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# Chair & Trust Manager - Report 🔾 🔾

### 2022/2023 - Reviewing the Year

Tena Koutou Katoa, welcome to our first annual report covering the 2022/2023 period for the Greytown Trust Lands Trust (GTLT).

In November 2022 we had the pleasure of hosting the celebration of the 150th



anniversary of the Trust at Cobblestones Museum. At the event we had an inspiring recall of the early history of the Trust and the relationships between the early settlers and Māori.

Though it has been a relief to be through the worst of the COVID pandemic during this year its impacts are still being felt globally and locally and the Trust is not immune from its continuing impacts on the economy.

In October 2022 three of our Trustees retired -Catherine Rossiter-Stead, Sid Kempton and Derek Wilson. Three new Trustees were elected – Derek Williams, Stephen Meyrick and Andy Holmes.

Following the election of new Trustees and building on feedback from the Community in 2022, the Trust resolved to change the way in which its Community lands are leased to improve their delivery of value to the wider Community. The proposed changes are still being progressed with the respective parties and we overview that later in this report.

#### The Trust has three types of investment

Community Lands – these are the lands that are used by organisations in the community for community purposes and are leased to organisations that include Cobblestones Museum, the Greytown Rugby Football Club, Greytown

Bowling Club and Royal NZ Plunket Trust. The Trust does not seek a financial return on those lands for so long as they are used for Community purposes.

Commercial Property - these are properties like industrial and office land and buildings that are managed to provide income and capital growth to the Trust.

Managed Funds – these are funds that have been accrued over several years primarily from the management and sale of land and properties and which are invested in a diverse range of securities to provide income and capital growth to the Trust.

Rental income from the Commercial Property for the year ending 31 March 2023 was \$664,259 and after direct related costs delivered a return on investment of 4.71%.

In retrospect the 2021 move to diversify the asset base of the Trust into managed funds could hardly have taken place at a more challenging time given the global geopolitical environment that developed hard on the heels of COVID. Notwithstanding that our fund manager, Craigs Investment Partners, have done well to minimise the impacts of downside risk on the funds and to position it well for growth in the medium term. The value of the fund when established was \$4 million. Since then we have contributed \$2.15 million of further capital and the value of the fund as at 31 March 2023 stands at \$5,958,422.

Our annual revaluation of our property portfolio as of 31 March 2023, has shown a decrease of \$1,397,107 compared to a value increase of \$4,386,105 in 2022. The main contributor to this decrease in value is our community lands.

The Trust has delivered a solid surplus before grants of \$656,860 while expenditure at \$429,500 is well controlled.



The Trust remains in a period of transition from a single income source entity to a more diversified one in a more stable economic environment. We continue to be highly focused on growing value for the benefit of the community.

We distributed \$106,950 in community grants and \$114,750 in community land rent remissions.

The overall financial result for the 2022/2023 year sees the Trust deliver a net operating surplus of \$435,160.

#### **Looking Forward**

Our current Strategic Plan 2021-24 will be reviewed and extended during the 2023/2024 year.

We will seek feedback from the community on options for our future focus and that will help shape the plan. The Trustees have open minds about the level of Community value delivered from many small grants versus an approach that might apply larger grants to a fewer number of significant initiatives that meet specific Community needs.

It goes almost without saying that whatever we can do is dependent on the performance of our investments and the size of our capital base.

We need to carefully examine any opportunities to develop the size of our capital base including the possibility of attracting legacies, donations, and bequests.

Our focus continues to be "being recognised as a key and respected partner, supporting the growth and vibrancy of our community"

#### **Thankyou**

We value and appreciate the ongoing interest and support of you the Greytown Community, thank you.

We also wish to acknowledge and thank Paul Broughton for his continuing skilled, and valued contribution to the Trust. We also want to acknowledge and thank Jake Olsen from Craigs Investment Partners, for his continuing advice and management of our managed funds and Erica Buxton for her work with the Trust during the year most especially her review of the Grants Strategy.

Our key tenants are also stakeholders whose rental income enables the Trust to assist in the wellbeing of our community.

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

The Trustees continue to acknowledge and sincerely thank our Trust Manager, Helga Perry for her highly effective work across all the Trusts' areas of activity.

Ngā mihi mahana

Phil Holden
Chairperson
Greytown

Greytown Trust Lands Trust Helga Perry
Trust Manager

### Year in Review

	2023	2022	Variance	Footnote
Revenue from commercial & community land leases	902,248	940,545	-4%	
Other Investment Income	184,113	41,601	343%	
Total Expenses	429,500	352,296	22%	
Profit before Grants	656,860	629,850	4%	1
Grants (Cash)	106,950	99,701	7%	
Rent Remissions (Community Lands)	114,750	117,374	-2%	
Operating Surplus after grants and rent remissions	435,160	412,775	5%	
Total Assets	22,380,969	23,565,730	-5%	2

Footnote 1: 2022 Figure excludes income from sale of property.

Footnote 2: Decline in total assets reflective of changes in property valuations.

# Community Distribution

#### Grants

Trustees agreed in the 2021-24 Strategic Plan that community distribution would be set at \$107,700 for five years with a review after year three. This was to enable the Trust to build up its capital base during a time of divestment into managed funds .

An external review of our Grants Strategy showed that the Trust could afford to increase its funding of community grants based on income forecasts and after allowing conservatively for risks to rental and investment earnings and capital. Trustees closely considered the review and its findings and we are very pleased to announce that our community funding budget will be increased from the current \$107,700 up to \$160,000 from 2024. How this extra funding will be allocated is yet to be worked through.

The total community distribution for the 2022/2023 year was \$106,950 with the difference of \$750 being unspent pupil hardship funding.

Distribution of funds is based on our current three funding strategies – education; sport and active recreation; social, cultural and environmental - and these are all aligned to our purpose as set out in our Act (clause 13, Greytown District Trust Lands Act 1979).

The areas of focus for the 2022/2023 year were on education funding to the local schools and supporting Greytown Sports and Leisure Society by contributing to their executive officer salary.

A funding application is completed by each school for their proposed use of the funding available. Every year we receive some great initiatives with amazing outcomes which Trustees are very proud to be able to support.

Education	Funding
Kuranui College – Wananga / Academy learning programme	\$25,200
Greytown Primary School – junior playground development	\$24,500
Greytown Kindergarten – woodwork for young learners programme	\$6,500
Greytown Early Years – explorers outdoor programme & professional learning and development	\$5,000
Pupil hardship funding	\$750
	\$61,950

**Kuranui College** - Wānanga is about student led projects that allow them to explore areas of interest and arm them with skills, connections and potential work opportunities in the future. There are six Wānanga or learning areas that the student projects connect to:

- Achievement
- Performance
- Primary Industries
- Vocational Industries
- STEAM
- Social Enterprise



"I think Wananga Tradie is a good way to learn if you are into this kind of thing."

Year 11 student Connor Catt

**Greytown Kindergarten** children with their woodwork creations. This woodworking project has meant an abundance of new resources for the kindergarten created by the Tamariki themselves. This is incredibly empowering for them and they have access to a wide range of naturally made resources to extend their learning and imaginative play.



The Tamariki and Kaiako have been learning some great new skills by working with

Martin (the toymaker) and extending their knowledge of working with the wood and tools.

"We are selling some of the extra toys to fund a couple of extra sessions with Martin and we will also be gifting some to a not for profit later in the term."

Melissa Hodder, Head Teacher, Greytown Kindergarten



Sport and Active Recreation	
Support for Greytown Sport	\$45,000
& Leisure Society	
	\$45,000

The Trust has been supporting the Greytown Sport and Leisure Society since its inception back in 2000. For the last few years the Society has been working on securing an alternative long term funding source. Trustees recently resolved to continue to support Greytown Sport and Leisure Society with funding up to 30 June 2024.

### Rent Remissions - community lands

For many years these community lands have generated very little, if any, revenue with each year Trustees approving grants to the community groups to cover the land rental. Trustees passed a motion in November 2020 to apply a 100% rent remission on these lands. This arrangement is in place until 30 June 2024.

Community Land Rent Remissions	
Greytown Rugby Football Club	\$45,000
Greytown Bowling Club	\$24,750
Cobblestones Museum Trust	\$37,125
Royal NZ Plunket Trust	\$10,500
	\$117,375



# Community Lands

### Update on proposed lease changes

Following our community consultation in 2022 and elections last October, the Board passed resolutions to progress the proposals to enable greater community access to and greater use of, what have historically been single use sites.

#### 175-177 Main Street -Cobblestones Museum

Final draft of lease documentation is being prepared and Trustees expect execution of the new lease in the near future. The new lease provides for a greater level of community use and for this to be monitored and annually reported on to the Trustees.



#### 123 East Street -Greytown Rugby Football Club

The proposal for this site is that the current lease is terminated and two new leases are created. The first new lease is to be with the existing Lessee, the Greytown Rugby Football Club (GRFC) and the second lease is to be with South Wairarapa District Council (SWDC). The lease with GRFC is to be for the land underneath their existing clubrooms and the lease with SWDC is for the remainder of the site (playing fields).

The objective is to ensure wider community use of the existing site which currently provides for a single sports code.

#### 55-59 East Street -Greytown Bowling Club

The proposal for this site is that the current lease be terminated and that two new leases be created. The first new lease would be with the existing Lessee, the Greytown Bowling Club (GBC) and the second lease would be with South Wairarapa District Council (SWDC). The lease with GBC would be for the land underneath their existing clubrooms and curtilage while the lease with SWDC would be for the remainder of the site, being the existing number two bowling green.

The objective is to widen the usage of the site to allow for greater community recreation opportunities.



#### 10 McMaster Street -Royal NZ Plunket Trust

Unlike the other three community land sites, there are currently no proposals for wider community use of this site, and we are engaging with Plunket around their future needs and requirements.

## Investments ---

### Property and managed funds

Annual revaluations are carried out on all our assets. As at 31 March 2023 our total portfolio of commercial properties and community land is valued at \$15,915,000.

#### **About our Community Land**

These lands are non-income generating assets and are held for community use. Refer to Community Distribution – rent remissions.

Community Land (Greytown)	Tenant	Value as at 31/3/23	Value as at 31/3/22
123 East Street	Greytown Rugby Football Club	2,550,000	3,300,000
55-59 East Street	Greytown Bowling Club	900,000	1,100,000
175-177 Main Steet	Cobblestones Museum Trust	1,110,000	1,555,000
10 McMaster Street	Royal NZ Plunket Trust	270,000	302,400
		4,830,000	6,257,400



#### **About our Commercial Property**

The Trust has a diverse range of tenants in its portfolio with its largest income earner being Downer New Zealand Limited based in our Whanganui property.

Commercial Properties	Tenant	Value as at 31/3/23	Value as at 31/3/22
2 Arbor Place	Bodyworks Panel & Paint	1,010,000	1,050,000
6 Arbor Place	City Care	735,000	730,000
14 Arbor Place	The Olive Press	1,100,000	1,100000
246 Main Street	Greytown Stihl Shop	965,000	920,000
213-219 Main Street	Farmlands	1,700,000	1,700,000
64 Main Street	SWDC, Shadow Gallery, NZ Police	1,510,000	1,700,000
124 Main Street	Trust offices, DB Osborne Limited, Amplifon NZ Limited, Gregory Studio	665,000	670,000
34 Bedford Avenue	Downer New Zealand Limited	3,400,000	3,140,000
		11,085,000	11,010,000

The age of our properties ranges from 58 years – at 64 Main Street - to eight years old being 14 Arbor Place which was purpose built by the Trust for The Olive Press in 2015.

**34 Bedford Avenue, Whanganui** is our biggest commercial property. Trustees purchased this property in 2005 with the incumbent tenant - **Downer New Zealand Limited** - remaining there today.



"We have a fantastic relationship with Helga and the Greytown Trust Lands Trust, and it was a pleasure to be invited to attend their 150th celebrations late last year. It was inspiring to see the work that the Trust has done through the years to support the Greytown Community through the properties that it owns, and as the Trust's largest tenant we felt that in some way we were part of its' success and privileged to be involved. Long may it continue."

**Trent Butchart**Area Manager Whanganui



The **Greytown Stihl Shop** building located on **Main Street** was purpose built for business owner Owen Martin in 2013.

It is great to see this property continues to host a successful and well respected business.

#### **About our Managed Fund**

The Trust diversified its investments in October 2021 by the placement of funds with Craigs Investment Partners in a managed fund with a balance between fixed interest securities and equities. It was a challenging time in which to make such a change given the volatility in local and international markets largely caused by the response to the Covid pandemic and more recently by impacts of geopolitical uncertainties. As a result, the fund incurred a loss of -2.41% for the year ending 31 March 2022 and a loss of -1.9% for the year ending 31 March 2023. The last two guarters of the year showed positive results.

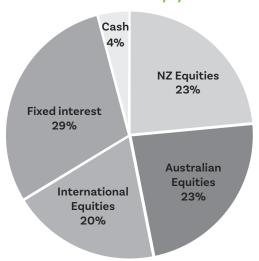
The Trust is a long-term investor and needs to hold its position where it is well placed to benefit from anticipated changes in market conditions.

Significant Portfolio movements include:	
Funds deposited at 29 October 2021	\$4,000,000
Withdrawal January 2022	\$600,000
Deposit April 2022	\$2,500 000
Additional Deposits November 2022 – January 2023	\$250,000
Total Deposits and Withdrawals	\$6,150,000

A summary of the portfolio is depicted below.

Asset Allocation	31/03/2023	31/03/2023
NZ Equities	23%	1,397,807
Australian Equities	23%	1,393,398
International Equities	20%	1,164,403
Fixed Interest	29%	1,755,959
Cash	4%	246,855
		5,958,422

#### Asset Allocation 31/3/2023



# Strategy - looking forward

Next year sees us coming to the end of our current 2021-24 Strategic Plan. It is somewhat challenging to plan for the long term when there is much uncertainty globally and locally. That said our approach is to plan realistically taking into account what we currently know and the needs of our Community that it is possible and practical to address with our wide remit.

We will be focussing on opportunities to grow the size of the Trust fund through investment and if it proves possible by attracting legacies and bequests.

As mentioned earlier in the report, our community funding budget for our 2024/25 year will increase to \$160,000.

To help us direct grants to the areas where they will have the most impact we will engage with the Community about our future direction and particularly to help us understand what balance we should strike between smaller grants and grants to projects of larger scale.

# Our People

#### **Board of Trustees**

The Board consists of six individuals selected as Trustees by local residents. The process of selection takes place every three years by means of a poll of registered voters in the Greytown District electorate, held concurrently with local government elections. While Trustees are all elected for a term of six years, the commencement dates of terms are staggered so that at each election only three positions on the Board at a time become vacant. This helps ensure there is a degree of continuity of governance from one election to the next.



GTLT Board of Trustees: Matt Bell, Phil Holden (Chairperson), Stephen Meyrick, Wayne Regnault, Andy Holmes, Derek Williams (Deputy Chairperson)

### Management Team

The Trust is managed by **Helga Perry** who this year celebrated her 10th anniversary with the Trust. Helga started in 2013 as a part time administration assistant and in 2021 took over as Trust Manager.

Helga is assisted part time by Paul Broughton, Technical Property Advisor.

The Trust's financial accounting is undertaken by **Callum Mitchell** from **Rightway Limited**.

Jake Olsen from Craigs Investment Partners is our funds manager.



**Erica Buxton** a local Greytown resident with a background in strategic finance has been co-opted by the Trust. Erica recently carried out a review of our current grants strategies and is a regular attendee at Board and sub-committee meetings where her expertise is valued.

#### **Audit and Risk Committee**

Members of the Audit & Risk Committee - Phil Holden (committee Chair), Derek Williams and Stephen Meyrick.

#### **Investment Committee**

Members of the Investment Committee - Derek Williams (committee Chair), Andy Holmes and Matt Bell.

# Financial Information

# The Trust's audited Performance Report is available as an addendum to this report.

### Statement of Financial Performance

Greytown District Trust Lands Trustees. For the year ended 31 March 2023

	2023	2022
Revenue		
Revenue from Commercial and Community Land Leases	902,248	940,545
Interest, Dividends and Other Investment Revenue	184,113	41,601
Revenue from Property Sales	-	662,781
Total Revenue	1,086,361	1,644,927
Expenses		
Costs Related to Providing Commercial and Community Land Leases	180,851	147,240
Other Expenses	248,649	205,056
Total Expenses	429,500	352,296
Net Surplus/(Deficit) before Grants	656,860	1,292,631
Grants		
Grants and Donations Made	221,700	216,316
Total Grants	221,700	216,316
Net Surplus/(Deficit) from Operating	435,160	1,076,315
Non-Operating Revenue/(Expenses)		
Annual Revaluation/(Impairment)	(1,397,107)	4,386,105
Gains/(Losses) on Investments - Managed Funds	(249,682)	(119,487)
Total Non-Operating Revenue/(Expenses)	(1,646,789)	4,266,618
Net Surplus/(Deficit) to Trust Capital	(1,211,629)	5,342,933

This is an extract from the Performance Report that was prepared in accordance with generally accepted accounting practices.



### Statement of Financial Position

Greytown District Trust Lands Trustees. For the year ended 31 March 2023

	31 MAR 2023	31 MAR 2022
Assets		
Current Assets		
Bank Accounts and Cash	147,066	1,940,453
Investments - Managed Funds	625,708	-
Term Investments	55,776	66,542
Debtors and Prepayments	114,414	809,906
Property Development in Progress	3,493	-
Other Current Assets	155,000	155,000
Total Current Assets	1,101,457	2,971,901
Non-Current Assets		
Property, Plant and Equipment	15,915,970	17,268,644
Investments - Managed Funds	5,332,714	3,307,748
Other Non-Current Assets	20,063	17,438
Term Investments	10,766	-
Total Non-Current Assets	21,279,512	20,593,829
Total Assets	22,380,969	23,565,730
Liabilities		
Current Liabilities		
Grants Committed Not Yet Paid	18,563	-
Other Current Liabilities	119,346	111,192
Total Current Liabilities	137,908	111,192
Total Liabilities	137,908	111,192
Total Assets less Total Liabilities (Net Assets)	22,243,061	23,454,539
Trust Capital		
Accumulated Surpluses/(Deficits)	8,462,293	8,116,126
Funds in Trust	66,800	66,650
Reserves	13,713,967	15,271,763
Total Trust Capital	22,243,061	23,454,539

This is an extract from the Performance Report that was prepared in accordance with generally accepted accounting practices.



### Statement of Cash Flows

Greytown District Trust Lands Trustees. For the year ended 31 March 2023

	2023	2022
Cash Flows from Operating Activities		
Receipts from providing goods or services	899,619	962,573
Interest, dividends and other investment receipts	1,168	4,533
GST	(1,348)	(252)
Payments to suppliers and employees	(398,040)	(338,693)
Donations or grants paid	(224,325)	(234,514)
Total Cash Flows from Operating Activities	277,073	393,647
Cash Flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	701,637	2,666,008
Payments to acquire of property, plant and equipment	(23,199)	(731,046)
Payments to purchase investments	(2,750,000)	(3,400,000)
Movement of funds held in trust	1,101	(1,106)
Total Cash Flows from Investing and Financing Activities	(2,070,461)	(1,466,144)
Net Increase/(Decrease) in Cash	(1,793,388)	(1,072,497)
Cash Balances		
Bank Accounts and Cash at beginning of period	1,940,453	3,012,950
Bank accounts and Cash at end of period	147,066	1,940,453
Net change in cash for period	(1,793,388)	(1,072,497)

This is an extract from the Performance Report that was prepared in accordance with generally accepted accounting practices.

# Celebrating 150 Years of the Trust

In November last year the Trust celebrated its 150th with a function held at the Cobblestones Museum. The evening was attended by close to 100 guests including past Trustees and employees of the Trust, tenants, local councillors, and various members of community groups.

Paora Ammunson, Kamatua Papawai Marae welcomed attendees and shared some best wishes on behalf of the Papawai community.



The highlight of the evening was a very entertaining and informative session with local historian Gareth

Winter interviewing recently retired Trustee Derek Wilson.

At the end of the evening Derek was presented with a service plaque acknowledging his outstanding achievement of serving 39 years on the Trust including several years as Chair.





Previous Trustees John Gray, Geoff James, Diane Sutherland, Derek Wilson, Beth Regnault (husband Doug was Trustee), Don Knight, David Montgomerie, Pamela Jefferies, Mike Gray, Rob Smith, Graeme Gray.

Previous Trustees, most of who still live in Greytown today and actively involved in local community clubs and organisations.



Derek Wilson receiving long service plaque.

Photos taken by Lucy Cooper



# Notes

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