



GREYTOWN
TRUST LANDS
Growing the Community since 1871

Performance Report

Greytown District Trust Lands Trustees
For the year ended 31 March 2020

Prepared by RightWay Limited

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Compilation Report

Greytown District Trust Lands Trustees For the year ended 31 March 2020

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 2020.

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 Markhams Wairarapa Audit.

RightWay Limited
Chartered Accountants
New Zealand

Entity Information

Greytown District Trust Lands Trustees For the year ended 31 March 2020

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 2020

The Trustees are pleased to present the approved performance report of Greytown District Trust Lands Trustees for year ended 31 March 2020.

Approved this day of 2020.

S Kempton
Chairman

W Regnault
Deputy Chairman

Statement of Service Performance

Greytown District Trust Lands Trustees

For the year ended 31 March 2020

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 2020 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	2019/2020			2018/2019		
	No.	\$	%	No.	\$	%
Dividend delivered to the local community						

1.1 Number and value of grants paid by category:					
Education					
Schools bulk funding	2	57,911	2	66,000	
Early childhood education	2	13,689	2	22,600	
Community education	1	2,000	1	500	
Youth Education, Training & Employment	0	-	0	-	
Tertiary scholarships	8	4,000	13	6,500	
Pupil hardship funding	1	729			
Apprenticeships employer funding	1	1,000	2	2,000	
Extracurricular development	1	2,000	0	-	
Sport and active recreation					
Ground lease rent remissions	2	46,209	2	66,263	
Sports co-ordinator salary support	1	45,000	1	45,000	
Sports club bulk funding	0	-	12	27,909	
Individual sporting achievement	0	-	2	600	
Community					
Ground lease rent remissions	2	38,706	2	41,319	
Community groups	6	6,830	4	19,950	
Performing arts funding	1	400	3	1,840	
Individual performing arts achievement	0	-	1	500	
Public utility					
Greytown Main Street free wi-fi access	0	-	0	-	
TOTAL ALL PAID GRANTS	29	218,474	47	300,981	
1.2 Proportion of annual grants budget spent			84		82
1.3 Proportion of annual operating surplus allocated to grants			42		47
Quality of financial stewardship					
2.1 Rate of return on average market value of property assets held in trust during year			8		7
2.2 Change in value of Trust equity		+1,278,608	9	+785,762	+6
2.3 Ratio of debt to equity			0		0

Statement of Financial Performance

Greytown District Trust Lands Trustees For the year ended 31 March 2020

	NOTES	2020	2019
Revenue			
Revenue from providing goods or services	1	996,022	1,031,265
Interest, dividends and other investment revenue	1	52,455	9,381
Total Revenue		1,048,477	1,040,645
Expenses			
Costs related to providing goods or services	2	187,897	171,417
Other expenses	2	261,195	256,394
(Gain) / Loss on Sale of Property	2	(34,887)	55,927
Total Expenses		414,206	483,738
Net Surplus/(Deficit) before Grants		634,271	556,908
Grants			
Grants and Donations made	17	240,735	290,480
Total Grants		240,735	290,480
Net Surplus/(Deficit) from Operating		393,537	266,428
Other Comprehensive Income			
Annual Revaluation	6	898,518	521,458
Total Other Comprehensive Income		898,518	521,458
Net Surplus/(Deficit) to Trust Capital		1,292,055	787,886

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 2020

	NOTES	31 MAR 2020	31 MAR 2019
Assets			
Current Assets			
Bank accounts and cash	3	2,286,406	64,240
Term Investments	3	66,542	816,842
Debtors and prepayments	3	127,137	107,860
Property Development in Progress	3	-	135,716
Total Current Assets		2,480,085	1,124,658
Non-Current Assets			
Property, Plant and Equipment	5	13,037,414	13,215,441
Other non-current assets	3	155,000	-
Total Non-Current Assets		13,192,414	13,215,441
Total Assets		15,672,498	14,340,099
Liabilities			
Current Liabilities			
Grants Committed Not Yet Paid	16	23,260	1,000
Other current liabilities	4	116,708	98,064
Total Current Liabilities		139,968	99,064
Non-Current Liabilities			
Loans	4	321	880
Total Non-Current Liabilities		321	880
Total Liabilities		140,289	99,945
Total Assets less Total Liabilities (Net Assets)		15,532,209	14,240,155
Trust Capital			
Accumulated surpluses or (deficits)	7	7,874,234	8,300,369
Funds in Trust	11	66,542	66,542
Reserves	8	7,591,434	5,873,244
Total Trust Capital		15,532,209	14,240,155

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 2020

	2020	2019
Cash Flows from Operating Activities		
Receipts from providing goods or services	995,345	1,026,057
Interest, dividends and other investment receipts	52,455	1,907
GST	1,820	1,331
Payments to suppliers and employees	(449,930)	(417,405)
Donations or grants paid	(218,475)	(300,980)
Total Cash Flows from Operating Activities	381,215	310,910
Cash Flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	1,155,030	780,000
Movements of loans borrowed from other parties	(560)	(113,644)
Payments to acquire property, plant and equipment	(63,731)	(193,808)
Movement of funds held in trust	(89)	(1,573)
Cash Flows from Other Investing and Financing Activities	750,301	(741,000)
Total Cash Flows from Investing and Financing Activities	1,840,951	(270,025)
Net Increase/ (Decrease) in Cash	2,222,166	40,885
Cash Balances		
Cash and cash equivalents at beginning of period	130,782	89,897
Cash and cash equivalents at end of period	2,352,947	130,782
Net change in cash for period	2,222,166	40,885

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 2020

(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 2020

	2020	2019
1. Analysis of Revenue		
Revenue from providing goods or services		
Rents		
Commercial Buildings	782,768	809,059
Commercial Sections	114,690	114,536
Residential Sections	6,375	6,325
Total Rents	903,833	929,920
Recoveries		
Boardroom Hireage	-	175
BWOF Recovered	3,259	3,029
Electricity Recovered	242	157
Fire Alarm Recovered	131	-
Insurance Valuations recovered	1,279	5,495
Insurance Recovered	33,648	37,623
Insurance Claim	-	380
Rates Recovered	53,312	52,893
Repairs & Maintenance Recovered	318	1,593
Total Recoveries	92,189	101,345
Total Revenue from providing goods or services	996,022	1,031,265
Interest, dividends and other investment revenue		
Interest Income	52,455	9,381
Total Interest, dividends and other investment revenue	52,455	9,381
Total Revenue	1,048,477	1,040,645
	2020	2019

2. Analysis of Expenses

Costs related to providing goods or services

ACC Employers	769	925
BWOF	4,835	3,356
Cleaning	2,958	2,501
Electricity	4,679	4,345
Fire Alarm Servicing	311	162
Health & Safety	1,043	4,270
Insurance - Buildings	40,157	43,554
Legal Fees	945	(70)
New Development Investigation	2,933	-
Rates	58,339	62,791
Repairs & Maintenance	63,863	40,433

	2020	2019
Valuation Fees	7,065	9,150
Total Costs related to providing goods or services	187,897	171,417
Other expenses		
Advertising	1,475	1,765
Bank Fees	317	129
Communication Costs	1,894	2,051
Computer, Printing & Stationery Supplies	1,916	2,540
Depreciation	1,484	2,966
General Expenses	2,602	1,778
Insurance - Public Liability	1,248	1,183
Interest Expense	1	1,460
Light, Power, Heating	-	4
Motor Vehicle Expenses	796	480
Subscriptions	3,652	3,719
Workshops & Training	750	500
Audit Fees	7,117	7,150
Computer & Website Support	851	2,626
Legal Expenses	12,851	1,112
Property Advisor Fees	5,600	5,975
Trust Administration	183,172	186,500
Trustee Election Expenditure	1,013	-
Trustees Honorarium	34,456	34,456
Total Other expenses	261,195	256,394
(Gain) / Loss on Sale of Property	(34,887)	55,927
Total Expenses	414,206	483,738
	2020	2019

3. Analysis of Assets

Bank accounts and cash

BNZ - Cheque Account	2,051,832	64,240
BNZ - General Funds Deposit	234,574	-
Total Bank accounts and cash	2,286,406	64,240

Term Investments

BNZ - Fixed Term Morisons Bush	55,776	55,776
WBS - Pipe Band	10,766	10,766
WBS - Term Deposit	-	750,301
Total Term Investments	66,542	816,842

Debtors and prepayments

Accounts Receivable	127,137	107,860
Total Debtors and prepayments	127,137	107,860

Investment property development in progress

Bidwills Cutting Industrial Park	-	130,897
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	2020	2019
Unit 2 - Bidwills Cutting	-	4,819
Total Investment property development in progress	-	135,716
Other non-current assets		
Term Loan - E M Halberg	155,000	-
Total Other non-current assets	155,000	-
	2020	2019

4. Analysis of Liabilities

Other current liabilities		
Accounts Payable	17,150	15,405
Employee Entitlements	3,841	7,504
Accrued Expenses	15,575	12,775
GST	31,595	29,541
Rent & Property Costs Prepaid	48,547	32,839
Total Other current liabilities	116,708	98,064
Loans		
Spark - Phone Purchase 24 Instalments	321	870
WBS - Loan Account	-	10
Total Loans	321	880
	2020	2019

5. Property, Plant and Equipment

Land		
Land at Market Value	6,655,000	6,525,000
Total Land	6,655,000	6,525,000
Buildings		
Buildings at Market Value	6,380,000	6,680,000
Total Buildings	6,380,000	6,680,000
Furniture and Fittings		
Furniture and fittings owned	24,272	32,777
Accumulated depreciation - furniture and fittings owned	(21,859)	(22,335)
Total Furniture and Fittings	2,414	10,441
Total Property, Plant and Equipment	13,037,414	13,215,441

The Land and Buildings have been valued by Garry M Dowse, Registered Public Valuer (FNZIV, FPNZ) of the Blackmore Group as at 31st March 2020 at "Fair Value" from which the requirement is met by the assessment of "Market Value". As at 31 March 2020 the value increase was \$898,518. 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

	2020	2019
Total Annual Revaluation (refer to detail in Note 5)	898,518	521,458

2020 2019

7. Accumulated Surpluses or (Deficits)

Accumulated Surpluses or (Deficits)

Opening Balance	8,300,369	8,260,441
Net surplus/(deficit)	1,292,055	787,886
Allocate to Realty Reserves	(1,718,190)	(747,958)
Total Accumulated Surpluses or (Deficits)	7,874,234	8,300,369
Total Accumulated Surpluses or (Deficits)	7,874,234	8,300,369

2020 2019

8. Breakdown of Reserves

Reserves

Realty Revalue Reserve Open Bal	5,873,244	5,125,286
Realty Reserve - Annual Revaluation	898,518	521,458
Realty Reserve - Land Reserve Account	819,672	226,500
Total Reserves	7,591,434	5,873,244

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 2020 (Last year - nil)

10. Assets Used as Security for Liabilities

Prior to year end the Trust repaid the Wairarapa Building Society (WBS) loan balance of \$10 carried over from the previous financial year. At the same time, at the Trust's request, WBS surrendered its security over the following property assets:

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

11. Funds in Trust

South Wairarapa Pipe Band Trust Fund

In accordance with a Board of Trustees resolution dated 11 October 2018, the principal sum of \$10,766 transferred to this fund under the original deed of 16 May 2002 has continued to be invested on the basis it will not be made available for grant purposes. The whole of the accumulated fund interest of \$378 received for the year ended 31 March 2020 has been paid to the Wairarapa Fern & Thistle Pipe Band Inc. (Last year: \$2,124)

The Morisons Bush Hall Trust Fund

This fund was established by High Court Order dated 17 October 2000 vesting trusts 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 \$1,912. (Last year: \$1,920).

	2020	2019
Morisons Bush	55,776	55,776
Pipe Band	10,766	10,766
Total Funds in Trust	\$66,542	\$66,542

2020 2019

12. Related Parties

Receivables

Cobblestones Museum Trust	-	-
Total Receivables	-	-

Payables

Kuranui College	-	640
Total Payables	-	640

Sales

Cobblestones Museum Trust	37,125	37,125
Greytown Rugby Club Inc	55,757	48,078
South Wairarapa District Council	-	-
Total Sales	92,882	85,203

Purchases

Derek Wilson	-	725
Holmes Construction Group Ltd	10,705	-
Petes Joinery & Building Ltd	-	2,333
Rob Yule	-	408
South Wairarapa District Council	32,587	124,729
Total Purchases	43,292	128,195

Grants

Anna Rossiter-Stead	500	500
Cobblestones Museum Trust	50,119	35,269
Disaster Preparedness Community Volunteer Group	1,450	-

	2020	2019
Greytown Community Board	-	-
Greytown Primary School	29,795	-
Greytown Rugby Club Inc	29,813	43,290
Kuranui College	32,119	34,240
Outward Bound NZ Trust	2,000	-
Parkinsonism Society Wairarapa Division Inc	3,500	-
Petes Joinery & Building Ltd	-	1,000
South Wairarapa District Council	-	-
Total Grants	149,296	114,299

Nature of Relationships

Sid Kempton has a family relative who benefits from services provided by the Parkinsonism Society Wairarapa Division, which received a grant from the Trust during the year.

Wayne Regnault is a shareholder and employee of Holmes Construction Group Ltd, which undertook building maintenance work for the Trust during the year. His children attend Greytown Primary School and Kuranui College, both of which received bulk education funding from the Trust during the year.

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 tertiary education grant from the Trust during the year.

Derek Wilson is a Life Member of the Greytown Rugby Club Inc. and, from November 2019, was the Trust's appointee to the Board of Cobblestones Museum Trust, both of which are Trust tenants and received rent subsidy from the Trust during the year.

Matt Bell, who was appointed a Trustee in October 2019, has children who attend Greytown Primary School, which received bulk education funding from the Trust during the year.

Phil Holden, who was appointed a Trustee in October 2019, has children who attend Greytown Primary School, which received bulk education funding from the Trust during the year.

David Montgomerie, who retired as Trustee in October 2019, was a member of the Board of Outward Bound NZ which received a grant from the Trust during his tenure.

Mike Gray, who retired as Trustee in October 2019, was a member of the Greytown Community Board, which is a representative body of the South Wairarapa District Council, and was appointed in March 2019 (until October 2019) to temporarily fill a vacancy on the Council created by the resignation of a sitting councillor. The trust paid local authority rates during his tenure.

Mike was also a member of the Disaster Preparedness Community Volunteer Group, which received a grant from the Trust (paid to the NZ Red Cross) during his tenure.

Graeme Gray, a former Trustee, was until October 2019, the Trust's appointee to the Board of the Cobblestones Museum Trust, which is a Trust tenant and received rent subsidy from the Trust during the year.

In regard to these disclosures:

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

On 30 January 2020, the spread of novel Corona virus (COVID-19) was declared a public health emergency by the World Health Organisation. From 25 March 2020, New Zealand was placed into Alert Level 4 lockdown to combat the pandemic, for a minimum period of four weeks. From 28 April 2020 this was reduced to Alert Level 3 with some restrictions relaxed, for a minimum period of two weeks. Subsequent to this restrictions have continued to lift, with the economy now operating at Alert Level 1.

At the time of signing the performance report it is unknown how long further restrictions will last. The Trustees will continue to monitor the impact of COVID-19 on the organisation but at the date of signing this report it is too early to determine the full impact this virus may have on the entity.

The known and expected impact of the virus on the entity is loss of rent resulting from the provision of agreed rent relief to the tenants.

Should this public health emergency continue for a prolonged period of time this has the potential to have an adverse financial impact on the organisation. Regardless, the Trustees maintain the view that the organisation has sufficient resources to continue to operate as a going concern.

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 criteria, being limited to the lesser of:

1. A debt to equity ratio of 30%, and
2. An interest cover of earnings before interest times two.

This was last confirmed on 1 May 2019. Confirmation is due again in May 2022.

16. Grants Committed But Unpaid

The following grants have been committed but were unpaid as at 31 March 2020:

	2020	2019
Community Grants	23,260	1,000
Total Committed Grants	23,260	1,000

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.

	2020	2019
Community	9,490	20,390
Rents Remission to Community and Sports Organisations	84,915	107,581
Community - Greytown Sport & Leisure Association	65,000	72,909
Education	81,329	89,600
Total	240,734	290,480

18. Trustees Honorarium

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

	2020	2019
Chairman - S Kempton	8,304	8,304
Deputy Chair - W Regnault	6,232	6,232
Trustee - D Montgomerie (retired 12 October 2019)	2,667	4,980
Trustee - T M Gray (retired 12 October 2019)	2,667	4,980
Trustee - C Rossiter-Stead	4,980	4,980
Trustee - D J Wilson	4,980	4,980
Trustee - Matt Bell (appointed 17 October 2019)	2,313	
Trustee - Phil Holden (appointed 17 October 2019)	2,313	
Total	34,456	34,456

19. Commitments

The Trust has entered into a grant commitment for 2020, totalling \$33,750, which will be paid in the financial year ended 31 March 2021. The grant does not meet the definition of a liability therefore is not included in the statement of financial position (2019: \$33,750).

Independent Auditor's Report

Greytown District Trust Lands Trustees

For the year ended 31 March 2020