



GREYTOWN
TRUST LANDS

Growing the Community since 1871

Performance Report

Greytown District Trust Lands Trustees
For the year ended 31 March 2016

Chairman's Report

It is my pleasure once more to present the annual report of the Greytown District Trust Lands Trustees. While it has again been a busy time for all concerned at the Trust, there has been a shift in the focus of activity compared to 2014/15. This year the Trust has realised some property assets which has enabled it to consolidate its financial position. This will give the new Board of Trustees a solid foundation on which to move forward.

Property development

One plank of the Board's property strategy is to undertake new design and build projects on Trust owned land as means of growing its rental base, thereby enabling us over time to increase the dividend to the community. However, despite our best efforts, we have not found ourselves in the position of undertaking new development this year.

Although there has been a fair degree of interest over the past 12 months in vacant sites in Arbor Place and also just off Main Street we have not been able for a variety of reasons to reach the point of agreeing terms with prospective new tenants that would have supported us committing funds to new construction. A factor appears to be the reluctance on the part of businesses to commit to what the Board believes are fair market rents and lease terms for new buildings constructed to their requirements. The Board is looking to overcome this lull in development in a couple of ways.

Trustees have recently agreed terms with Property Brokers to market Arbor Place to a much wider property market. The marketing campaign will utilise Property Brokers' regional network across the lower North Island as well as their alliance with Barfoot and Thompson in the Auckland region to help target potential clients in Wellington, Auckland and other regions who may view a move to the Wairarapa as an opportunity to expand their operations or to simply relocate, whether for business or lifestyle reasons.

It is anticipated that meeting the market will be less of an issue for interested parties from outside the Wairarapa. Such interest would hopefully translate into new businesses and more jobs for Greytown.

Trustees have also taken a more proactive stance on the idea of disposing of vacant land to enable others to undertake their own developments. This approach is showing promise.

Land and property transactions

In addition to adopting a more flexible approach to disposal of vacant sites, the Board is continually reviewing the performance of the portfolio with a view to disposing of land and property that is assessed as no longer meeting the Trust's strategic requirements. We have as a consequence realised funds from a number of assets.

We were particularly pleased in late last year to sell to a local developer the land and buildings at 1-3 Main Street, a contaminated site which had become run-down and would have required considerable risk and expense to redevelop ourselves. The major improvements to the site and existing buildings that have already been undertaken by the developer together with planned future works will introduce a good mix of commercial and residential use, combining to enhance the northern gateway to Greytown.

In line with Board strategy we have also made progress in divesting two of the three remaining residential leasehold sections that hark back to the establishment of the Trust in 1871. And finally, we are close to finalising a sale of one of the vacant lots in Arbor Place.

As a result of this activity we raised a total of \$480,000 from disposals last year, with another \$330,000 anticipated to be received this year from property currently under offer. These funds have been used, and will be used, to pay down borrowing thus strengthening the Trust's equity position and setting a good platform from which to launch a future upgrade and expansion of the portfolio.

Unfortunately, despite interest being shown by one party in redeveloping the building (under a lease arrangement) and by others in relocating it, we have still not been able to secure a future for the former Oddfellows Hall in Hastwell Street. It is a sad reality that the costs associated with bringing the building up to current building code standard or even relocating it a short distance appear to outweigh the economic benefit from any future use. It seems probable the Board will ultimately be faced with the choice of having to demolish it to make way for a redevelopment of the site by the Trust or to sell the land and buildings for redevelopment by others.

Community dividend

The whole purpose of the Trust is to give back to the Greytown community. This year it is pleasing that we have been able to increase the level of dividend slightly, which has seen a total of just over \$330,000 awarded in the form of grants, community organisation and sports club rent remissions and payment for free wi-fi in the town centre.

As our statement of service performance shows this represents 62% of our operating surplus for the year. This proportion would have been higher were it not for the fact that we ended up not allocating all of the grant funding we had budgeted for the year. Overall this is a positive result, achieved while the Trust has been continuing to service and pay down loan debt and setting aside funds for future enhancement of the property portfolio.

The sectors to which we have allocated grants and the amounts we have allocated to them have largely remain unchanged. This year, in very broad terms, grant funding was allocated to education (\$117,000 – 35%), sports and leisure (\$147,000 – 44%), public utility \$2,000 (1%) and for social, arts and culture and other community purposes (\$65,000 – 20%).

Looking to the future, it will be timely and appropriate for the new Board to revisit the strategic priorities for the Trust's grant funding. We need to assess the effectiveness of the grants we currently give out and also get to grips with the key educational, social and economic factors that have already resulted in and are promoting change in the way our community lives, works and plays. From there we can determine the needs we should be addressing.

While this exercise should not result in less overall funding being made available it could well mean switching funding between sectors and between beneficiaries within sectors.

Financial results

As you will see the Trust has received an unqualified audit opinion this year on what is its very first performance report in a format required to comply with new international accounting standards. This is a creditable achievement and thanks are due to our General Manager and Accountant for ensuring a smooth transition to the new reporting regime.

The financial statements show that, while revenue was slightly up, net profit fell as a result of an increase in expenses. This increase was the product of additional interest expense (\$45,000) and staff pay and trustee honorarium increases. The total of Trustees' honoraria doubled (by \$17,000) following a new determination issued in April 2015 by the Minister for Local Government under the

Cabinet Fees Framework, which represented the first increase since April 2009. Despite also paying out more grants, we were still able to transfer just over \$200,000 to accumulated funds.

A particularly pleasing outcome is our key financial indicators, set out in the new service performance report, demonstrate that the Trust remains in good heart and that we continue to run a good operation.

All in all, Trustees are very satisfied with the Trust's performance.

Governance

This is election year and the positions of three Trustees fall vacant by rotation on October 8. Two of the Trustees concerned, Deputy Chairman Rob Smith and Graeme Gray, have confirmed they will not put themselves forward for re-election. As the third Trustee whose term is up, I will be standing again. This means at least two new Trustees will be appointed to the Board.

Rob and Graeme have been long serving members of the Board, have contributed significantly to the good work of the Trust and between them have amassed a wealth of organisational knowledge that will be difficult to replicate. I would like to record my, the rest of the Board's and hopefully your appreciation of their years of sterling work in the service of the community and wish them well in retirement.

Of course I shouldn't ignore the work of our other Trustees, David Montgomerie, Wayne Regnault and Mike Gray, who will be carrying on in their roles. I thank them too for their support and for their very worthwhile contributions around the Board Table.

Management

I would like to go on record with my thanks to our core management team, Kevin Murphy, General Manager, Helga Perry, Administrative Assistant, and Daniel Murphy, Accountant - assisted from time to time by our lawyers, WCM Legal, and property valuers, Blackmore Group Ltd - for ably administering the Trust's affairs over the last 12 months.

Speaking on behalf of the Board we have continued confidence in this team's ability and enthusiasm to build on the good work that has gone before and to help further consolidate the Trust's position.

Finally....

It will be for the new Board to determine the Trust's direction in the coming 12 months. While the challenges the new Trustees may face and the opportunities that may come their way in the future may change, I have no doubt they will as always be focussed on achieving the best long term outcomes for the community.

It will be an interesting year to come!

Derek Wilson
6 September 2016

Contents

3	Compilation Report
4	Entity Information
6	Approval of Performance Report
7	Statement of Service Performance
9	Statement of Financial Performance
10	Statement of Financial Position
11	Statement of Cash Flows
12	Statement of Accounting Policies
14	Notes to the Performance Report

Compilation Report

Greytown District Trust Lands Trustees For the year ended 31 March 2016

Compilation Report to the Directors of Greytown District Trust Lands Trustees.

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Greytown District Trust Lands Trustees for the year ended 31 March 2016.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

The Trustees are solely responsible for the information contained in this financial report and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

Independence

We have no involvement with Greytown District Trust Lands Trustees other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

Audit

An independent audit of these financial statements was undertaken by Moore Stephens Wairarapa Audit.

RightWay Limited
Chartered Accountants
New Zealand

Entity Information

Greytown District Trust Lands Trustees For the year ended 31 March 2016

Legal Name of Entity

Greytown District Trust Lands Trustees

Entity Type and Legal Basis

Registered Charitable Entity under the Charities Act 2005. Incorporated as a body corporate under Greytown District Trust Lands Act 1979.

Registration Number

CC22127

Entity's Purpose or Mission

The purpose of the Trust is to manage its property portfolio for the benefit of the residents of the Greytown District. The outcomes sought by the Trust from its activities can be summarised as:

- A well-educated local community that is able to successfully participate in and contribute to the economy, and
- A local community that has access to opportunities to be able to enjoy a lifestyle that contributes to its physical, social, cultural, economic and environmental well-being, and
- A local community that is adequately served in terms of public utility.

Trust's Operations Structure

The Trust's operations are governed by the Board of Trustees, comprising six members elected by persons who are on the residential electoral roll of the Greytown District ward of South Wairarapa District Council.

The Board has appointed a full-time General Manager to administer the Trust's operation on a day to day basis. The General Manager is assisted by a part-time Administrative Assistant.

Some operational requirements, for example accounting and property valuation services, are delivered by external contractors engaged by the General Manager with the approval of the Board of Trustees.

Trust's Cash and Resources

The principal assets of the Trust, from which it earns revenue, are the land vested in or acquired by the Trust in accordance with the provisions of the Greytown Trust Lands Act 1979, and any capital improvements to the land in the form of buildings and their associated infrastructure.

The liquidity of the Trust is supported by cash at bank arising from its day to day operations and recovery of amounts outstanding from debtors, principally lessees.

Main Methods of Raising Funds

The Trust's main source of operating revenue is rents from leasing the land and property vested in or held by the Trust.

The main methods of raising funds to support investment in the Trust's property portfolio are external borrowing and property sale proceeds.

Reliance on Volunteers and Donated Goods and Services

The Trust operates in a commercial environment and is not reliant on volunteers and donated goods and services to support any of its operations.

Physical Address

124 Main Street, Greytown, Wairarapa, New Zealand, 5712

Postal Address

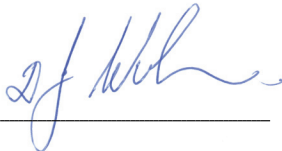
PO Box 16, Greytown, Wairarapa, New Zealand, 5742

Approval of Performance Report

Greytown District Trust Lands Trustees For the year ended 31 March 2016

The Trustees are pleased to present the approved performance report of Greytown District Trust Lands Trustees for the year ended 31 March 2016.

Approved this 3 day of AUGUST 2016.



D J Wilson

Chairman



R Smith

Deputy Chairman

Statement of Service Performance

Greytown District Trust Lands Trustees For the year ended 31 March 2016

Description of Entity's Outcomes

The outcomes sought by the Trust from its activities are effectively defined by the Trusts on which lands are to be held as set out under Section 13¹ of the Greytown District Trust Lands Act 1979 ("the Act"). They can be summarised as:

- A well-educated local community² that is able to successfully participate in and contribute to the economy, and
- A local community that has access to opportunities to be able to enjoy a lifestyle that contributes to its physical, social, cultural, economic and environmental well-being, and
- A local community that is adequately served in terms of public utility.

¹ **Section 13 (Trusts on which lands to be held):**

"Subject to the express provisions of this Act, the Trust Board shall hold, and shall be deemed always to have held, the trust lands for the following purposes:

(a) Establishing, assisting in the establishment of, or generally assisting, educational facilities (including libraries) in the district;

(b) Promoting and fostering in the district, or among persons who are, or who at some time have been, resident in the district, education generally, including (but not by way of limitation)

i. the cultivation of; and

ii. the imparting of knowledge, proficiency, and skill in art, science, technical subjects, literature, physical welfare, and other cultural purposes;

(c) for the purposes of public utility and for the purpose of maintaining and promoting in the district the general well-being of the public."

² ***"Local community" means the residents of the geographic area covered by the Greytown District electoral ward of the South Wairarapa District Council.***

Description of the Entity's Outputs

Consistent with the activities of the Trust, Trustees have identified two key outputs of interest to Greytown District residents, who are the beneficiaries of the Trust, and other stakeholders. These are:

- The level of dividend in the form of financial assistance (grants) that Trustees are delivering each year to the local community, and
- The quality of the Trustees' stewardship of the assets vested in or held by the Trust.

Quantification of the Entity's Outputs

The measures that have been selected by Trustees to provide evidence to beneficiaries and stakeholders of the performance of the Trust in delivering its identified outputs have been set in the table that follows.

The results for the year ended 31 March 2016 are shown against each measure. As this is the first year of measurement, there are no available comparative figures for the previous financial year.

Description and Quantification of the Entity's Outputs

Measure	No.	\$	%
<i>Dividend delivered to the local community</i>			
1.1 Number and value of grants awarded by category:			
Education			
Schools bulk funding	2	67,520	
Tertiary scholarships	80	74,250	
Post-grad and professional development	1	1,500	
Extracurricular development	1	1,000	
Sports			
Ground lease rent remissions	2	63,264	
Sports co-ordinator salary support	1	60,000	
Sports club bulk funding	16	35,000	
Sports – for individual achievement	10	3,450	
Community			
Ground lease rent remissions	2	36,303	
Community groups	15	119,612	
Public utility			
Greytown Main Street free wi-fi access	1	1,521	
TOTAL ALL GRANTS	131	463,420	
1.2 Proportion of annual grants budget spent	-	-	93%
1.3 Proportion of annual operating surplus allocated to grants	-	-	62%
<i>Quality of financial stewardship</i>			
2.1 Rate of return on average market value of property assets held in trust	-	-	7%
2.2 Change in value of Trust equity	-	+611,865	+5%
2.3 Ratio of debt to equity	-	-	12%

Statement of Financial Performance

Greytown District Trust Lands Trustees For the year ended 31 March 2016

	NOTES	2016	2015
Revenue			
Revenue from providing goods or services	1	1,072,075	1,061,394
Interest, dividends and other investment revenue	1	2,168	2,630
Total Revenue		1,074,243	1,064,025
Expenses			
Costs related to providing goods or services	2	185,217	185,018
Other expenses	2	352,309	292,024
Total Expenses		537,526	477,042
Net Surplus/(Deficit) before Grants		536,718	586,982
Grants			
Grants and Donations made	16	330,866	302,129
Total Grants		330,866	302,129
Net Surplus/(Deficit) from Operating		205,852	284,854
Non Operating			
Annual Revaluation and Gain on Sale		405,418	-
Total Non Operating		405,418	-
Net Surplus/(Deficit) to Trust Capital		611,270	284,854

The accompanying notes and accounting policies form part of these financial statements.

Statement of Financial Position

Greytown District Trust Lands Trustees

As at 31 March 2016

	NOTES	31 MAR 2016	31 MAR 2015
Assets			
Current Assets			
Bank accounts and cash	3	142,139	78,078
Debtors and prepayments	3	88,636	266,275
Property Development in Progress	3	28,731	657,326
Other Current Assets	3	3,904	-
Total Current Assets		263,410	1,001,679
Non-Current Assets			
Property, Plant and Equipment	5	13,785,060	13,113,567
Other non-current assets	3	65,550	-
Total Non-Current Assets		13,850,610	13,113,567
Total Assets		14,114,020	14,115,246
Liabilities			
Current Liabilities			
Accounts Payable - Grants Committed Not Yet Paid	15	8,999	117,412
Other current liabilities	4	93,782	440,776
Total Current Liabilities		102,782	558,188
Non-Current Liabilities			
Loans	4	1,517,293	1,675,000
Total Non-Current Liabilities		1,517,293	1,675,000
Total Liabilities		1,620,075	2,233,188
Total Assets less Total Liabilities (Net Assets)		12,493,945	11,882,058
Trust Capital			
Accumulated surpluses or (deficits)	6	8,578,788	8,845,742
Funds in Trust	10	69,670	69,053
Reserves	7	3,845,487	2,967,263
Total Trust Capital		12,493,945	11,882,058

The accompanying notes and accounting policies form part of these financial statements.

Statement of Cash Flows

Greytown District Trust Lands Trustees For the year ended 31 March 2016

	2016	2015
Cash Flows from Operating Activities		
Receipts from providing goods or services	1,232,738	1,187,532
Interest, dividends and other investment receipts	1,880	4,398
GST	(65,602)	(144,786)
Payments to suppliers and employees	(577,496)	(509,150)
Donations or grants paid	(463,420)	(444,065)
Total Cash Flows from Operating Activities	128,101	93,928
Cash Flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	500,342	149,500
Movements of loans borrowed from other parties	(157,707)	870,854
Payments to acquire property, plant and equipment	(341,742)	(1,121,849)
Capital repaid to owners or members	617	(1,415)
Cash Flows from Other Investing and Financing Activities	(65,550)	-
Total Cash Flows from Investing and Financing Activities	(64,040)	(102,910)
Net Increase/ (Decrease) in Cash	64,061	(8,983)
Cash Balances		
Cash and cash equivalents at beginning of period	78,078	87,061
Cash and cash equivalents at end of period	142,139	78,078
Net change in cash for period	64,061	(8,983)

The accompanying notes and accounting policies form part of these financial statements.

Statement of Accounting Policies

Greytown District Trust Lands Trustees For the year ended 31 March 2016

(a) Statutory Basis

This performance report is for the Greytown District Trust Lands Trustees.

The Board of Trustees is a body corporate established in terms of the Greytown District Trust Lands Act 1979 and as amended by the Greytown District Trust Lands Amendment Act 1993.

This performance report has been prepared in accordance with generally accepted accounting practices. It is prepared by the Board of Trustees as required under Section 34 of the Greytown District Trust Lands Act 1979 and in terms of Section 35 of that Act are received by the electors at their annual meeting.

(b) Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

(c) Reporting Entity

The reporting entity is known as the Greytown District Trust Lands Trustees and is governed by the Board of Trustees and includes all activities carried out under the control of the Board.

(d) Measurement Basis

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified below.

(e) 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.

Cash is regarded as those sums held on current account for use in the day-to-day management of the Trust.

(f) Accounts Receivable

Receivables are stated at their estimated realisable value.

(g) Bad Debts

Bad debts are written off in the year in which they are identified.

(h) Goods and Services Tax (GST)

The entity 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.

(i) Fixed Assets and Depreciation

All fixed assets are recorded at cost less accumulated depreciation except for investment properties which are revalued annually. Depreciation of the assets has been calculated at rates to allocate the assets' cost over their estimated useful lives

The entity has the following asset classes:

Buildings	0%	Revalued annually
Freehold Land	0%	Revalued annually
Improvements to Investment Property	0%	Revalued annually
Office Furniture & Equipment	10 - 40%	Diminishing value
Chattels	10%	Diminishing value

(j) Currency

There are no foreign currency transactions and all transactions are denominated in New Zealand dollars.

(k) Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of net tangible and identifiable intangible assets acquired, at the time of acquisition. There has been no Goodwill paid on any acquisition during the year.

(l) Income Tax

Greytown District Trust Lands Trustees is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

(m) Finance Leases

Assets purchased or used pursuant to finance leases are included as fixed assets in the Statement of Financial Position. The Trustees have not entered into any off-balance sheet investments. All financial instruments including cash, bank and creditors are recognised at cost.

(n) Rental Income and Remissions

Rental Income and Remissions are recorded in the same accounting period in which the rent obligation was created.

(o) 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

Greytown District Trust Lands Trustees For the year ended 31 March 2016

	2016	2015
1. Analysis of Revenue		
Revenue from providing goods or services		
Rents		
Commercial Buildings	820,934	816,628
Commercial Sections	123,670	110,556
Residential Sections	19,149	22,923
Total Rents	963,753	950,107
Recoveries		
Boardroom Hireage	-	373
BWOF Recovered	2,797	1,578
Cleaning Recovered	10	635
Electricity Recovered	2,224	3,259
Fire Alarm Recovered	-	120
Insurance Recovered	43,847	45,250
Rates Recovered	57,787	60,022
Repairs & Maintenance Recovered	1,657	50
Total Recoveries	108,323	111,287
Total Revenue from providing goods or services	1,072,075	1,061,394
Interest, dividends and other investment revenue		
Interest Income	2,168	2,630
Total Interest, dividends and other investment revenue	2,168	2,630
Total Revenue	1,074,243	1,064,025
	2016	2015

2. Analysis of Expenses

Costs related to providing goods or services		
BWOF	3,067	3,801
Cleaning	2,244	2,595
Electricity	6,503	7,172
Fire Alarm Servicing	156	185
Insurance - Buildings	45,694	48,143
Legal Fees	5,156	6,142
New Development Investigation	13,247	-
Rates	66,761	66,560
Repairs & Maintenance	38,189	44,700
Valuation Fees	4,200	5,720
Total Costs related to providing goods or services	185,217	185,018
Other expenses		
Advertising	2,120	5,969

Bad Debts Write Off	-	2,917
Bank Fees	248	370
Communication Costs	3,991	2,912
Computer, Printing & Stationery Supplies	3,875	2,681
Depreciation	2,361	2,628
GA5 event	-	1,020
General Expenses	1,808	1,009
Holiday Pay	5,604	-
Insurance - Public Liability	1,100	1,290
Interest Expense	106,774	61,982
Motor Vehicle Expenses	187	2,955
Office Rent & Expenses	-	92
Subscriptions	1,198	769
Workshops & Training	-	226
Audit Fees	6,580	11,680
Computer & Website Support	2,788	3,853
Legal Expenses	270	9,366
Property Advisor Fees	7,505	7,060
Recruitment Expenses	6,750	325
Trust Administration Support	59,671	60,688
Trust Manager Contract Fee	102,865	88,558
Trustee Election Expenditure	-	5,232
Trustee Expenses	1,876	1,373
Trustees Honorarium	34,736	17,069
Total Other expenses	352,309	292,024
Total Expenses	537,526	477,042
	2016	2015

3. Analysis of Assets

Bank accounts and cash

BNZ - Cheque Account	72,469	9,025
BNZ - Fixed Term Morisons Bush	55,776	55,776
WBS - Pipe Band	13,894	13,277
Total Bank accounts and cash	142,139	78,078

Debtors and prepayments

Accounts Receivable	114,706	167,144
GST	(26,507)	55,561
Interest Accrued	437	-
Prepayments	-	43,570
Total Debtors and prepayments	88,636	266,275

Investment property development in progress

1 Kuratawhiti Street	20,798	4,371
Unit 2 - Bidwills Cutting	7,933	7,978
Unit 5 - Bidwills Cutting (Top)	-	644,977
Total Investment property development in progress	28,731	657,326

Other current assets

Accrued Income	3,904	-
Total Other current assets	3,904	-

Other non-current assets

Loan to Bodyworks	65,550	-
Total Other non-current assets	65,550	-

2016 2015

4. Analysis of Liabilities**Other current liabilities**

Accounts Payable	29,882	355,937
Employee Entitlements	5,604	-
Accrued Expenses	17,768	5,100
Income in Advance	-	39,211
Rent & Property Costs Prepaid	40,529	40,529
Total Other current liabilities	93,782	440,776

Loans

WBS - Loan Account	1,517,293	1,675,000
Total Loans	1,517,293	1,675,000

2016 2015

5. Property, Plant and Equipment**Land**

Land at Market Value	6,116,500	6,366,500
Total Land	6,116,500	6,366,500

Buildings

Buildings at Market Value	7,664,500	6,741,177
Total Buildings	7,664,500	6,741,177

	2016	2015
Furniture and Fittings		
Furniture and fittings owned	18,430	17,899
Accumulated depreciation - furniture and fittings owned	(14,370)	(12,009)
Total Furniture and Fittings	4,060	5,890
Total Property, Plant and Equipment	13,785,060	13,113,567

The Land and Buildings have been valued by Garry M Dowse, Registered Public Valuer (FNZIV, FPINZ) of the Blackmore Group as at 31st March 2016 at "Fair Value" from which the requirement is met by the assessment of "Market Value". Market Value is defined as being the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

	2016	2015
6. Accumulated Surpluses (Deficits)		
Accumulated Surpluses (Deficits)		
Opening Balance	8,845,742	8,560,888
Accumulated surpluses or (deficits)	611,270	284,854
Allocate to Realty Reserves	(878,224)	-
Total Accumulated Surpluses (Deficits)	8,578,788	8,845,742
Total Accumulated Surpluses (Deficits)	8,578,788	8,845,742
	2016	2015

7. Breakdown of Reserves

Reserves		
Realty Revalue Reserve Open Bal	2,967,263	3,429,364
Realty Reserve - Annual Revaluation	513,743	(462,101)
Realty Reserve - Land Reserve Account	364,481	-
Total Reserves	3,845,487	2,967,263

In accordance with the Greytown District Trust Lands Act 1979, Section 23(3):
Money received by the Trust Board from any sale pursuant to this section of any part or parts of the trust lands shall be applied by the Trust Board for or towards the purchase of other land or lands or the development of trust lands, and until so applied shall be held by the Trust Board in a special reserve account for that purpose.

8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2016 (Last year - nil).

9. Assets Used as Security for Liabilities

- (a) 213-219 Main Street, Greytown
- (b) 215 Main Street, Pahiatua
- (c) 32-34 Bedford Avenue, Wanganui
- (d) 11 Cole Street, Masterton
- (e) 246 Main Street, Greytown

These properties are used as security for the WBS Loan.

10. Funds in Trust

South Wairarapa Pipe Band

The interest earned from the South Wairarapa Pipe Band investment is compounded annually and funds are made available through grant applications to persons or bodies to advance the cause of the pipe band movement, piping or pipe drumming in the South Wairarapa.

The Morisons Bush Hall Trust Fund

The Morisons Bush Hall Trust Fund was derived from a Court Order dated 19th September 2000 which directed that the Fund be held by the Trustees and the interest from that fund be paid out annually to the Greytown Kindergarten, Greytown Primary School and Kuranui College. The Trustees have resolved to distribute the annual interest from the Morrison's Bush Hall Trust Fund equally to the 3 recipients.

	2016	2015
Morisons Bush	55,776	55,776
Pipe Band	13,894	13,277
Total Funds in Trust	\$69,670	\$69,053

2016 2015

11. Related Parties

Receivables

Cobblestones Museum Trust	15,675	15,675
Total Receivables	15,675	15,675

Payables

Greytown Rugby Club	79	-
Total Payables	79	-

Sales

Greytown Rugby Club	45,000	45,000
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	2016	2015
Cobblestones Museum Trust	31,350	31,350
Total Sales	76,350	76,350
Purchases		
South Wairarapa District Council	37,945	56,981
Holmes Construction Group	8,137	-
Total Purchases	46,082	56,981
Grants		
Greytown Rugby Club	48,588	51,622
Cobblestones Museum Trust	30,253	15,205
Total Grants	78,841	66,827

Nature of Relationships

Derek Wilson, Trust Chairman, is a Life Member of the Greytown Rugby Club, who are a Trust tenant and have received rent remission and grant funding from the Trust (via the bulk funding allocated to the Greytown Sports & Leisure Society).

Two Trustees, Graeme Gray and David Montgomerie, are Chairman and Member respectively of the Cobblestones Museum Trust, who are a Trust tenant and have received rent remission and grant funding from the Trust.

David Montgomerie is also an elected Member of South Wairarapa District Council, to whom the Trust pays local authority rates in respect of a number of Trust properties and has paid consent and other fees.

Wayne Regnault, Trustee, is a shareholder and employee of Holmes Construction Group Ltd who have undertaken building maintenance work for the Trust.

12. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

13. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

14. Borrowing Authority

In December 2008 the Trustees obtained authority from the Minister of Finance to establish a line of credit with the Trust's bankers. In December 2010 the Minister of Finance stated the Trust must confirm in writing to the Treasury every three years that borrowing remains within stated policy criteria and be limited to the lesser of:

1. A debt to equity ratio of 30 percent and
2. An interest cover of earnings before interest times two (2)

This was again confirmed in writing to the Treasury on 28th July 2016.

15. Grants Committed But Unpaid

The following grants have been committed but were unpaid as at 31 March 2016

	2016	2015
Cobblestones Trust for the new Museum front entrance	-	100,000
Greytown Sport & Leisure Association for salary & club development	-	15,000
Greytown Early Childcare for staff professional development	-	1,189
Community Grants	9,000	1,224
Total Committed Grants	9,000	117,413

16. Grants

The following grants were made during the year. Not all grants made during the year had been paid by balance date. The unpaid grants are shown as Accounts Payable - Grants Committee Not yet paid.

	2016	2015
Community	34,529	16,581
Rents Remission to Community and Sports Organisations	99,567	84,528
Community - Greytown Sport & Leisure Association	80,000	35,000
Schools - Bulk Education Funding	67,520	67,520
Tertiary	49,250	98,500
Total	330,866	302,129

17. Trustees Honorarium

The Trustees received the following remuneration during the current reporting period:

	2016	2015
Chairman - D J Wilson	8,397	6,137
Deputy Chairman - R Smith	6,324	2,603
Trustee - G J Gray	5,026	2,082
Trustee - T M Gray	5,026	2,082
Trustee - D Montgomerie	5,026	2,082
Trustee - W Regnault	5,026	2,082
Total	34,736	17,069

