



GREYTOWN  
TRUST LANDS

*Growing the Community since 1871*

# Performance Report

Greytown District Trust Lands Trustees  
For the year ended 31 March 2017

Prepared by RightWay Limited

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## Chairman's Report

On behalf of the Trustees I am proud to provide this report on the performance of the Trust over the last financial year. The Trust continues to make steady progress towards its goals.

The financial results for the year are pleasing, with the Trust's capital having grown by over half a million dollars, however that only tells one part of the story. The Trust has been working on ensuring not only the future profitability of the portfolio but also the stability of that income.

At present the Trust's debt is low and while that ensures interest costs are minimised it also allows an avenue for funding future growth of the Trust's asset base.

The past year has also seen a lot of thought put into ensuring that the Trust's grants priorities and policies are providing the best possible return to the community. The Trust has worked closely with a number of stakeholders, particularly in the education sector and has also taken the opportunity to learn from work carried out by the Masterton Lands Trust.

## Property Strategy

One of the most important areas of focus for the Trust both last year and this year has been the development and implementation of the property strategy. This identified a number of properties within the Trust's portfolio which were not providing a sufficient return to justify their continued retention and a several risks caused by a lack of diversity in the portfolio. Maintenance of buildings and consideration of seismic ratings has also been a factor.

The Trust has been fortunate in not suffering the problems experienced by Masterton Lands Trust. Seismic strength, and safety generally, are matters the Trustees take very seriously. An important feature of the property strategy has been to aim for all of the Trust's buildings to meet a category B seismic rating. Consideration is now being given to raising this standard. The investigations involved in ensuring this standard has been met have come at a cost but the Trustees consider this to be money well spent as it has ensured we have a clear picture of the quality of the Trust's assets.

The past year has seen some important changes in the composition of the Trust's property portfolio. There is now only one remaining residential property. Residential ground leases had been identified as providing insufficient return. The Oddfellows Hall was also sold as the potential development it was part of had become unlikely in the short to medium term and maintenance of the building could not be justified. The Trust had also received expressions of interest to purchase the building and the result is particularly pleasing. Commercial ground leases have also become a thing of the past for the Trust as again the returns did not measure up against other opportunities. They also contributed to the geographical imbalance of the portfolio.

This is an important point to note as there are arguments that can be made in favour of both continuing to invest mainly in the Wairarapa, and in seeking the best returns, which are often found in larger centres. The Trust is continuing to develop sites at Arbor Place. One proposal is currently at the stage of seeking design and build tenders and interest has been expressed in another building which would be quite a simple project. Continued developments here grow the value of the Trust's Greytown based portfolio. This can be offset by the disposal of properties within the Wairarapa which no longer fit with the Trust's strategy.

The property strategy is a key element of the Trustees stewardship of the assets held by the Trust and continues to be reviewed on a regular basis.

## Community dividend

Over the past year the Trust has made grants totalling over \$330,000. In addition to the established grants to Greytown Primary School, Kuranui College and rent remissions to community groups the Trust has made a number of other significant grants.

They include a grant of \$10,000 to the Greytown Trails Trust to assist with the planning for two suspension bridges which will connect the Greytown to Woodside trail with other cycle trails in development. This project was very well aligned with grants priorities agreed by the Trustees. In addition to contributing to health and community wellbeing and providing public utility it is expected that the project will bring economic benefit to the town. This project was also a chance for the Trust to reposition itself as a funder that helps a project get off the ground, rather than funding ongoing maintenance costs.

The Trust also assisted the Wellington Gliding Club to build a facility for their training academy at Papawai. Again, this project aligned with a number of the Trust's priorities.

The newly implemented process of running two grant funding rounds each year has made it easier for Trustees to assess the relative merits of applications.

More recently the Trust has also been reviewing the educational grants made by the Trust. This review has been facilitated by Colleen Douglas and has involved a number of stakeholders in the Greytown educational community. Through this review six strategic priorities have been developed for the Trust's educational funding. An application process has also been developed for the bulk funding provided to early childhood, primary and secondary education facilities to improve the Trust's understanding of educational needs and outcomes.

The Trust has continued to work with sports clubs to develop a vision for sports facilities in Greytown. A key driver in this project for the Trust has been the need to ensure that the Greytown community is obtaining the maximum possible benefit from the funding provided by the Trust. As with everything the Trust takes a long term view and is keen to ensure the sustainability of sport in Greytown. It is important to acknowledge the work done by the Deputy Chairman, Sid Kempton on this project.

## Financial Results

As previously noted the Trust has experienced another year of financial success. While income did drop slightly, due to sale of properties and some vacancies, the Trust's ability to repay debt and reduce interest costs has compensated for this. With more developments in the planning stages the opposite effect may be experienced in the 2017/18 year as the Trust borrows to fund these developments. As vacancies occur the Trust has been considering improving existing properties to attract good tenants. This may require further investment by the Trust or disposal of properties in line with the property strategy.

## Governance

Two new trustees, Sid Kempton and Catherine Rossiter-Stead, joined the board following the 2016 election and Derek Wilson was elected for a further term. Both Sid and Catherine have particularly useful skill sets for the Trust and it has been good to retain Derek's experience.

Trustees continue to devote significant time and thought to their role, particularly over the last year when the Trust has been busy in a number of different areas. I would like to thank all Trustees for their efforts and support.

## Management

It is important to recognise the efforts of the Trust's management team who have driven the success of the Trust over the last year. We are very fortunate to have a team who are not only of a very high calibre who also put in an incredible effort. Both Kevin and Helga show an impressive dedication to the Trust and I would like to thank them on behalf of the Trustees. I also acknowledge the Trust's accountant Daniel Murphy and our Property advisors, Blackmore Group and our lawyers, WCM Legal for their work over the past year.

As always the Trustees look forward to the year to come and to reporting on another successful year at the 2018 AGM.

David Montgomerie  
Chairman, Board of Trustees

# Compilation Report

## Greytown District Trust Lands Trustees For the year ended 31 March 2017

Compilation Report to the Trustees 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 2017.

These statements have been prepared in accordance with the accounting policies described in the Notes to this performance report.

### Responsibilities

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

The performance report was prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the performance report.

### Independence

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

### Audit

An independent audit of this performance report 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 2017

### 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

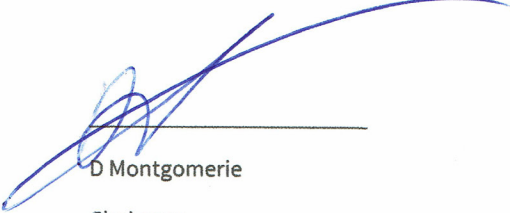


# Approval of Performance Report

## Greytown District Trust Lands Trustees For the year ended 31 March 2017

The Trustees are pleased to present the approved performance report of Greytown District Trust Lands Trustees for year ended 31 March 2017.

Approved this 20<sup>th</sup> day of JULY 2017.



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D Montgomerie  
Chairman



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S Kempton  
Deputy Chairman

MOORE  
STEPHENS

# Statement of Service Performance

## Greytown District Trust Lands Trustees For the year ended 31 March 2017

### 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 13<sup>1</sup> of the Greytown District Trust Lands Act 1979 (“the Act”). They can be summarised as:

- A well-educated local community<sup>2</sup> 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.

#### <sup>1</sup> 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.”**

<sup>2</sup> **“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 2017 are shown against each measure. Results for the previous financial year are also showing for comparative purposes.

## Description and Quantification of the Entity's Outputs

MEASURE	2016/2017			2015/2016		
	No.	\$	%	No.	\$	%
<b>Output 1 - Dividend delivered to the local community</b>						
1.1 Number of grant recipients and value of grants paid, by category:						
Education						
Schools bulk funding	2	61,920		2	67,520	
Youth Education, Training & Employment	1	10,000		-	-	
Tertiary scholarships	61	42,500		80	74,250	
Post-grad and professional development	-	-		1	1,500	
Extracurricular development	2	1,500		1	1,000	
Sports						
Ground lease rent remissions	2	62,605		2	63,264	
Sports co-ordinator salary support	1	50,000		1	60,000	
Sports club bulk funding	13	30,445		16	35,000	
Sports – for individual achievement	5	2,250		10	3,450	
Community						
Ground lease rent remissions	2	35,989		2	36,303	
Community groups	17	43,920		15	119,612	
Public utility						
Greytown Main Street free wi-fi access	1	1,520		1	1,521	
TOTAL ALL GRANTS	107	342,649		131	463,420	
1.2 Value of grants awarded as a proportion of the annual grants budget			94			93
1.3 Proportion of annual operating surplus allocated to grants			59			62
<b>Output 2 - Quality of financial stewardship</b>						
2.1 Rate of return on average market value of property assets held in trust			7			7
2.2 Change in value of Trust equity		+506,508	+4		+611,865	+5
2.3 Ratio of debt to equity			5			12

# Statement of Financial Performance

## Greytown District Trust Lands Trustees For the year ended 31 March 2017

	NOTES	2017	2016
<b>Revenue</b>			
Revenue from providing goods or services	1	1,052,663	1,072,075
Interest, dividends and other investment revenue	1	17,423	2,168
<b>Total Revenue</b>		<b>1,070,086</b>	<b>1,074,243</b>
<b>Expenses</b>			
Costs related to providing goods or services	2	188,205	185,217
Other expenses	2	316,388	352,309
<b>Total Expenses</b>		<b>504,593</b>	<b>537,526</b>
<b>Net Surplus/(Deficit) before Grants</b>		<b>565,493</b>	<b>536,718</b>
<b>Grants</b>			
Grants and Donations made	16	333,552	330,866
<b>Total Grants</b>		<b>333,552</b>	<b>330,866</b>
<b>Net Surplus/(Deficit) from Operating</b>		<b>231,941</b>	<b>205,852</b>
<b>Non Operating</b>			
Annual Revaluation and Gain on Sale		273,047	405,418
<b>Total Non Operating</b>		<b>273,047</b>	<b>405,418</b>
<b>Net Surplus/(Deficit) to Trust Capital</b>		<b>504,989</b>	<b>611,270</b>

# Statement of Financial Position

## Greytown District Trust Lands Trustees As at 31 March 2017

	NOTES	31 MAR 2017	31 MAR 2016
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	236,268	142,139
Debtors and prepayments	3	44,216	88,636
Property Development in Progress	3	15,473	28,731
Other Current Assets	3	-	3,904
<b>Total Current Assets</b>		<b>295,956</b>	<b>263,410</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	13,383,579	13,785,060
Other non-current assets	3	47,150	65,550
<b>Total Non-Current Assets</b>		<b>13,430,728</b>	<b>13,850,610</b>
<b>Total Assets</b>		<b>13,726,685</b>	<b>14,114,020</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable - Grants Committed Not Yet Paid	15	6,849	8,999
Other current liabilities	4	98,273	93,782
<b>Total Current Liabilities</b>		<b>105,122</b>	<b>102,782</b>
<b>Non-Current Liabilities</b>			
Loans	4	622,137	1,517,293
<b>Total Non-Current Liabilities</b>		<b>622,137</b>	<b>1,517,293</b>
<b>Total Liabilities</b>		<b>727,259</b>	<b>1,620,075</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>12,999,426</b>	<b>12,493,945</b>
<b>Trust Capital</b>			
Accumulated surpluses or (deficits)	6	8,135,659	8,578,788
Funds in Trust	10	70,163	69,670
Reserves	7	4,793,604	3,845,487
<b>Total Trust Capital</b>		<b>12,999,426</b>	<b>12,493,945</b>

The accompanying notes and accounting policies form part of this performance report.

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# Statement of Cash Flows

## Greytown District Trust Lands Trustees For the year ended 31 March 2017

	2017	2016
<b>Cash Flows from Operating Activities</b>		
Receipts from providing goods or services	1,070,573	1,077,032
Interest, dividends and other investment receipts	14,882	1,880
Cash receipts from other operating activities	913	-
GST	20,212	49,086
Payments to suppliers and employees	(498,518)	(536,669)
Donations or grants paid	(342,452)	(463,229)
<b>Total Cash Flows from Operating Activities</b>	<b>265,611</b>	<b>128,101</b>
<b>Cash Flows from Investing and Financing Activities</b>		
Receipts from sale of property, plant and equipment	752,550	500,342
Movements of loans borrowed from other parties	(895,156)	(157,707)
Payments to acquire property, plant and equipment	(50,432)	(341,742)
Movement of funds held in trust	492	617
Cash Flows from Other Investing and Financing Activities	21,064	(65,550)
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(171,482)</b>	<b>(64,040)</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>94,129</b>	<b>64,061</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	142,139	78,078
Cash and cash equivalents at end of period	236,268	142,139
Net change in cash for period	94,129	64,061

# Statement of Accounting Policies

## Greytown District Trust Lands Trustees For the year ended 31 March 2017

### (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 in accordance with PBE IPSAS 16 & 17. 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 - 50%	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 2017

	2017	2016
<b>1. Analysis of Revenue</b>		
<b>Revenue from providing goods or services</b>		
<b>Rents</b>		
Commercial Buildings	825,775	820,934
Commercial Sections	116,538	123,670
Residential Sections	9,075	19,149
<b>Total Rents</b>	<b>951,388</b>	<b>963,753</b>
<b>Recoveries</b>		
BWOF Recovered	2,650	2,797
Cleaning Recovered	-	10
Electricity Recovered	879	2,224
Fire Alarm Recovered	176	-
Insurance Recovered	37,798	43,847
Insurance Claim	913	-
Rates Recovered	57,716	57,787
Repairs & Maintenance Recovered	1,143	1,657
<b>Total Recoveries</b>	<b>101,275</b>	<b>108,323</b>
<b>Total Revenue from providing goods or services</b>	<b>1,052,663</b>	<b>1,072,075</b>
<b>Interest, dividends and other investment revenue</b>		
Interest Income	17,423	2,168
<b>Total Interest, dividends and other investment revenue</b>	<b>17,423</b>	<b>2,168</b>
<b>Total Revenue</b>	<b>1,070,086</b>	<b>1,074,243</b>
	2017	2016

## 2. Analysis of Expenses

<b>Costs related to providing goods or services</b>		
ACC Employers	1,231	-
BWOF	3,176	3,067
Cleaning	2,192	2,244
Electricity	6,332	6,503
Fire Alarm Servicing	332	156
Health & Safety	27,083	-
Insurance - Buildings	42,250	45,694
Legal Fees	1,369	5,156
New Development Investigation	2,553	13,247
Rates	67,385	66,761
Repairs & Maintenance	32,866	38,189
Valuation Fees	1,435	4,200
<b>Total Costs related to providing goods or services</b>	<b>188,205</b>	<b>185,217</b>

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**Other expenses**

Advertising	1,991	2,120
Bank Fees	207	248
Communication Costs	2,927	3,991
Computer, Printing & Stationery Supplies	2,502	3,875
Depreciation	2,466	2,361
GA5 event	30	-
General Expenses	1,916	1,808
Holiday Pay	1,926	5,604
Insurance - Public Liability	1,100	1,100
Interest Expense	67,179	106,774
Motor Vehicle Expenses	657	187
Office Rent & Expenses	92	-
Subscriptions	3,742	1,198
Audit Fees	6,590	6,580
Computer & Website Support	194	2,788
Legal Expenses	905	270
Property Advisor Fees	7,275	7,505
Recruitment Expenses	-	6,750
Trust Administration Support	52,606	59,671
Trust Manager Contract Fee	121,936	102,865
Trustee Election Expenditure	4,891	-
Trustee Expenses	751	1,876
Trustees Honorarium	34,506	34,736
<b>Total Other expenses</b>	<b>316,388</b>	<b>352,309</b>
Total Expenses	504,593	537,526
	2017	2016

**3. Analysis of Assets****Bank accounts and cash**

BNZ - Cheque Account	164,232	72,469
BNZ - Fixed Term Morisons Bush	57,650	55,776
WBS - Pipe Band	14,387	13,894
<b>Total Bank accounts and cash</b>	<b>236,268</b>	<b>142,139</b>

**Debtors and prepayments**

Accounts Receivable	85,505	114,706
GST	(41,603)	(26,507)
Interest Accrued	314	437
<b>Total Debtors and prepayments</b>	<b>44,216</b>	<b>88,636</b>

**Investment property development in progress**

Unit 7 - 3 Arbor Place	6,707	-
Bidwills Cutting Industrial Park	833	-
1 Kuratawhiti Street	-	20,798
Unit 2 - Bidwills Cutting	7,933	7,933
Unit 5 - Bidwills Cutting (Top)	-	-
<b>Total Investment property development in progress</b>	<b>15,473</b>	<b>28,731</b>

**Other current assets**

Accrued Income	-	3,904
<b>Total Other current assets</b>	-	<b>3,904</b>

**Other non-current assets**

Loan to Bodyworks	47,150	65,550
<b>Total Other non-current assets</b>	<b>47,150</b>	<b>65,550</b>

2017	2016
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**4. Analysis of Liabilities****Other current liabilities**

Accounts Payable	32,621	29,882
Employee Entitlements	7,530	5,604
Accrued Expenses	18,331	17,768
Income in Advance	10,000	-
Rent & Property Costs Prepaid	29,791	40,529
Rounding	-	-
<b>Total Other current liabilities</b>	<b>98,273</b>	<b>93,782</b>

**Loans**

WBS - Loan Account	622,137	1,517,293
<b>Total Loans</b>	<b>622,137</b>	<b>1,517,293</b>

2017	2016
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**5. Property, Plant and Equipment****Land**

Land at Market Value	5,561,500	6,116,500
<b>Total Land</b>	<b>5,561,500</b>	<b>6,116,500</b>

**Buildings**

Buildings at Market Value	7,809,500	7,664,500
<b>Total Buildings</b>	<b>7,809,500</b>	<b>7,664,500</b>

**Furniture and Fittings**

Furniture and fittings owned	29,415	18,430
Accumulated depreciation - furniture and fittings owned	(16,836)	(14,370)
<b>Total Furniture and Fittings</b>	<b>12,579</b>	<b>4,060</b>

**Total Property, Plant and Equipment**

13,383,579	13,785,060
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The Land and Buildings have been valued by Garry M Dowse, Registered Public Valuer (FNZIV, FPINZ) of the Blackmore Group as at 31st March 2017 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.

2017	2016
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**6. Accumulated Surpluses or (Deficits)****Accumulated Surpluses or (Deficits)**

Opening Balance	8,578,788	8,845,742
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Net surplus/(deficit)	504,989	611,270
Allocate to Realty Reserves	(948,117)	(878,224)
<b>Total Accumulated Surpluses or (Deficits)</b>	<b>8,135,659</b>	<b>8,578,788</b>
<b>Total Accumulated Surpluses or (Deficits)</b>	<b>8,135,659</b>	<b>8,578,788</b>
	2017	2016

## 7. Breakdown of Reserves

<b>Reserves</b>		
Realty Revalue Reserve Open Bal	3,845,487	2,967,263
Realty Reserve - Annual Revaluation	211,422	513,743
Realty Reserve - Land Reserve Account	736,695	364,481
<b>Total Reserves</b>	<b>4,793,604</b>	<b>3,845,487</b>

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 2017 (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. No grants were made this year.

### 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 of \$1,873.61 from the Morrisons Bush Hall Trust Fund equally to the 3 recipients.

	2017	2016
Morisons Bush	55,776	55,776
Pipe Band	14,387	13,894
<b>Total Funds in Trust</b>	<b>\$70,163</b>	<b>\$69,670</b>

2017                      2016

## 11. Related Parties

### Receivables

Cobblestones Museum Trust	18,026	15,675
<b>Total Receivables</b>	<b>18,026</b>	<b>15,675</b>

### Payables

Greytown Rugby Club	-	79
<b>Total Payables</b>	<b>-</b>	<b>79</b>

### Sales

Greytown Rugby Club	47,977	45,000
Cobblestones Museum Trust	31,350	31,350
<b>Total Sales</b>	<b>79,327</b>	<b>76,350</b>

### Purchases

South Wairarapa District Council	42,553	37,945
Holmes Construction Group	28,235	8,137
Derek Wilson	561	-
<b>Total Purchases</b>	<b>71,349</b>	<b>46,082</b>

### Grants

Greytown Rugby Club	48,488	48,588
Cobblestones Museum Trust	29,939	30,253
Greytown Early Years Inc	9,000	-
Greytown Trails Trust	10,000	-
Derek Wilson's Son	900	-
<b>Total Grants</b>	<b>98,327</b>	<b>78,841</b>

## Nature of Relationships

Sid Kempton was elected a Trustee on 8 October 2016 and until 31 March 2017 was also a member of the Board of Greytown Early Years Inc., which was awarded two community grants during the year. One of these grants (\$4,000) was approved prior to Mr Kempton being elected.

Catherine Rossiter-Stead was elected a Trustee on 8 October 2016. She is currently acting in a consulting capacity on behalf of Greytown Trails Trust, which was awarded a community grant during the year. In addition, her daughter was awarded a community grant (\$250) which was approved prior to Mrs Rossiter-Stead being elected.

Derek Wilson is a Life Member of the Greytown Rugby Club Inc., who are a Trust tenant and have received rent remission and grant funding from the Trust (via the sports club bulk funding allocated to the Greytown Sports & Leisure Society). He has undertaken minor construction work for the Trust. In addition, his son was awarded a community grant during the year.

Graeme Gray, who stepped down from the Trust on 8 October 2016, remains the Trust's appointee to the Board of the Cobblestones Museum Trust, who are a Trust tenant and have received rent remission from the Trust.

Until 8 October 2016 David Montgomerie was a Member of the Cobblestones Museum Trust Board and an elected Member of South Wairarapa District Council, to whom the Trust has paid local authority rates in respect of a number of Trust properties and consent and other fees, and reimbursed the expense of running the Trustee election process.

Wayne Regnault is a shareholder and employee of Holmes Construction Group Ltd who have undertaken building improvements, repairs and maintenance work on two Trust owned buildings.

In regard to these disclosures:

The Trust's current rent remission policy was implemented five years ago and approved by the Board of the time.

The allocation of the Trust's bulk funding between sports clubs is at the discretion of the Greytown Sports & Leisure Society.

The employment of Holmes Construction Group Ltd and Derek Wilson as contractors was approved by the Trust's General Manager acting under delegated financial authority.

Otherwise, in all cases identified above the Trustee concerned has appropriately declared a conflict of interest and abstained from voting when grants have been approved.

## 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 2017

	<b>2017</b>	<b>2016</b>
Community Grants	6,849	9,000
<b>Total Committed Grants</b>	<b>6,849</b>	<b>9,000</b>

#### 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.

	<b>2017</b>	<b>2016</b>
Community	45,093	34,529
Rents Remission to Community and Sports Organisations	98,594	99,567
Community - Greytown Sport & Leisure Association	75,445	80,000
Schools - Bulk Education Funding	61,920	67,520
Tertiary	52,500	49,250
<b>Total</b>	<b>333,552</b>	<b>330,866</b>

## 17. Trustees Honorarium

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

	<b>2017</b>	<b>2016</b>
Chairman - D J Wilson (to 8th Oct)	6,762	8,397
Chairman - D Montgomerie (from 8th Oct)	6,550	5,026
Deputy Chairman - R Smith (to 8th Oct, retired)	3,320	6,324
Deputy Chairman - S Kempton (from 8th Oct)	2,923	-
Trustee - G J Gray (to 8th Oct, retired)	2,654	5,026
Trustee - T M Gray	4,980	5,026
Trustee - W Regnault	4,980	5,026
Trustee - C Rossiter-Stead (from 8th Oct)	2,337	-
<b>Total</b>	<b>34,506</b>	<b>34,736</b>



# Independent auditor's report

## To the Readers of the financial statements of Greytown District Trust Lands Trustees

### Opinion

We have audited the accompanying performance report of Greytown District Trust Lands Trustees, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2017, the statement of financial position as at 31 March 2017, and the statement of accounting policies and notes to the performance report.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable
- b) the accompanying performance report presents fairly, in all material respects:
  - the entity information for the year then ended
  - the service performance for the year then ended, and
  - the financial position of Greytown District Trust Lands Trustees as at 31 March 2017, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

### Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the performance report' section of our report.

We are independent of Greytown District Trust Lands Trustees in accordance with Professional and Ethical Standard 1 (Revised) 'Code of ethics for assurance practitioners' issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than our capacity as auditor we have no relationship with, or interests in, Greytown District Trust Lands Trustees.

### Trustees' responsibilities for the performance report

The Trustees are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance

- b) the preparation and fair presentation of the performance report on behalf of Greytown District Trust Lands Trustees which comprises:
- the entity information
  - the statement of service performance; and
  - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and
- c) for such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible on behalf of Greytown District Trust Lands Trustees' for assessing Greytown District Trust Lands Trustees' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate Greytown District Trust Lands Trustees or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the performance report**

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Greytown District Trust Lands Trustees' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Greytown District Trust Lands Trustees' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Greytown District Trust Lands Trustees to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Moore Stephens*

**Moore Stephens Wairarapa Audit** | Qualified Auditors, Masterton, New Zealand  
20 July 2017







