Manawatu District Council.

² 'Directors' and the 'Board' include trustees, managers or office holders (however described in the organisation).

Scope

The Trust is a robust, professional, and viable organisation that is providing a modern healthy living environment, up to date, good quality, sustainable housing and health facilities that address the needs of the community to enhance the long-term wellbeing of Manawatu residents.

OBJECTIVES OF THE MANAWATU COMMUNITY TRUST

The objectives of the Manawatu Community Trust as identified in its Deed of Trust are:

1. Any charitable purpose within the Manawatu District
2. To create a fund to be used for:
 - 2.1 The promotion of any purpose or purposes within the Manawatu District for the relief of poverty and for the benefit of the residents of the Manawatu District.
 - 2.2 The promotion and provision of housing for the elderly and disabled residents of the Manawatu District.
 - 2.3 The promotion of health services for the residents of the Manawatu District.
 - 2.4 The promotion of wellbeing services for residents of the Manawatu District – these services shall include services promoting the improvement of the lifestyle, health and welfare of residents in the Manawatu District and creating a sense of community for the benefit of the residents of the Manawatu District.
 - 2.5 To accept gifts and grants of whatever description, provided that any private benefit conferred on any individual is incidental to the above purposes.

GOVERNANCE

Five Trustees have been appointed by the Manawatu District Council to the Trust with terms as set out below.

- **Tyson Schmidt, Chairperson, reappointed for 3 years from 1 July 2022 – 30 June 2025**
- **Liam Greer, reappointed for 3 years from 1 April 2024 – 31 March 2027**
- **Joanne Shortall, reappointed for 3 years from 1 April 2024 – 31 March 2027**
- **Tracey Hunt, appointed for 3 years from 1 July 2021 – 30 June 2024**
- **Allan Davey, appointed for 3 years from 6 May 2022 – 5 May 2025**

The Trust meets for Board meetings on a bi-monthly basis, the three Subcommittees meet on a bi-monthly basis, and regular meetings are held with senior staff to review the operational business of the Trust.

STATEMENT OF ACCOUNTING POLICIES

The Trust has elected to apply with XRB's Tier 3 PBE (PS) standard. This is on the basis that it does not have public accountability and has total annual expenses equal to or less than \$5,000,000.

All transactions in the Performance Report are reported using the accrual basis of accounting.

The Performance Report is prepared under the assumption that the Trust will continue to operate in the foreseeable future.

PERFORMANCE TARGETS

Goal 1: Maintain and develop existing housing that is user friendly, adaptable, accessible and safe

Description	Starting Point	Target	Results to 30 th June 2025	Results to 30 th June 2024
Have all occupied housing stock at a *3 Star rating or above by 2025. *A rating system from 1 to 5 Star; 5 Star being the highest.	Housing at a 3 Star rating or above as at 30 June 2021: 193 of 205.	2025: All housing stock 2026: All housing stock 2027: All housing stock	Achieved. All housing stock achieved a 3-Star rating or higher at 30 June 2025.	Achieved.
Healthy Homes Compliance	2024: • Heat Pumps 175 of 205 • Extraction Units 125 of 205	2025: 100% Compliance 2026: 100% Compliance 2027: 100% Compliance	Achieved. All housing stock achieved Healthy Homes compliance at 30th June 2025. • 205 units have extraction units installed. • 204 units have heat pumps installed and 1 unit has a compliant gas heater.	2024: • Heat Pumps 175 of 205
Plan major renovations that incorporate improved functionality and safety and that support aging in place.	2024: Defined level of service.	2025: 4 2026: 4 2027: 4	Achieved. 5 units have received major renovations to 30 June 2025. Major renovation work includes safety and functionality improvement alongside remedial work to address wear and tear.	2024: Defined level of service.
Be responsive to urgent maintenance requirements and resident health and safety needs.	Urgent requests are recorded electronically and are responded to in accordance with their priority.	2025 - 2027 Urgent maintenance requests are actioned in alignment with MCT Tenant Health and Safety Policy.	Achieved. 41 urgent maintenance requests were received and rectified within expected timeframes.	There were 11 urgent plumbing jobs recorded within the MCT database and were allocated to the appropriate service provider within expected timeframe.
Maintain average month end occupancy at above 95%.	Average month end occupancy 2022: 96%	2025: >95% 2026: >95% 2027: >95%	Achieved. Average month end occupancy was 98%.	2024: 96% average occupancy of the full residential portfolio.

Goal 2: Increase the Number of Housing Units

Description	Starting Point	Target	Results to 30 th June 2025	Results to 30 th June 2024
MCT will increase affordable housing stock to a total of 250 housing homes by 2030.	As at 30 June 2022: 205 units	2025: 209 2026: 212 2027: 224	In progress. Four units at Prince St are expected to be completed by December 2025. Development of twelve units at Corrick Court are expected to commence in Nov 2025.	2024: 205

Collaborate with the MDC in defining, developing, and refining a strategy to address housing needs for elderly and disabled residents in the Manawātū.	<p>2020: 250 by 2030 Strategy agreed.</p> <p>2024: Establishment of a Feilding based Community Housing Provider.</p>	<p>2025: MHUD Funding Application.</p> <p>Identification of suitable council owned land or planned decommission of MDC existing property.</p>	<p>CHP trust is on hold pending a change in govt. funding and registration restrictions.</p> <p>No suitable council owned land has been identified.</p>	Oroua Community Housing Trust Deed and Board have been established and the entity is registered with the Companies Office and Charities Services. Application for CHP registration was submitted in April and MCT is working through additional requests for information.
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Goal 3: Develop Services Promoting Health and Wellbeing

Description	Starting Point	Target	Results to 30 th June 2025	Results to 30 th June 2024
The promotion of wellbeing services promoting the improvement of lifestyle, health and welfare and creating a sense of community for the benefit of the residents of the Manawātū.	<p>2022: Research based community needs assessment for senior citizens completed.</p> <p>2023: Community needs identified for progression:</p> <ul style="list-style-type: none"> Investigate a broader range of housing models. Consider how we could strengthen digital connectivity and capability for older adults to increase community engagement and facilitate access to online housing, health, and wellbeing services. 	<p>2024/25: Housing model forum to guide future housing.</p> <p>2025-2027:</p> <ul style="list-style-type: none"> Digital access and capability assessment. Digital support service stocktake. Identify key digital wellbeing applications. 	<p>Achieved.</p> <p>Achieved. Stocktake of regional support services and identification of key digital wellbeing applications has been completed. Tenant engagement scoping digital literacy and priorities has been completed.</p>	<p>Achieved.</p> <p>Research-based future needs assessment has been completed.</p> <p>Resultant MCT actions are in process.</p>
Continue to offer Manawātū residents the option of rentals at no more than 30% of the superannuation plus accommodation benefits available.	<p>April 2023: Highest rental at 30% of single superannuation benefit (as at April 2022) including 100% of available accommodation supplement.</p>	<p>2025: <30%</p> <p>2026: <30%</p> <p>2027: <30%</p>	<p>Achieved.</p> <p>100% of tenants pay rent at, or less than, 30% of annual superannuation plus the accommodation benefit.</p>	<p>Achieved.</p>

Goal 4: Compliance and Financial Performance

Description	Starting Point	Target	Results to 30 th June 2025	Results to 30 th June 2024
Provide financial reporting to the MDC as required applying XRB's Tier 3 PBE (PS) standard.	Meet half yearly and annual reporting deadlines set by MDC and Audit NZ.	2025 - 2027: Reports submitted on time and to the satisfaction of MDC.	Achieved.	Achieved.
Meet ANZ financial undertakings as per our loan agreements to maintain an effective equity / total tangible asset % greater or equal to 50%.	As at 30 June 2022: 83.6%	2025 - 2027: ≥ 50%	Achieved. 83.5%	Achieved. 84%
Maintain an interest coverage ratio of EBITDA to interest at above 3.	As at 30 June 2022: 8.4	2025 - 2027: >3	Achieved. 5.0	Achieved. 5.1


Liam GreerChairperson
Manawatū Community Trust

