

# FIRST NZ PROPERTIES LTD



This quarterly Management Report (“Report”) provides key information about First NZ Properties Ltd. This report covers the period between 01 July to 30 September 2022.



Second Quarter, FY 2023

28 October 2022

Dear Shareholder

## FIRST NZ PROPERTIES LIMITED (COMPANY) - SHAREHOLDER UPDATE

### Conditional sale of 15 Sheffield Crescent, Christchurch.

Sheffield Crescent Property Limited, a subsidiary of **First NZ Properties Limited**, advised that it has entered into a conditional agreement for sale and purchase of its property at 15 Sheffield Crescent, Christchurch. Subject to the conditions being satisfied, the settlement date is expected to be 20 February 2023.

### Unaudited Financial Report at 30 September 2022

This is an unaudited update of the company’s 6-month financial information.

This information is directly from our Xero system as at 30 September 2022.

Financial information summary	2022 (1 Apr to 30 Sept 2022)	2021 (1 Apr to 30 Sept 2021 for comparison)
Gross rental income	\$ 996,958	\$ 933,048
Net profit before tax (NPBT)	\$ 514,546	\$ 480,660
Total assets	\$ 27,930,705	\$ 24,596,628
Total liabilities	\$ 242,055	\$ 280,216
Ending equity	\$ 27,688,650	\$ 24,316,412

### Dividend – No dividend payment in November

The dividend policy of the Company is to distribute to its shareholders a final dividend in November, after the finalisation of the annual accounts. The dividend payout is subject to the directors of the Company having considered several financial issues including imputation credits being available to fully impute the proposed dividend amount.

In recent years tax has been prepaid to fund the imputation credits attached to dividends. This is a temporary measure and it has allowed previous dividend payments to be imputed. As there are minimal imputation credits available, the Directors resolved not to continue to prepay tax and, as a result, **no dividend will be paid in November**. Once the Company has sufficient imputation credits available dividend payments may resume subject to the other requirements of the dividend policy.



### **15 Sheffield Crescent, Christchurch.**

**NZ Yarns Ltd.** Lease Renewal 21st Nov 2024, Final Lease Expiry 20th Nov 2036

All rent, insurance premiums and recharges are up to date.

### **234 Rangitikei Street, Palmerston North.**

**Harvey Norman Ltd.** Rent Review 27th Oct 2022, Lease Renewal 27th Oct 2026, Final Lease Expiry 27th Oct 2031.

Full rent, opex and all recharges are being paid.

The CPI rent review (capped at 3%) has been agreed and the increased rent will be paid from November.

**Bed Bath and Beyond.** Rent Review 1st Dec 2022, Lease Renewal 1st Dec 2026, Final Lease Expiry 1st Dec 2036.

Full rent, opex and all recharges are being paid.

**PriceBusters (Uncle Bills Discount Store).** Rent Review 5th April 2023, Lease Renewal 5th April 2027, Final Lease Expiry 5th April 2033.

Full rent, opex and all recharges are being paid.

### **Annual General Meeting**

The Company AGM was held in Nelson on the 21 September 2022.

The chair overviewed the 2021-22 operations and commented on the general strategy for the company. This would include a review of the current properties and look at possibilities of sales and purchases. He also commented on the current capital structure of the company with the possibility of a share buyback. The payment of dividends would be limited as we have minimal Imputation Credits available and the funds could be retained to finance growth.

All the resolutions were passed unanimously. BDO Christchurch were returned as the auditors for the Company.

### **Special General Meeting – Change of Constitution**

A special meeting of the Company was held at Duncan Cotterill at 197 Bridge Street, Nelson on Friday 17 June 2022, commencing at 10:00am.

The meeting was convened in relation to the proposed adoption of a new constitution for the Company which would modernise the constitution.

#### **The meeting passed the following resolution:**

That the current constitution of the Company is revoked and the constitution set out in appendix one to the notice of meeting is adopted by the Company.

A copy of the new constitution is available on our website <https://www.fssmanagement.co.nz/wp-content/uploads/2022/06/FNZ-Constitution-2022.pdf> .

If you require any further information, please contact us on [info@fssmanagement.co.nz](mailto:info@fssmanagement.co.nz) .

Yours faithfully

**John Murray**

**Chair**