

Performance Report

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

Prepared by RightWay Limited

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 |
| 22 | Independent Auditor's Report |

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 day of 2017.

D Montgomerie
Chairman

S Kempton
Deputy Chairman



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 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 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. | \$ | % |
| Output 1 - Dividend delivered to the local community | | | | | | |
| 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 |
| Output 2 - Quality of financial stewardship | | | | | | |
| 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 |
|--|-------|------------------|------------------|
| Revenue | | | |
| Revenue from providing goods or services | 1 | 1,052,663 | 1,072,075 |
| Interest, dividends and other investment revenue | 1 | 17,423 | 2,168 |
| Total Revenue | | 1,070,086 | 1,074,243 |
| Expenses | | | |
| Costs related to providing goods or services | 2 | 188,205 | 185,217 |
| Other expenses | 2 | 316,388 | 352,309 |
| Total Expenses | | 504,593 | 537,526 |
| Net Surplus/(Deficit) before Grants | | 565,493 | 536,718 |
| Grants | | | |
| Grants and Donations made | 16 | 333,552 | 330,866 |
| Total Grants | | 333,552 | 330,866 |
| Net Surplus/(Deficit) from Operating | | 231,941 | 205,852 |
| Non Operating | | | |
| Annual Revaluation and Gain on Sale | | 273,047 | 405,418 |
| Total Non Operating | | 273,047 | 405,418 |
| Net Surplus/(Deficit) to Trust Capital | | 504,989 | 611,270 |

Statement of Financial Position

Greytown District Trust Lands Trustees As at 31 March 2017

| | NOTES | 31 MAR 2017 | 31 MAR 2016 |
|---|-------|-------------------|-------------------|
| Assets | | | |
| Current Assets | | | |
| 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 |
| Total Current Assets | | 295,956 | 263,410 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 5 | 13,383,579 | 13,785,060 |
| Other non-current assets | 3 | 47,150 | 65,550 |
| Total Non-Current Assets | | 13,430,728 | 13,850,610 |
| Total Assets | | 13,726,685 | 14,114,020 |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable - Grants Committed Not Yet Paid | 15 | 6,849 | 8,999 |
| Other current liabilities | 4 | 98,273 | 93,782 |
| Total Current Liabilities | | 105,122 | 102,782 |
| Non-Current Liabilities | | | |
| Loans | 4 | 622,137 | 1,517,293 |
| Total Non-Current Liabilities | | 622,137 | 1,517,293 |
| Total Liabilities | | 727,259 | 1,620,075 |
| Total Assets less Total Liabilities (Net Assets) | | 12,999,426 | 12,493,945 |
| Trust Capital | | | |
| 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 |
| Total Trust Capital | | 12,999,426 | 12,493,945 |

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

**MOORE
STEPHENS**

Statement of Cash Flows

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

| | 2017 | 2016 |
|---|------------------|-----------------|
| Cash Flows from Operating Activities | | |
| 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) |
| Total Cash Flows from Operating Activities | 265,611 | 128,101 |
| Cash Flows from Investing and Financing Activities | | |
| 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) |
| Total Cash Flows from Investing and Financing Activities | (171,482) | (64,040) |
| Net Increase/ (Decrease) in Cash | 94,129 | 64,061 |
| Cash Balances | | |
| 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 |
|---|------------------|------------------|
| 1. Analysis of Revenue | | |
| Revenue from providing goods or services | | |
| Rents | | |
| Commercial Buildings | 825,775 | 820,934 |
| Commercial Sections | 116,538 | 123,670 |
| Residential Sections | 9,075 | 19,149 |
| Total Rents | 951,388 | 963,753 |
| Recoveries | | |
| 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 |
| Total Recoveries | 101,275 | 108,323 |
| Total Revenue from providing goods or services | 1,052,663 | 1,072,075 |
| Interest, dividends and other investment revenue | | |
| Interest Income | 17,423 | 2,168 |
| Total Interest, dividends and other investment revenue | 17,423 | 2,168 |
| Total Revenue | 1,070,086 | 1,074,243 |
| | 2017 | 2016 |

2. Analysis of Expenses

| | | |
|---|----------------|----------------|
| Costs related to providing goods or services | | |
| 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 |
| Total Costs related to providing goods or services | 188,205 | 185,217 |

| |
|---------------------------|
| MOORE STEPHENS |
|---------------------------|

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 |
| Total Other expenses | 316,388 | 352,309 |
| 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 |
| Total Bank accounts and cash | 236,268 | 142,139 |

Debtors and prepayments

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

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) | - | - |
| Total Investment property development in progress | 15,473 | 28,731 |

Other current assets

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

Other non-current assets

| | | |
|---------------------------------------|---------------|---------------|
| Loan to Bodyworks | 47,150 | 65,550 |
| Total Other non-current assets | 47,150 | 65,550 |

| | |
|------|------|
| 2017 | 2016 |
|------|------|

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 | - | - |
| Total Other current liabilities | 98,273 | 93,782 |

Loans

| | | |
|--------------------|----------------|------------------|
| WBS - Loan Account | 622,137 | 1,517,293 |
| Total Loans | 622,137 | 1,517,293 |

| | |
|------|------|
| 2017 | 2016 |
|------|------|

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

| | | |
|----------------------|------------------|------------------|
| Land at Market Value | 5,561,500 | 6,116,500 |
| Total Land | 5,561,500 | 6,116,500 |

Buildings

| | | |
|---------------------------|------------------|------------------|
| Buildings at Market Value | 7,809,500 | 7,664,500 |
| Total Buildings | 7,809,500 | 7,664,500 |

Furniture and Fittings

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

Total Property, Plant and Equipment

| | |
|------------|------------|
| 13,383,579 | 13,785,060 |
|------------|------------|

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 |
|------|------|

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

| | | |
|-----------------|-----------|-----------|
| Opening Balance | 8,578,788 | 8,845,742 |
|-----------------|-----------|-----------|

| |
|-------------------|
| MOORE STEPHENS |
|-------------------|

| | | |
|--|------------------|------------------|
| Net surplus/(deficit) | 504,989 | 611,270 |
| Allocate to Realty Reserves | (948,117) | (878,224) |
| Total Accumulated Surpluses or (Deficits) | 8,135,659 | 8,578,788 |
| Total Accumulated Surpluses or (Deficits) | 8,135,659 | 8,578,788 |
| | 2017 | 2016 |

7. Breakdown of Reserves

Reserves

| | | |
|---------------------------------------|------------------|------------------|
| 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 |
| Total Reserves | 4,793,604 | 3,845,487 |

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 |
| Total Funds in Trust | \$70,163 | \$69,670 |

2017 2016

11. Related Parties

Receivables

| | | |
|---------------------------|---------------|---------------|
| Cobblestones Museum Trust | 18,026 | 15,675 |
| Total Receivables | 18,026 | 15,675 |

Payables

| | | |
|-----------------------|----------|-----------|
| Greytown Rugby Club | - | 79 |
| Total Payables | - | 79 |

Sales

| | | |
|---------------------------|---------------|---------------|
| Greytown Rugby Club | 47,977 | 45,000 |
| Cobblestones Museum Trust | 31,350 | 31,350 |
| Total Sales | 79,327 | 76,350 |

Purchases

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

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 | - |
| Total Grants | 98,327 | 78,841 |

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

| | 2017 | 2016 |
|-------------------------------|--------------|--------------|
| Community Grants | 6,849 | 9,000 |
| Total Committed Grants | 6,849 | 9,000 |

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.

| | 2017 | 2016 |
|---|----------------|----------------|
| 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 |
| Total | 333,552 | 330,866 |

17. Trustees Honorarium

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

| | 2017 | 2016 |
|---|---------------|---------------|
| 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 | - |
| Total | 34,506 | 34,736 |

Independent Auditor's Report

Greytown District Trust Lands Trustees

For the year ended 31 March 2017

to be added by Moore Stephens Wairarapa Audit