

20 September 2018

Adrienne Dempsey
Manager
Moore Stephens Wairarapa Audit
PO Box 190
Masterton 5840

Dear Adrienne

AUDIT MANAGEMENT REPORT: YEAR ENDED 31 MARCH 2018

I acknowledge receipt of your letter dated 26 June 2018 and attach a schedule detailing the Trustees' formal response to the matters covered in your Audit Management Report.

Kind regards

Kevin Murphy
General Manager

Greytown District Trust Lands Trustees - Audit Management Report 2018 Response

Matter raised	Response
Improvement to Investment Property Transactions Account	<p>In relation to the audit sample details supplied by Bruce McNiven in his email dated 3 August to support your recommendation we make the following observations regarding accounting treatment:</p> <ol style="list-style-type: none"><li data-bbox="533 479 1385 703">1. The photography spend related to the sale of a property being marketed on our behalf by Property Brokers. This was posted to the Property Transactions Account as a legitimate cost of sale to be offset against the sale proceeds when later received. We stand by this treatment as way of being able to accurately account for profit or loss on sale.<li data-bbox="533 748 1385 972">2. The payment to Bashford Construction related to work undertaken to secure a new tenancy, being a condition of the tenant signing the lease. The concrete floor was otherwise serviceable and did not require repair or maintenance. The work was undertaken solely as an aesthetic improvement at the request of the tenant. Again we stand by this treatment.<li data-bbox="533 1016 1385 1173">3. The payment to Marks Signs related to a new sign, again requested by the incoming tenant above as a condition of a new lease. The sign did not previously exist and therefore in our view represented an improvement to the premises. <p>We note that none of these transactions was considered material enough to warrant adjustment to the financial statements.</p>
BNZ Bank audit certificate	Your comments are noted. Action to request BNZ to forward the certificate direct to MSWA has been diarised for bring up prior to the end of the next financial year.