

# Chairperson & Trust Manager Report & Update

## 2021/2022 - Year in Review



Tena Koutou Katoa, welcome to the 2021/2022 AGM for Greytown Trust Lands Trust (GTLT).

The 2021/2022 year continued in a similar vein as last year. COVID continued to make its presence felt on communities across the country including our own. The mini lock down in August last year was a tacit reminder that COVID was not done with New Zealand and certainly the full effect was felt in our region and town.

While the bulk of the country moved down in Alert levels at the end of August, Auckland was forced to remain at Alert level 4 until September. It was time of great uncertainty which saw the virus spread throughout our community and respective whanau.

For our commercial tenants, the lessons from 2020 had been well learned. The majority were well prepared and organised to ensure that they could continue to operate and manage their businesses through that challenging August period.

Operationally, the Trust had to once again consider supporting our tenants through the provision of rent relief but not nearly to the levels or extent of the year before. Trustees and management were again focused on ensuring that the Trust did its best to support our tenants and mitigate as much as possible the overall pandemic impact on our collective operations.

Rental income for the year end at \$831,884 and overall revenue of \$1,644,927 were both ahead of last year and have to be seen as a positive and solid result given the disruption due to COVID in the background. A significant gain on the sale of the Farmlands Pahiata and Niven Street Napier properties was a major contributor to the overall revenue performance.

However, the most significant and notable aspect of the 2021/2022 year has been the move and transition of the Trust to a more diversified asset base and portfolio which now includes managed funds.

In September 2021, Trustees determined to divest elements of its commercial property portfolio and invest those funds into a managed fund portfolio with Craigs Investment Partners. The Trust now has nearly \$6m in managed funds and is focused on growing the value of the fund.

Consequently, the Trust is in a period of transition from a single income source entity to a more diversified one. Trustees and management remain mindful of taking a conservative approach to our operations over this transition period, but we are clearly focused on growing value both in our commercial property portfolio as well as our managed funds assets and ultimately delivering more for the community.

Given the strong revenue line and transition into managed funds, the Trust has delivered a solid surplus before grants of \$1,292,631. Expenditure at \$352,296 continues to trend behind last year and reflects the decisions made last year to address the administration and operational cost structure of the Trust.

Grants and rental remissions distributions at \$216,316 were ahead of last year mainly driven by an increase in rent remissions. During the year the Greytown Sport and Leisure Society were able to secure a portion of their salary funding from other sources reducing our underwrite commitment to them. This resulted in additional funding being allocated to education bulk funding for the school, college and early childhood providers.

The overall financial result for the 2021/2022 year sees the Trust deliver a net operating surplus of \$1,076,315 which is ahead of last year and is a positive and satisfying result.

It is also worth noting the impact of the annual revaluation of our property portfolio. As of 31 March 2022, the value increase was \$4.39m, compared to a value increase of \$2.36m in 2021. The commercial property market has continued to be buoyant but the latter half of the year and into this year has seen a rapid cooling off period.

Our cash position at year-end of \$2.8m is higher than planned but is reflective of timing. In April/May the balance of the cash on hand was transferred into the newly established Craigs Investment Partners managed fund portfolio and consequently our current cash on hand balance has changed considerably.

## Looking Forward

With the move to a more diversified asset base and portfolio, the Trust can now look forward more confidently and with more optimism than it has previously. This is significant, given that this year we are holding our 150th annual general meeting. The major milestone of serving our community for 150 years will be celebrated some time in November this year at a special commemorative function at Cobblestones Museum.

We have recently published the results from the completed Community Lands survey. Some 435 responses were received, representing around 15% of the town's population based on the June 2018 census.

We wanted to thank everyone who took the time to contribute to the feedback process, it has been a valuable and important step and the Greytown community has delivered a clear and strong message in relation to the proposals to change the leasing arrangements over the community lands.

The incoming Board of Trustees which will be formed post the upcoming elections in October will now determine the next steps and timing of a Trustee vote on the proposals.

Just as the commercial operations of the Trust are in a period of transition, so too is the composition of the Trust Board. Three Trustees – Sid Kempton, Catherine Rossiter-Stead and Derek Wilson - are all retiring by rotation this year. We want to thank them for their diligence and contribution on behalf of the Trust and the Greytown Community.

A special acknowledgement has to be made of Derek Wilson, whose 40 years of contribution and commitment is significant and perhaps unlikely to be repeated. Thank you, Derek, you have been a tireless champion of the community and you can look back proudly on the legacy you have both helped create and left.

## Thank You

We would like to take this opportunity to express again our thanks to all Trustees for their efforts and support, particularly those who are retiring. It has been appreciated.

We also wish to acknowledge and thank Paul Broughton for his skilled, and valued contribution to the Trust, which has been invaluable as we continue on our transition journey. We also want to acknowledge and thank Jake Olsen from Craigs Investment Partners, whose professional, and considered advice has provided real confidence and reassurance to us as we have moved into the managed funds space.

Importantly, we also want to acknowledge and thank our key tenant stakeholders whose rental income provides such an important influence on the overall wellbeing of our community.

As in all things it is always about - he tāngata, he tāngata, he tāngata, - the people, the people, the people, - without which we would accomplish nothing.

With this in mind Trustees want to acknowledge and sincerely thank our Trust Manager, Helga Perry. Since coming into the role last year, Helga has continued to shine, and her growth and personal development, particularly on the commercial side, has been really pleasing to see. Thank you, Helga, we really appreciate all you do.

Lastly, but importantly, we want to expressly acknowledge and thank you, the Greytown community for your continued interest, support, and encouragement. We value and appreciate it.

Ngā mihi mahana,



Phil Holden  
**Chairperson**



Helga Perry  
**Trust Manager**