

Performance Report

Greytown District Trust Lands Trustees
For the year ended 31 March 2019

Prepared by RightWay Limited

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Compilation Report

Greytown District Trust Lands Trustees For the year ended 31 March 2019

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 2019.

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 2019

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 2019

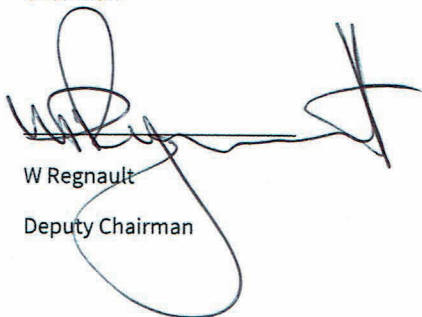
The Trustees are pleased to present the approved performance report of Greytown District Trust Lands Trustees for year ended 31 March 2019.

Approved this 26th day of June 2019.



S Kempton

Chairman



W Regnault

Deputy Chairman

Statement of Service Performance

Greytown District Trust Lands Trustees For the year ended 31 March 2019

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 2019 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	2018/2019			2017/2018		
	No.	\$	%	No.	\$	%
Dividend delivered to the local community						
1.1 Number and value of grants paid by category:						
Education						
Schools bulk funding	2	66,000		2	67,668	
Early childhood education	2	22,600		1	4,000	
Community education	1	500		1	2,850	
Youth Education, Training & Employment	0	-		1	10,000	
Tertiary scholarships	13	6,500		39	29,250	
Apprenticeships employer funding	2	2,000		0	-	
Extracurricular development	0	-		2	1,050	
Sport and active recreation						
Ground lease rent remissions	2	66,263		2	68,091	
Sports co-ordinator salary support	1	45,000		1	23,750	
Sports club bulk funding	12	27,909		11	31,802	
Individual sporting achievement	2	600		7	3,100	
Community						
Ground lease rent remissions	2	41,319		2	35,833	
Community groups	4	19,950		7	7,765	
Performing arts funding	3	1,840		8	7,300	
Individual performing arts achievement	1	500		3	600	
Public utility						
Greytown Main Street free wi-fi access	0	-		1	318	
TOTAL ALL PAID GRANTS	47	300,981		88	293,377	
1.2 Proportion of annual grants budget spent			82			79
1.3 Proportion of annual operating surplus allocated to grants			47			51
Quality of financial stewardship						
2.1 Rate of return on average market value of property assets held in trust during year			7			7
2.2 Change in value of Trust equity		+785,762	+6		+454,967	+3
2.3 Ratio of debt to equity			0			1

Statement of Financial Performance

Greytown District Trust Lands Trustees For the year ended 31 March 2019

	NOTES	2019	2018
Revenue			
Revenue from providing goods or services	1	1,031,265	1,044,845
Interest, dividends and other investment revenue	1	9,381	1,778
Other revenue	1	-	1,739
Total Revenue		1,040,645	1,048,362
Expenses			
Costs related to providing goods or services	2	171,417	220,010
Other expenses	2	256,394	262,892
Total Expenses		427,810	482,901
Net Surplus/(Deficit) before Grants		612,835	565,461
Grants			
Grants and Donations made	17	290,480	287,621
Total Grants		290,480	287,621
Net Surplus/(Deficit) from Operating		322,355	277,840
Non Operating			
Annual Revaluation and Gain on Sale	6	465,531	178,624
Total Non Operating		465,531	178,624
Net Surplus/(Deficit) to Trust Capital		787,886	456,464

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

Statement of Financial Position

Greytown District Trust Lands Trustees As at 31 March 2019

	NOTES	31 MAR 2019	31 MAR 2018
Assets			
Current Assets			
Bank accounts and cash	3	64,240	21,231
Term Investments	3	816,842	68,665
Debtors and prepayments	3	107,860	103,429
Property Development in Progress	3	135,716	11,611
Total Current Assets		1,124,658	204,936
Non-Current Assets			
Property, Plant and Equipment	5	13,215,441	13,460,046
Total Non-Current Assets		13,215,441	13,460,046
Total Assets		14,340,099	13,664,982
Liabilities			
Current Liabilities			
Grants Committed Not Yet Paid	16	1,000	11,499
Other current liabilities	4	98,064	84,519
Total Current Liabilities		99,064	96,018
Non-Current Liabilities			
Loans	4	880	114,571
Total Non-Current Liabilities		880	114,571
Total Liabilities		99,945	210,589
Total Assets less Total Liabilities (Net Assets)		14,240,155	13,454,393
Trust Capital			
Accumulated surpluses or (deficits)	7	8,300,369	8,260,441
Funds in Trust	11	66,542	68,665
Reserves	8	5,873,244	5,125,286
Total Trust Capital		14,240,155	13,454,393

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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 2019

	2019	2018
Cash Flows from Operating Activities		
Receipts from providing goods or services	1,026,057	1,033,630
Interest, dividends and other investment receipts	1,907	1,778
Cash receipts from other operating activities	-	1,739
GST	1,331	(19,918)
Payments to suppliers and employees	(417,405)	(495,672)
Donations or grants paid	(300,980)	(293,377)
Total Cash Flows from Operating Activities	310,910	228,179
Cash Flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	780,000	180,000
Movements of loans borrowed from other parties	(113,644)	(507,566)
Payments to acquire property, plant and equipment	(193,808)	(92,951)
Movement of funds held in trust	(1,573)	(1,497)
Cash Flows from Other Investing and Financing Activities	(741,000)	47,464
Total Cash Flows from Investing and Financing Activities	(270,025)	(374,551)
Net Increase/ (Decrease) in Cash	40,885	(146,371)
Cash Balances		
Cash and cash equivalents at beginning of period	89,897	236,268
Cash and cash equivalents at end of period	130,782	89,897
Net change in cash for period	40,885	(146,371)

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

Statement of Accounting Policies

Greytown District Trust Lands Trustees For the year ended 31 March 2019

(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.

Critical Accounting Estimates and Assumptions

The preparation of this performance report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the performance report are described in the following notes:

- Valuation of investment property
- Useful lives of property plant and equipment
- Valuation of property plant and equipment

(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.

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) Property, plant and equipment**Recognition and measurement**

In accordance with Public Benefit Entity International Public Sector Accounting Standard 16 Investment Property (PBE IPSAS 16) and Public Benefit Entity International Public Sector Accounting Standard 17 Property, Plant and Equipment (PBE IPSAS 17) land and buildings are revalued with sufficient regularity that the carrying value is not materially different to fair value, but at least every three years. Revaluations are conducted every twelve months. The fair value is determined by an independent registered valuer by reference to their highest and best use. Addition between revaluations are recorded at cost.

The valuation results of land and buildings are credited or debited to an asset revaluation reserve for that individual asset. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the statement of financial performance. Any subsequent increase in that reverses a decrease recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed.

Plant and equipment are initially recorded at cost and depreciated.

Depreciation

Depreciation is calculated on a diminishing value basis for all office furniture, equipment and chattels.

The depreciation rates for property, plant and equipment are as follows:

Office Furniture & Equipment	10 - 50%	Diminishing value
Chattels	10%	Diminishing value

(j) Investment property

Property is classified as investment property when the primary income stream from the asset is rental income. Investment property is initially recorded at cost. After initial recognition it is measured at fair value at each balance date.

Any increase or decrease in fair value is recognised in the statement of financial performance. Investment property is not depreciated.

(k) Currency

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

(l) 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.

(m) 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.

(n) 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.

(o) Rental Income and Remissions

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

(p) 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 2019

	2019	2018
1. Analysis of Revenue		
Revenue from providing goods or services		
Rents		
Commercial Buildings	809,059	836,363
Commercial Sections	114,536	108,915
Residential Sections	6,325	6,325
Total Rents	929,920	951,603
Recoveries		
Boardroom Hireage	175	-
BWOF Recovered	3,029	2,262
Electricity Recovered	157	812
Insurance Valuations recovered	5,495	-
Insurance Recovered	37,623	35,487
Insurance Claim	380	-
Rates Recovered	52,893	54,376
Repairs & Maintenance Recovered	1,593	304
Total Recoveries	101,345	93,242
Total Revenue from providing goods or services	1,031,265	1,044,845
Interest, dividends and other investment revenue		
Interest Income	9,381	1,778
Total Interest, dividends and other investment revenue	9,381	1,778
Other revenue		
Other Income	-	1,739
Total Other revenue	-	1,739
Total Revenue	1,040,645	1,048,362
	2019	2018

2. Analysis of Expenses

Costs related to providing goods or services

ACC Employers	925	1,147
BWOF	3,356	2,720
Cleaning	2,501	2,399
Electricity	4,345	5,947
Fire Alarm Servicing	162	78
Health & Safety	4,270	37,112
Insurance - Buildings	43,554	42,254
Legal Fees	(70)	4
New Development Investigation	-	3,165
Property Commissions	-	2,083

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Rates	62,791	65,211
Repairs & Maintenance	40,433	57,419
Valuation Fees	9,150	470
Total Costs related to providing goods or services	171,417	220,010

Other expenses

Advertising	1,765	2,044
Bank Fees	129	136
Communication Costs	2,051	2,185
Computer, Printing & Stationery Supplies	2,540	2,710
Depreciation	2,966	2,533
General Expenses	1,778	1,380
Insurance - Public Liability	1,183	1,100
Interest Expense	1,460	19,376
Light, Power, Heating	4	-
Motor Vehicle Expenses	480	866
Office Rent & Expenses	-	62
Subscriptions	3,719	3,605
Workshops & Training	500	3,946
Audit Fees	7,150	7,000
Computer & Website Support	2,626	1,184
Legal Expenses	1,112	1,384
Property Advisor Fees	5,975	5,925
Trust Administration	186,500	173,001
Trustees Honorarium	34,456	34,456
Total Other expenses	256,394	262,892
Total Expenses	427,810	482,901

2019 2018

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

BNZ - Cheque Account	64,240	21,231
Total Bank accounts and cash	64,240	21,231

Term Investments

BNZ - Fixed Term Morisons Bush	55,776	55,776
WBS - Pipe Band	10,766	12,890
WBS - Term Deposit	750,301	-
Total Term Investments	816,842	68,665

Debtors and prepayments

Accounts Receivable	107,860	101,601
Interest Accrued	-	1,828
Total Debtors and prepayments	107,860	103,429

Investment property development in progress

Bidwills Cutting Industrial Park	130,897	6,792
Unit 2 - Bidwills Cutting	4,819	4,819
Total Investment property development in progress	135,716	11,611

2019 2018

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

Accounts Payable	15,405	6,498
Employee Entitlements	7,504	4,295
Accrued Expenses	12,775	12,375
GST	29,541	28,512
Rent & Property Costs Prepaid	32,839	32,839
Total Other current liabilities	98,064	84,519

Loans

Spark - Phone Purchase 24 Instalments	870	-
WBS - Loan Account	10	114,571
Total Loans	880	114,571

2019 2018

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

Land at Market Value	6,525,000	6,151,500
Total Land	6,525,000	6,151,500

Buildings

Buildings at Market Value	6,680,000	7,298,500
Total Buildings	6,680,000	7,298,500

Furniture and Fittings

Furniture and fittings owned	32,777	29,415
Accumulated depreciation - furniture and fittings owned	(22,335)	(19,369)
Total Furniture and Fittings	10,441	10,046

Total Property, Plant and Equipment	13,215,441	13,460,046
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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 2019 at "Fair Value" from which the requirement is met by the assessment of "Market Value". As at 31 March 2019 the value increase was \$521,458. 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.

6. Annual Revaluation and Gain on Sale

	2019	2018
Annual Revaluation	521,458	178,624
Gain / (Loss) on Sale	(55,928)	Nil
Total Annual Revaluation and Gain on Sale	\$465,531	\$178,624

2019 2018

7. Accumulated Surpluses or (Deficits)

Accumulated Surpluses or (Deficits)			
Opening Balance		8,260,441	8,135,659
Net surplus/(deficit)		787,886	456,464
Allocate to Realty Reserves		(747,958)	(331,682)
Total Accumulated Surpluses or (Deficits)		8,300,369	8,260,441
Total Accumulated Surpluses or (Deficits)		8,300,369	8,260,441
		2019	2018

8. Breakdown of Reserves

Reserves			
Realty Revalue Reserve Open Bal		5,125,286	4,793,604
Realty Reserve - Annual Revaluation		521,458	178,624
Realty Reserve - Land Reserve Account		226,500	153,058
Total Reserves		5,873,244	5,125,286

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.

9. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2019 (Last year - nil)

10. 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

During the year the Trust has repaid all but \$10 of the opening balance of funds borrowed from the Wairarapa Building Society (WBS), who are holding the security over the above property assets. By agreement with WBS the Trust has not sought to have the security discharged as its retention will facilitate future access to new borrowing from WBS as and when required.

11. Funds in Trust

South Wairarapa Pipe Band Trust Fund

This fund was established by deed dated 16 May 2002 vesting trust funds in Greytown Trust Lands Trust in order to advance the cause of the pipe band movement and further interest in piping or drumming in South Wairarapa. Interest earned on the principal transferred to Trust management and since invested has previously been compounded annually and made available for distribution, on application, to individuals and organisations meeting the above criteria.

The Wairarapa Fern & Thistle Pipe Band being the last surviving pipe band in the Wairarapa, the Board of Trustees decided by resolution dated 11 October 2018 that the whole of the annual interest earned on the principal invested would in future automatically be paid to the Band as a grant unless an application is also received from an individual applicant considered eligible to receive grant, in which case the amount awarded to the individual is to be deducted from the sum that would otherwise be paid to the Band. Going forward this means the original principal sum of \$10,766 transferred under the deed will remain invested and will not be made available for grant purposes.

Accordingly, the whole of the balance of accumulated interest of \$2,583 as at 31 March 2019 has this year been paid to the Wairarapa Fern & Thistle Pipe Band Inc. This has been used by the Band to purchase new sporrans for its playing members (\$2,124) and as a contribution towards operating expenses. (Last year: \$2,015)

The Morisons Bush Hall Trust Fund

This fund was established by High Court Order dated 17 October 2000 vesting trust funds in Greytown Trust Lands Trust and directing the annual interest earned on their investment be distributed annually to the Greytown Kindergarten, Greytown Primary School and Kuranui College. The Trustees subsequently decided by resolution dated 16 August 2001 that these three entities would each receive one third of the annual interest sum. This year the interest sum distributed was \$1,920. (Last year: \$1,828).

	2019	2018
Morisons Bush	55,776	55,775
Pipe Band	10,766	12,890
Total Funds in Trust	\$66,542	\$68,665

2019 2018

12. Related Parties**Receivables**

Cobblestones Museum Trust	-	21,347
Total Receivables	-	21,347

Payables

Kuranui College	640	-
Total Payables	640	-

Sales

Cobblestones Museum Trust	37,125	34,238
Greytown Rugby Club Inc	48,078	47,900
South Wairarapa District Council	-	1,739
Total Sales	85,203	83,877

Purchases

Derek Wilson	725	-
Petes Joinery & Building Ltd	2,333	-
Rob Yule	408	1,652
South Wairarapa District Council	124,729	35,446
Total Purchases	128,195	37,098

Grants

Anna Rossiter-Stead	500	-
Amy Rossiter-Stead	-	400
Cobblestones Museum Trust	35,269	29,783
Disaster Preparedness Community Volunteer Group	-	1,030
Greytown Community Board	-	750
Greytown Rugby Club Inc	43,290	42,750
Kuranui College	34,240	2,850
Petes Joinery & Building Ltd	1,000	-
South Wairarapa District Council	-	85
Total Grants	114,299	77,648

Nature of Relationships

Catherine Rossiter-Stead acted in a communications advisory capacity on behalf of Kuranui College who received bulk funding from the Trust during the year. Her daughter also received a grant from the Trust during the year.

Derek Wilson is a Life Member of the Greytown Rugby Club Inc., who are a Trust tenant and have received rent subsidy from the Trust during the year. He has been employed by Petes Joinery & Building Ltd, which received a grant during the year and, following sale to the company of a property it was leasing from the Trust, a refund of rent paid in advance.

Mike Gray has been a member of the Greytown Community Board, which is a representative body of the South Wairarapa District Council, and was appointed in March 2019 to temporarily fill a vacancy on the Council created by the resignation of a sitting councillor. During the year the Trust has paid local authority rates and regulatory fees.

Mike has been a member of the Disaster Preparedness Community Volunteer Group and is also related by marriage to a contractor, Rob Yule, who has undertaken minor maintenance work for the Trust during the year.

Graeme Gray, a former Trustee, is the Trust's appointee to the Board of the Cobblestones Museum Trust, who are a Trust tenant and have received rent subsidy from the Trust during the year.

In regard to these disclosures:

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

The employment of Derek Wilson and Rob Yule as maintenance contractors was approved by the Trust's General Manager acting under delegated financial authority.

Otherwise, in all cases identified above each of the Trustees concerned has appropriately declared a conflict of interest and abstained from voting when grants or payments for services have been approved.

13. Events After the Balance Date

The Trust is holding three signed sale and purchase agreements for vacant Lots 21, 23 and 25 in the Trust's Arbor Place industrial subdivision. These sales are conditional upon the purchasers receiving clear title, which has been applied for but receipt of which had not been confirmed as at 31 March 2019. (One such agreement was being held under similar circumstances at last year's balance date).

14. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

15. 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 1st May 2019.

16. Grants Committed But Unpaid

The following grants have been committed but were unpaid as at 31 March 2019:

	2019	2018
Community Grants	1,000	11,499
Total Committed Grants	1,000	11,499

17. 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.

	2019	2018
Community	20,390	37,635
Rents Remission to Community and Sports Organisations	107,581	103,924
Community - Greytown Sport & Leisure Association	72,909	42,052
Education	89,600	104,010
Total	290,480	287,621

18. Trustees Honorarium

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

	2019	2018
Chairman - S Kempton	8,304	7,161
Deputy Chair - W Regnault	6,232	5,541
Trustee - D Montgomerie	4,980	6,814
Trustee - T M Gray	4,980	4,980
Trustee - C Rossiter-Stead	4,980	4,980
Trustee - D J Wilson	4,980	4,980
Total	34,456	34,456

19. Commitments

The Trust has entered into a grant commitment for 2019, totalling \$33,750, which will be paid in the year ended 31 March 2020. The grant does not meet the definition of a liability therefore is not included in the statement of financial position (2018: \$33,750).

Independent auditor's report

To the Readers of the performance report 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 2019, the statement of financial position as at 31 March 2019, 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 2019, 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 Wairarapa Audit | Qualified Auditors, Masterton, New Zealand
26 June 2019