



**Media information: 12<sup>th</sup> August 2019**

## **Masterton Trust Lands Trust announces 2018/19 annual result**

Masterton Trust Lands Trust (MTLT) announced positive financial results and an increase in grants for the 12 months ended 31 March 2019 at its annual general meeting today.

The community-owned Trust recorded an operating surplus of \$5.3 million and a 10.9 percent increase in equity to \$46.3 million. Rental income increased marginally to \$5 million as a result of a 100 percent occupancy rate and strong rental growth.

Movements in MTLT's property portfolio included the sales of Waiata House and Burger King. The sale of Waiata House to Masterton District Council was subject to major structural remediation of the building which took almost a year to complete. The property was handed over to the council in February this year.

After adjustment for these sales, the overall value of MTLT's property portfolio increased by 5.4 percent over the previous year. The property sales supported repayment of \$5 million of debt and an improvement in MTLT's debt ratio from 40.2 percent to 33.3 percent.

Total grants for the year increased by over 15 percent to \$783,445. The Trust distributed \$283,375 in education grants, \$479,070 in concessional rental grants to community groups such as Aratoi, Masterton Foodbank and Harlequin Theatre, and a civic grant of \$16,000 to Masterton District Library.

MTLT chairperson Leanne Southey said that while the Trust had recorded strong results for the year, it would continue its conservative approach to borrowing, property development and grant distribution due to the ongoing structural remediation work and associated litigation.

"This approach is designed to ensure the Trust's sustainability in the longer term and significantly improve our level of grant distribution to the Masterton community in the future."

Miss Southey said work is continuing to address the structural design issues in a number of MTLT-owned buildings that were identified three years ago as not being up to standard.

"We've been working with our tenants to progress the remediation work in a way that minimises the potential disruption to them and their businesses."

The litigation process to recover the costs of remediation is ongoing and is expected to take at least another year to resolve.

Considerable maintenance work took place during the year to upgrade a number of MTLT-owned buildings.

“Our ongoing maintenance programme aims to ensure our tenants have safe, productive and pleasant working environments to run their business or organisation, and to enhance the value of these community-owned assets.”

Miss Southey said the Trust had recently developed a new six-year strategy that sought to strengthen the long-term viability of the organisation and ensure its growth keeps pace with inflation and population growth in the Masterton district.

“Our ultimate goal is to progressively increase the distribution of grants to the community to double the current level by 2025. This would take annual grants to around \$2 million, which would significantly increase the range of education, arts and community initiatives we could support each year.”

Miss Southey said MTLT had also been benchmarking its work against that of similar community-owned trusts in New Zealand.

“The focus of this work is to ensure our operations and grant distribution meet industry best practice and are in line with other top performing trusts around the country.”

Ends