

MASTERTON  
TRUST LANDS  
TRUST

2023

ANNUAL REPORT

CELEBRATING

150  
YEARS



# OUR VALUES

In undertaking the work of the Trust, we stay true to the intentions of Masterton's early settlers who secured land to assist future generations in educational, cultural and community activities.

## LEGACY

Honouring the vision of Masterton's early settlers in securing land from which future generations could benefit.

## PROFESSIONALISM

Using knowledge, skills and expertise to grow the Trust's assets and maximise returns.

## EDUCATION

Working with the community to support learning opportunities that are open and accessible to all.

## STEWARDSHIP

Responsible decision-making to maintain and grow the resources in our care.

## ACCOUNTABILITY

To our owners, the people of Masterton, and our tenants.

## ADVANCEMENT

Providing extraordinary educational and cultural opportunities for Masterton people.

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Thank you to our tenants and grant recipients for assisting with photographs for this report.

Inside back photo:

Mural by FLOX on Lincoln Road, Beau Elton Photography.



Learning to cook damper over a fire at the New Forest School, near Masterton.

# YEAR IN REVIEW



Trust-owned property on Queen Street tenanted by NZ Safety Blackwoods.

Established in 1872, Masterton Trust Lands Trust (MTLT) is a significant community-owned asset, governed by its own Act of Parliament. It manages a large portfolio of properties for the benefit of the Masterton community.

Profits from our commercial property rental income are distributed to the community in the form of education, arts, and community grants. In addition, space in our buildings is provided to a number of community organisations at concessional rents to support the work they do for the people of Masterton.

From the Trust's establishment, education has been a key focus for our grants programme and activities.

	2023	2022	Variance
Surplus *	\$ 16.9m	\$ 9.6m	↑ 76.0%
Net operating profit **	\$ 3.4m	\$ 5.8m	↓ 40.9%
Rental income	\$ 5.5m	\$ 5.2m	↑ 6.3%
Equity	\$ 85.3m	\$ 69.9m	↑ 22.1%
Total assets	\$ 103.4m	\$ 89.0m	↑ 16.2%
Debt to debt + equity	17.1%	21.1%	
Total grants	\$ 1.5m	\$ 1.1m	↑ 35.1%

\* Before grants, includes property portfolio revaluation

\*\* Before grants, does not include property portfolio revaluation

# CHAIR'S REPORT



The past year was significant for the Trust as we celebrated 150 years and distributed \$1.5 million in grants to the community.

In July, Trustees, staff and the community joined together at Aratoi to celebrate the journey and achievements of Masterton Trust Lands Trust. As we reflected on 150 years of the Trust's work, we paid tribute to the collective contribution of Trustees past and present.

We published *Continuing Legacy* by Gareth Winter, and funded two exhibitions including the year-long display *Masterton Museum: A Cabinet of Curiosities* at Aratoi.

Our 150th event was a fitting occasion to launch the Trust's public arts initiative. Former chair Leanne Southey announced the Trust's vision to brighten up Masterton, bringing art to the people by commissioning four murals on Trust-owned buildings. Headlined by distinctive stencil and aerosol artist FLOX – her colourful mural of huia and kōkako on Lincoln Road is now a striking addition to the CBD. We've since added a garden to complement the space.

We signed a 99-year ground lease with Wellington Free Ambulance for land on the corner of Russell and Queen streets. The site will house a purpose-built ambulance station due for completion in 2024.

Financially, the Trust continues to perform extremely well. This year, assets exceeded \$100 million for the first time in the Trust's history and equity grew by 22 percent to over \$85 million. Total debt reduced by \$1 million. To this end, our General Manager Andrew Croskery deserves a mention. Since 2016 he has adeptly managed the Trust's property portfolio. In 2019 he developed a strategic plan to grow capital and reduce debt with a long-term goal to increase the level of grants distributed each year to the Masterton community.

The goals of the strategic plan are now coming to fruition with a 35 percent boost in grants reaching a new high of \$1,518,650. Our grants programme reflects the Trust's vision that learning is life-long and linked to community wellbeing. We supported education, arts and community initiatives for all ages throughout the Trust's district.

As the third year of the Whakaoriori Wellbeing Project draws to a close, we hope the long-term investment in our tamariki and rangatahi delivers far reaching benefits. Building resilient thinkers and teaching strategies to master social competence are powerful tools young people can use to shape their future.

I'd like to acknowledge our loyal family of professionals and contractors who complement and support our small but very efficient management team. I'd also like to thank our tenants, without whom we could not fulfil the Trust's purpose.

Finally, thanks to my fellow Trustees. I'd especially like to welcome our newest board members Monique Kloeg and Bella McClymont who bring a young and modern perspective to our work. With their arrival, we bade farewell to two long serving Trustees – Leanne Southey and Frazer Mailman. Leanne became the first female chair of the Trust in 2015 and gave more than a decade of service to the Trust. Frazer's lifetime of experience in education was a great asset for the six years he served.

I look forward to leading our Trustees into the year ahead with the knowledge that 150 years on, we're not only continuing the legacy of our forebears but growing it too – enriching the lives of Mastertonians with new educational, arts and cultural opportunities.

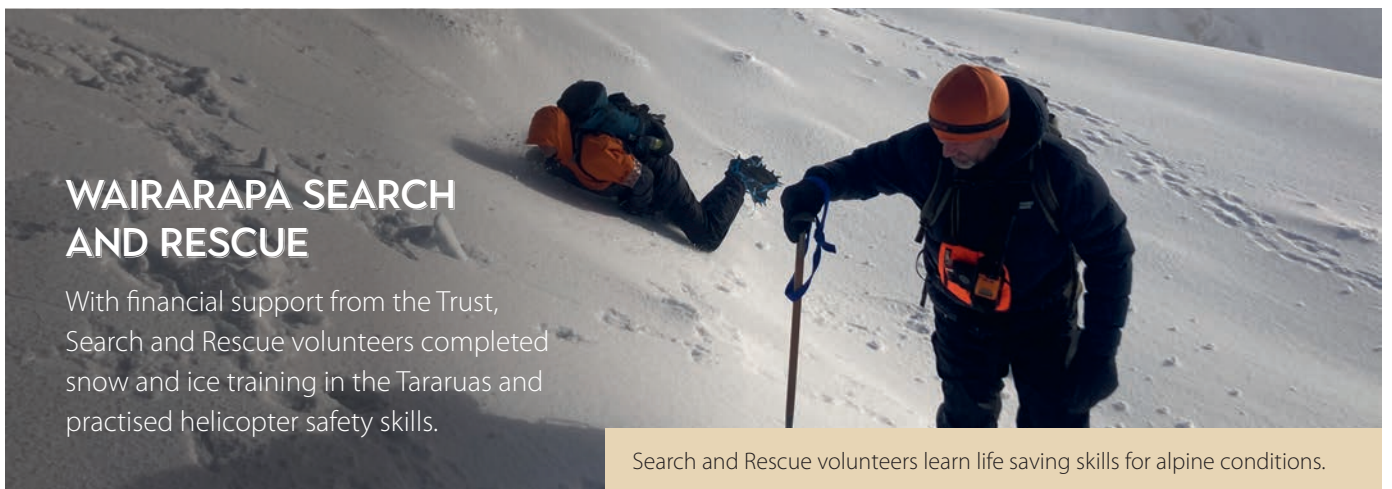
**Christine Brewster**  
Chair

# GRANTS

This year's grants programme delivered a variety of new learning experiences for all ages, in classrooms and beyond.

## EDUCATION

The Trust recognises that learning is life-long and contributes to community wellbeing. Our grants programme reflects this and benefits people who reside in Masterton that participate in educational activities across the region – from the mountains to the sea.



### WAIRARAPA SEARCH AND RESCUE

With financial support from the Trust, Search and Rescue volunteers completed snow and ice training in the Tararuas and practised helicopter safety skills.

Search and Rescue volunteers learn life saving skills for alpine conditions.



St Patrick's pupils enjoy shared kai from the school garden.

### GARDEN TO TABLE

A \$10,000 grant to fund a *Great Kai Facilitator* to work across three Masterton primary schools delivered learning benefits to 180 students around how to grow, harvest, prepare and share healthy kai. As well as gaining practical skills to grow food, tamariki learnt about seasonality and the natural cycles that affect crops – essential to understanding climate change.

Children learnt how to take action for food resilience.



*Taking action fosters hope and lessens the anxiety that many young people now experience.*

Gill Stewart  
Enviroschools Community Facilitator

## SURF LIVESAVING

Riversdale Surf Lifesaving Club received a grant to deliver its *Nipper Instructors'* programme, teaching 5-14 year olds essential surf and rescue skills.



*Nippers* in training at Riversdale Beach.

## WHAKAORIORI WELLBEING PROJECT

The Trust's investment in this long-term programme that fosters social competence in children is in its third year. Masterton Primary School and Masterton Intermediate are the most recent funding recipients. From term one 2023, both schools began the ground work to deliver *Te Ara Whakamana: Mana Enhancement* – using the Māori creation story, colour, imagery and cultural metaphors to connect tamariki to their mana, their sources of strength and their world.

## COMMUNITY

After a five year hiatus, the Trust reinstated community grants – providing more than \$150,000 to support Masterton-based non-profit organisations.

## SUMMER HUMMER

The Trust contributed \$5,000 to support the revival of *Summer Hummer* – a Masterton music tradition initiated 25 years ago. The family friendly music event at Queen Elizabeth II Park featured well known Kiwi bands and the chance to hear local college bands. The Trust's grant helped keep entry costs affordable for locals.



Auckland band *KINGS* were the headline act at *Summer Hummer* at QE II park in December. Photo by Jade Cvetkov Photography.



Authors Jason Gunn and Fifi Colston engage young readers at Masterton Library as Trust chair Christine Brewster looks on.

## INSPIRE A CHILD TO READ

The *Inspire a Child to Read* programme run by Hedley's Books during the *Yarns in Barns: Wairarapa Festival of Reading* received a \$16,000 grant. Around 700 students in years five and six across eight Masterton schools were given vouchers for a free book. They were also invited to meet four Kiwi writers. A te reo event was held at Te Kura Kaupapa with local writer Maxine Hemi.

*The faces of the children at the author events spoke for themselves, with other siblings joining them too.*

*Our authors delighted the children and gave each one much time and attention.*

David Hedley,  
Festival organiser

# ARTS

In conjunction with our 150th celebrations, we launched a new public arts initiative with a vision to bring Masterton's CBD to life with colourful and thought-provoking art.

In October, four murals were commissioned on Trust-owned buildings. The artworks drew inspiration from Wairarapa's natural features.

## PAST AND PRESENT, FLOX 10 LINCOLN ROAD

Auckland-based aerosol and stencil artist FLOX (Hayley King) created a unique 16m x 5m nature inspired artwork. It pays homage to the huia – lost to the region forever and shines a light on a thriving kōkako population in Pūkaha's forest reserve.



## FIVE RIVERS, PIP AND ZOE PAINT 49 DIXON STREET

Pip and Zoe (Pippa Keel and Zoe Gillett) are a mural painting duo from Wellington. Their mural in the *Lone Star* carpark is painted on corrugated iron.

Focusing on the five rivers of Wairarapa, their work features NZ's endemic longfin eels.



## RURU, SEAN DUFFELL CORNER CRAYNE AND QUEEN STREETS

The Ruru (Morepork) is the centrepiece of Sean's mural in Kuripuni. The Ruru is adorned with native plants often used in traditional Māori medicine (rongoā).

Created in a free-style form, Sean works with aerosol spray paints.



## SINK OR SKIM, LOTTE HAWLEY 22 DIXON STREET

Inspired by the region's rivers and the moments spent in them, this mural captures children skimming stones. Lotte has obscured their faces leaving viewers to create their own memory.

Earthy tones reflect the architecture around the wall.



Photo by Phillip Nixey.

# SCHEDULE OF GRANTS

## EDUCATION

<b>Roll-based funding</b>		<b>\$</b>
Twenty-seven education providers	Roll-based funding	58,464
<b>School/education events</b>		
Wairarapa Maths Association	Matharapa – Maths competition	1,000
Masterton Primary Principals Cluster	Keynote speaker for PLD teacher only day – June 2022	2,000
REAP Wairarapa	Wairarapa schools photography competition	1,000
Masterton Primary Principals Cluster	Keynote speaker for PLD teacher only day – April 2023	2,000
Mākoura College	Māori Millionaire workshops	1,000
Wairarapa College	Intercollegiate speech competition	1,000
<b>Whakaoriori Wellbeing Project</b>		
St Patrick's School	Zones of Regulation programme	6,893
Chanel College	Zones of Regulation programme	6,957
Lakeview School / Whareama School	Kia Hākinakina – Values-based play programme	38,609
Wairarapa College	Rock and Water / Check and Connect programmes	46,237
MIS / MPS	Te Ara Whakamana: Mana Enhancement programme	50,000
Whakaoriori Wellbeing Project	Project coordinator costs	4,712
<b>Special project</b>		
Pathways	Real Tough Stuff programme in partnership with Mākoura College	86,957
<b>Scholarships</b>		
Alan MacDiarmid Scholarship	Three students @ \$1,000	3,000
Retraining Scholarship	Five students @ \$2,000	10,000
Tenant Apprentice Scholarship	Three apprentices @ \$1,000	3,000
<b>Community education</b>		
Digital Seniors	Operating costs	10,000
Ruamahanga Restoration Trust	Schools Behind our River project	8,000
Aratoi Wairarapa Museum of Art & History	Aratoi education programme	10,000
Riversdale Beach Surf Lifesaving Club	Nipper instructors programme coordinator	2,710
House of Science Wairarapa	Five bilingual science kits	10,000
Wairarapa Search & Rescue Inc	Alpine and helicopter training for Search & Rescue volunteers	2,500
Oasis Charitable Trust Wairarapa	Before/after school and holiday education programme expenses	10,000
Outward Bound Trust of NZ	Outward Bound Korowai course for local year 12 students	10,000
Wings Over Wairarapa	Wings Over Wairarapa Schools' Day 2023	10,000
REAP Wairarapa	Chatterbox oral language programme	10,000
Toimata Foundation	Enviroschools garden specialist integrating the Garden to Table programme	10,000
Masterton Intermediate School	Costumes and accessories for Wellington Region Poly Fest performance	6,000
Divine River NZ Trust	Sustainable personal care product programme with Puawānanga (TPU) Masterton	2,175
Westside Playcentre	Session facilitator wages	9,256
Toru Education	Transport for local schools/ECEs to visit the New Forest School	8,000
Tūranga Rau	Resources for the Kararehe Taute project and music therapy room	7,500
<b>TOTAL EDUCATION</b>		<b>448,970</b>
<b>CIVIC</b>		
Masterton District Council (Library)	Materials for library collections and literacy programmes	25,000
<b>TOTAL CIVIC</b>		<b>25,000</b>
<b>ART</b>		
Aratoi Wairarapa Museum of Art & History	Exhibition funding for the 'Masterton Museum Collection'	25,000
Murals for Masterton	Murals – Star Block building, Kuripuni building, LoneStar fence, Education Centre	62,060
Public Art Initiative	Sculpture	34,783
<b>TOTAL ART</b>		<b>121,843</b>



## COMMUNITY

Wairarapa Waka Ama Canoe Club	Two club members to attend Waka Ama world championships in London UK	3,000
Pūkaha National Wildlife Centre	Pūkaha Te Taiao Wellness programme	2,000
Henley Mens Shed Inc	Operating costs	4,000
Wairarapa Community Centre Trust	Operating costs	7,000
Wairarapa Woodworkers Guild Inc	Purchase wood lathe, drill press and scroll saw	8,559
Alzheimers Wairarapa Inc	Operating costs	5,000
Aphasia NZ Charitable Trust	Operating costs for the Wairarapa Community Aphasia Advisor	2,500
Wairarapa Youth Charitable Trust	Operating costs for the Wairarapa Boxing Academy	10,000
Masterton Community Toy Library Inc	Manager costs, purchase toys and storage equipment	2,500
Masterton Foodbank Inc	Salary costs	5,000
Wairarapa Road Safety Council Inc	Wairarapa Community Driver Mentor programme	7,500
Shear History Trust	Casual staff wages	5,000
Wairarapa Filipino Society	Promoting Filipino language and culture in the local community	6,000
Little Bundles	Provide clothing and knitted garments for children in need	1,500
Douglas Villa Assn Football Club Inc	Club coach across all grades	5,000
Waiwaste Inc	Operating costs	7,000
Riding for the Disabled Wairarapa Group Inc	Replace posts and rails in the horse arena	6,000
People First NZ Inc – Ngā Tāngata Tuatahi	Operating costs for Wairarapa People First group	4,000
Netball Wairarapa Inc	Wages for part-time staff	5,000
Mahi Tahī Tātou Charitable Trust	Operating costs	5,000
Hōkai Tahī	Wages for qualified counsellor	6,700
Masterton District Brass Band Inc	Brilliant Brass learning programme in schools	10,000
Masterton Squash Club Inc	Wages for junior coach	5,000
Masterton Family Education & Support	Upgrade office computer systems	7,500
Mobility Assistance Dogs Trust	Salary costs for Canine Client Coordinator	2,000
Citizens Advice Bureau Wairarapa Inc	Operating costs	1,740
Shelter Masterton Inc	Complete, move and install cabin onto transitional housing site	10,000
Yarns in Barns	'Inspire a Child to Read' programme – Yarns in Barns Festival of Reading	16,000
Summer Hummer 2022	2022 Summer Hummer concert	5,000
Golden Shears International Shearing Society	2023 Golden Shears	10,000
Tinui School	Purchase school resources following Cyclone Gabrielle	926
<b>TOTAL COMMUNITY</b>		<b>176,425</b>

## CONCESSIONAL RENT

10 Bruce Street	Aratoi Wairarapa Museum of Art & History	346,971
Cornwall Street	Wairarapa College Farm	168,000
205 Chapel Street	Masterton Young Citizens Club	10,750
5 Church Street (Radio House)	Masterton Foodbank Inc	19,700
5 Church Street (Radio House)	Ahmadiyya Muslim Community	5,200
5 Church Street (Radio House)	NZ Society of Genealogists Inc (Wairarapa Branch)	8,750
5 Church Street (Radio House)	Access Radio Wairarapa	29,300
22 Dixon Street (Education Centre)	REAP Wairarapa	25,000
146 Dixon Street	Masterton Theatre Company (Harlequin Theatre)	18,500
1 Hillcrest Street	Friends of Millennium Reserve	5,618
1 Hillcrest Street	Wairarapa Woodworkers Guild Inc	6,160
203 Ngaumutawa Road	Masterton Judo & Ju Jitsu Academy	9,000
13 Queen Street	ConArt Container Gallery & Studios	27,388
15 Queen Street	He Kāhui Wairarapa Inc	20,200
98 Queen Street	Masterton Trade Aid Trust	2,866
365 Queen Street (SPOT)	REAP Wairarapa	28,010
392 Queen Street (Enterprise Village)	Autism Wairarapa Charitable Trust	8,000
392 Queen Street (Enterprise Village)	Community Budgeting Trust (Wairarapa)	7,000
<b>TOTAL CONCESSIONAL RENT</b>		<b>746,413</b>

<b>TOTAL GRANTS</b>	<b>1,518,650</b>
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# PROPERTY

Masterton Trust Lands Trust has 90 tenants in properties across Masterton with rental income funding our grants programme.

The Trust's occupancy remains strong at close to 100 percent despite some lingering effects of the pandemic on the local economy.

## COMMUNITY

The Trust supports community services by providing concessional rents to a variety of community groups in Masterton. While these properties don't provide a financial return, they deliver social, cultural, and educational dividends to our community.

### RADIO HOUSE, CHURCH STREET AHMADIYYA MUSLIM COMMUNITY

The Trust provides space in central Masterton for members of the Ahmadiyya Muslim Community. It provides an essential hub where former refugees can gather and connect.



Upstairs in Radio House provides a welcome space to gather.



Di (second left) with local members researching family histories.

### NZ SOCIETY OF GENEALOGISTS – WAIRARAPA

In September, the Trust found a new home for the local branch of the NZ Society of Genealogists (NZSG). The branch opens weekly and supports people to research family histories. It has an extensive library, microfiche records and a host of historical research aides.

*We are very thankful... this means a lot to us... to utilise the facility for our community gathering and most importantly prayers.*

Tashriq Hanif, President  
Ahmadiyya Muslim Community Masterton

*The concessional rent has enabled us to keep our resources safe and available for use by our members and the public. Tracing the journey of our families – where they came from, how they got here and their journey within New Zealand is becoming more popular again and we have the resources and the experience to help find the answers.*

Di Edwards, Convenor  
Wairarapa branch of NZSG

## GREENSCAPING

Green spaces in urban areas can help offset the environmental impacts of commercial development. Greenscaping provides vegetation to absorb carbon dioxide which cools urban centres. For more than 70 years, the Trust has set aside green spaces in Masterton with the future in mind.

## WAIRARAPA COLLEGE FARM

Since the 1950s, the Trust has leased land between Ngaumutawa Road and Pownall Street to Wairarapa College to develop a farm for educational purposes. Today, the farm area is around 13 hectares. Through hands-on learning, the farm promotes farming and agricultural industries as a viable career path.

Around 400 students (from years 9 to 13) benefit from practical learning outdoors on the school farm. They learn everyday farm skills – fencing, building, managing livestock, plus growing and harvesting crops. Students also learn about genetics and have successfully bred a new sheep called the *Kaimac*.

Each year the Trust contributes money for ongoing farm maintenance. This year, around \$30,000 was allocated to support improvements including a landscape plan for a native shelter belt, an orchard and a nut grove.

## MILLENNIUM RESERVE

Almost thirty years ago, Trustees supported a community vision to restore six hectares of Trust-owned land on the corner of Pownall and Hillcrest streets.

Thanks to many volunteer hours planting more than 50,000 native trees, restoring wetlands and maintaining 2.5 km of walking tracks, the Reserve is now an established haven for birds, plants and humans.

In recognition of its indigenous Wairarapa flora, Millennium Reserve is protected by a QEII National Trust open space covenant.



Tūi feeding on harakeke in Millennium Reserve. Photo by Paul Rushbrook Photography.



## MURAL GARDEN

To complement the mural *Past and Present* by FLOX, the Trust developed a mural garden. The green space connects Lincoln Road and Chapel Street for pedestrians. With a meandering path and bright blue seating to echo the mural, the garden invites passers by to slow down, sit and take in the mural among native plantings. A plaque in the garden acknowledges the generosity of Ethel Irene Stephens whose bequest helped make the mural possible.



## TENANTS

We welcomed two new businesses to Masterton and signed a unique new lease with Wellington Free Ambulance.

### NEW TENANTS WELCOMED

We welcomed two nationwide businesses as new tenants – *NZ Safety Blackwoods* at 400 Queen Street, and *Thrifty and Hertz Car Rentals* at 7 Chapel Street.

We leased land at 203 Ngaumutawa Road to the *Clever Living Company Wairarapa* for its showhome. The business is a new venture offered by another of our tenants, Quality Builders.



Trade Aid settles into new premises at 98 Queen Street.

## EARTHQUAKE STRENGTHENING

Earthquake strengthening and refurbishment of 98 Queen Street was completed in November. Our tenant Trade Aid Masterton didn't have to go far to move in next door. Relocating over a weekend meant minimal disruption for their customers.

## GROUNDBREAKING 99-YEAR LEASE

We entered into an historic 99-year ground lease with Wellington Free Ambulance for approximately 2,500m<sup>2</sup> on the corner of Russell and Queen streets in Masterton.

Wellington Free Ambulance will build a state-of-the-art ambulance station to serve the Wairarapa community. It's a unique partnership for both organisations where land remains in community ownership and Wellington Free Ambulance enjoys long term security of tenure.

The purpose-built ambulance station will be designed to Importance Level 4 (buildings and facilities with special post-disaster function). This means it can operate immediately following a natural disaster and serve as a Civil Defence Hub.

Due for completion in 2024, the station will house the 30+ emergency response crew including paramedics, patient transfer officers and rescue squad members who support the community.

# CELEBRATING 150 YEARS

To mark our 150th anniversary, the Trust hosted a special event at Aratoi for former Trustees, kaumātua and iwi representatives, local dignitaries and community leaders.



Then chair Leanne Southey addresses guests at Aratoi.

The unique occasion honoured the Trust's achievements and continuing contribution to enriching education and cultural opportunities for the people of Masterton. Guests were the first to tour Aratoi's year-long exhibition from the Masterton Museum collection, founded by the Trust.

Nelson Rangi and historian Gareth Winter discuss how the Trust formed following iwi negotiations with the Trust's precursor, the *Small Farms Association*. Nelson shares ancestry on both sides, as a descendant of Rangitāne and Ngāti Kahungunu chief Te Retimana Te Korou and Joseph Masters.



Nelson Rangi with past Trust chairs Alan Sadler and Owen Prior.

# MASTERTON TRUST

## 1872–



**1871** Settlers of Masterton and Greytown create the Small Farms Association.



**1872** Unsold land in each town is set aside for trusts to administer with income devoted to education and cultural opportunities. Masterton Trust Lands Trust is formed.



**1972** The Trust celebrates 100 years with an exhibition of historical photos and newspaper clippings on the Trust's role in the shaping of Masterton.



**1952** The Trust receives its own Coat of Arms – the first Wairarapa institution to be recognised.



**1980** The community elects its first woman Trustee – teacher and women's advocate Helen Dashfield.



**1994** Trustees support a community native planting project to establish Masterton's Millennium Reserve.



**1997** 125 years published in *Fortuitus*.



**2015** The Trust appoints its first woman chair - Leanne Southey.



**2014** UCOL presents the Trust with a special award to acknowledge its extensive contribution to education in Wairarapa.



**2016** Eleven Trust buildings are found not to meet NZ's Building Code, prompting several years of court proceedings.



**2018** A new Tenant Apprentice Scholarship is launched to support workplace education.



**2020** The Trust launches the Whakaori Project, a major investment in social community children and...

# MASTERTON TRUST LANDS TRUST

## 2022

**1872** First grant awarded to establish Masterton Literary Institute.



**1875** The Trust awards its first school grant to buy windows for Masterton School.



**1891** Teacher Margaret Wilson receives the Trust's first scholarship.



**1950s** The Trust leases land to Wairarapa College to establish a school farm.



**1934** A 7.5 earthquake centred on Pahiatua damages several Trust buildings.

**2007** To mark 150 years, the Trust publishes its history, *Continuing Legacy*.



**2002** The Trust's support for a regional museum is realised as Aratoi Museum of Art & History opens.



**2002** The Trust creates a scholarship named after Nobel Science Award winner Prof. Alan MacDiarmid of Masterton.



**2008** More than \$1 million is returned to the Masterton community via grants.



**2003** Masterton Trust Lands Act 2003 passes, modernising the Trust's functions.

**2022** The Trust launches its Māori Wellbeing Strategy, a long term commitment in fostering competence for Māori and youth.



**2022** Litigation is resolved. A record \$1.5 million in grants is returned to the people of Masterton.



**2022** The Trust celebrates 150 years, publishing *Continuing Legacy* and funding exhibitions at Aratoi.



A new book titled *Continuing Legacy* was published. Penned by Gareth Winter, the 180 page book is a companion to *Fortuitous Legacy* by Alan Henderson, published for the Trust's 125th anniversary.



The year-long exhibition *Masterton Museum: A Cabinet of Curiosities* opens at Aratoi.



# GOVERNANCE

The Wairarapa Town Lands Management Act 1870 vested in trustees certain land in the townships of Masterton and Greytown. Subsequently, the responsibility for the Masterton land was devolved to the Masterton Trust Lands Trust. The Trust now operates under the Masterton Trust Lands Act 2003.

## BOARD OF TRUSTEES

The Board of Trustees consists of eight members elected by voters living within the Trust district. Four trustees retire or stand for re-election at each triennial local government election. The Remuneration Authority determines trustee remuneration.

The trustees' specific responsibilities include:

- Acting in a prudent manner in accordance with the Trust Act
- Providing stewardship of the Trust assets
- Establishing policies and strategic direction
- Monitoring management and financial performance
- Establishing delegated authority limits for capital expenditure and treasury.

## MANAGEMENT TEAM

We farewelled Greer Sinton, thanking her for all her work over the last four years as the Trust's Finance Manager.



**MTLT Board of Trustees** Tom Hullena, Monique Kloeg, Christine Brewster (Chair), Bella McClymont, Bex Johnson, Gary Caffell, Sandy Ryan, John Bunny.



**MTLT Management Team** Steph Rix, Andrew Croskery (General Manager), and Renee Searancke.

# FINANCIAL REPORT

## Statement of comprehensive revenue and expense for the year ended 31 March 2023

	Notes	FULL YEAR 2022/23	FULL YEAR 2021/22
		\$	\$
<b>Revenue</b>			
Administration services	2	1,500	1,500
Interest received	2	133,615	13,331
Miscellaneous revenue	2	611,886	2,951,822
Rental revenue	2	5,537,175	5,208,295
Tenant recoveries	2	737,426	614,772
<b>Total revenue</b>		<b>7,021,603</b>	<b>8,789,720</b>
<b>Expenditure</b>			
Administration	3	750,411	591,554
Depreciation		18,068	17,287
Grants	10	1,496,081	1,107,250
Interest expense		1,078,004	910,378
Property and tenant outgoings	3	1,782,836	1,987,854
<b>Total expenditure</b>		<b>5,125,399</b>	<b>4,614,323</b>
Surplus/(deficit) from operations		1,896,203	4,175,397
<b>Gain/(loss) in revaluation of investment properties</b>			
Increase/(decrease) in revaluation of investment properties	9	13,502,607	3,807,594
<b>Gain/(loss) on fair value of derivatives</b>			
Gain/(loss) on fair value of derivatives		46,596	537,315
<b>Surplus/(deficit)</b>		<b>15,445,407</b>	<b>8,520,306</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>15,445,407</b>	<b>8,520,306</b>

The accompanying notes and accounting policies form part of these financial statements.

## Statement of changes in equity for the year ended 31 March 2023

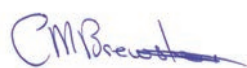
	FULL YEAR 2022/23	FULL YEAR 2021/22
	\$	\$
<b>Equity</b>		
Equity at the start of the period	69,850,461	61,330,155
Total comprehensive revenue and expense	15,445,407	8,520,306
<b>Equity at the end of the period</b>	<b>85,295,868</b>	<b>69,850,461</b>
<b>Equity comprises:</b>		
<b>Revaluation reserve - land and buildings (Trust building)</b>		
Opening balance	0	0
Revaluation movement	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>
<b>Retained earnings</b>		
Opening balance	69,850,461	61,330,155
Net surplus/(deficit)	15,445,407	8,520,306
<b>Total retained earnings</b>	<b>85,295,868</b>	<b>69,850,461</b>
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>85,295,868</b>	<b>69,850,461</b>

The accompanying notes and accounting policies form part of these financial statements.

## Statement of financial position as at 31 March 2023

	Notes	FULL YEAR 2022/23	FULL YEAR 2021/22
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalent	4	1,453,197	1,151,291
Accounts receivable	7	26,845	124,846
Accrued income		31,481	3,366
Term investments	5	1,750,000	1,500,000
Prepayments		3,336	26,589
<b>Total current assets</b>		<b>3,264,860</b>	<b>2,806,093</b>
<b>Non-current assets</b>			
Investment property	9	99,935,000	85,974,000
Property, plant and equipment	8	114,587	132,654
Tenant fit out		0	11,386
Derivative financial instruments	13	91,854	45,258
<b>Total non-current assets</b>		<b>100,141,441</b>	<b>86,163,298</b>
<b>TOTAL ASSETS</b>		<b>103,406,301</b>	<b>88,969,391</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	11	219,549	234,220
Accruals	11	76,499	81,649
Revenue in advance	12	81,219	22,269
Interest accrued		109,295	60,991
Employee entitlements		29,428	21,424
GST payable		22,193	25,174
Borrowings	6	158	18,673,203
<b>Total current liabilities</b>		<b>538,342</b>	<b>19,118,930</b>
<b>Non-current liabilities</b>			
Borrowings	6	17,572,091	0
<b>Total non-current liabilities</b>		<b>17,572,091</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>		<b>18,110,433</b>	<b>19,118,930</b>
<b>NET ASSETS</b>		<b>85,295,868</b>	<b>69,850,461</b>
<b>EQUITY</b>		<b>85,295,868</b>	<b>69,850,461</b>

The accompanying notes and accounting policies form part of these financial statements.



**C Brewster**  
Chair



**J Bunny**  
Deputy Chair

## Statement of cash flows for the year ended 31 March 2023

	Notes	FULL YEAR 2022/23	FULL YEAR 2021/22
		\$	\$
<b>Operating activities</b>			
<b>Cash inflows from:</b>			
Rental revenue		4,849,088	4,533,297
Rental outgoings recovery		750,607	607,051
Other revenue		774,318	3,047,959
Interest		40,308	11,130
GST		11,274	(1,930)
<b>Cash outflows for:</b>			
Payments to suppliers and employees		(2,556,671)	(2,731,236)
Interest paid		(1,029,699)	(902,204)
Grants		(737,982)	(315,368)
<b>Net cash flows from operating activities</b>		<b>2,101,243</b>	<b>4,248,700</b>
<b>Investing activities</b>			
<b>Cash outflows for:</b>			
Purchase property, plant and equipment		0	(6,590)
Capital improvements		(448,383)	(339,591)
Purchase of investments		(250,000)	(500,000)
<b>Net cash flows for investing activities</b>		<b>(698,383)</b>	<b>(846,181)</b>
<b>Financing activities</b>			
<b>Cash inflows from:</b>			
Proceeds from short-term loans		0	(791)
Proceeds from long-term loans		8,250,000	0
<b>Cash outflows for:</b>			
Repayment of short-term loans		(9,100,952)	(2,998,105)
Repayment of long-term loans		(250,002)	0
<b>Net cash flows for financing activities</b>		<b>(1,100,954)</b>	<b>(2,998,896)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>301,906</b>	<b>403,623</b>
<b>Cash and cash equivalents</b>			
Cash and cash equivalents at beginning of period		1,151,291	747,669
Cash and cash equivalents at end of period		1,453,197	1,151,291
<b>Net increase/(decrease) in cash and cash equivalents</b>	4	<b>301,906</b>	<b>403,623</b>

Note: Rental revenue and grants paid are cash only amounts and do not include concessional rental grant transactions.

The accompanying notes and accounting policies form part of these financial statements.

## 1 Statement of accounting policies

### Statutory basis

Masterton Trust Lands Trust was established in 1872 and operates pursuant to the Masterton Trust Lands Act 2003.

Schedule 2, Clause 12 (1) of the Masterton Trust Lands Act 2003 requires the Masterton Trust Lands Trust (the Trust) to prepare annual financial statements in accordance with generally accepted accounting practice (NZGAAP).

### Reporting entity

The reporting entity is that known as Masterton Trust Lands Trust, and is governed by the Board of Trustees and includes all activities carried out under the control of the Board.

The Trust provides educational, cultural and community grants for the benefit of the Trust District.

### Statement of compliance

The Trust has designated itself as a public benefit entity (PBE) for financial reporting purposes. The financial statements have been prepared in accordance with Tier 2 RDR (Reduced Disclosure Regime) of the PBE accounting standard framework.

The Trust falls into Tier 2 on the basis that it is non-publicly accountable and does not have total expenses in excess of \$30 million per annum.

The Trust manages assets that were entrusted to it by the Wairarapa Town Lands Management Act 1870 to achieve its own charitable objectives of supporting the educational, cultural and community initiatives of Masterton. As the beneficiaries of the Trust did not settle the Trust, the Trust is not acting in a fiduciary capacity.

These financial statements of the Trust are for the year ended 31 March 2023 and were authorised for issue by the Board on 26th June 2023.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

### Critical accounting estimates and assumptions

In preparing these financial statements the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Some estimates and assumptions that may cause material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

The valuation of the investment property has been determined by key estimates and valuations as presented under note 9.

### Revenue recognition

Revenue is measured at fair value. The revenue received is from exchange transactions.

The specific accounting policies for significant revenue items are explained below:

#### Rent

Rentals will reflect the contracted agreements between the lessor and lessee and are recognised when they become receivable.

#### Tenant outgoings recovered

Actual operating costs recovered from tenants as specified in lease arrangements are recognised when they become receivable.

#### Administration service revenue

Administration services revenue is derived from provision of services in a commercial manner recognised in proportion to the stage of completion at balance date.

#### Interest received

Interest received is recognised as interest accrues.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of 90 days or less, and bank overdrafts.

Bank overdrafts (if applicable) are shown within borrowings in current liabilities in the statement of financial position.

### Loans and receivables

Loans and receivables are non-interest bearing and receivables are generally settled on 30-day terms. Therefore, the carrying value of receivables approximates their fair value. The Trust holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Receivables are recorded at the amount due, less any provision for uncollectibility. A receivable is considered uncollectible when there is evidence that the amount will not be fully collected.

### Goods and Services Tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classed as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### Payables and borrowings

Short term creditors and other payables are recorded at their face value. Payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of payables approximates their face value.

#### Borrowings

Borrowing costs are recognised as an expense in the period in which they are incurred. Borrowings are initially recognised at their fair value net of transactions costs incurred. After initial recognition, all borrowings are measured at face value. Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

## Financial derivatives

The interest rate swap derivative relating to the bank loan is held at fair value through the profit and loss.

## Income tax

The Trust is exempt from income tax. Accordingly, no provision has been made for income tax.

## Property, plant and equipment

Property, plant and equipment consist of the following asset classes: land and buildings and other fixed assets. Property held to meet service delivery objectives is classed as property, plant and equipment.

### Additions

The cost of an item of property, plant, and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

### Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in property revaluation reserves in respect of those assets are transferred to general funds.

### Revaluation

Land and buildings are revalued annually to ensure their carrying amount does not differ materially from fair value.

The net revaluation results are credited or debited to the statement of comprehensive revenue and expense and are accumulated to an asset revaluation reserve. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

### Subsequent costs

Costs incurred subsequent to the initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably. The cost of day to day servicing of plant, property and equipment are recognised in the surplus or deficit as they are incurred.

## Depreciation

Depreciation is provided on a straight line basis at a rate calculated to allocate the asset's cost over its estimated useful life.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Trust office improvements	100 years	(1%)
Other fixed assets	8 years	(12.5%)

## Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Property held to meet service delivery objectives is classified as property, plant and equipment.

Land and buildings and other infrastructure that comprises the Trust's investment portfolio is valued at fair value and is valued annually at each reporting date to ensure that the value does not alter materially from fair value.

New acquisitions are measured initially at cost, including transaction costs. After initial recognition, investment property is measured at fair value as determined annually by an independent valuer. Gains and losses arising from a change in the fair value of investment properties are recognised in the surplus or deficit.

The portfolio was valued as at 31 March 2023 by Wairarapa Property Consultants, Registered Valuers.

## Grant expenditure

Discretionary grants are only recognised when a constructive obligation exists. This is deemed to occur both when the grant has been approved and the approval has been communicated to the recipient.

Non-discretionary grants are recognised when specified criteria have been fulfilled and notice has been given to the Trust.

Grant expenditure is recognised and reported in the statement of comprehensive revenue and expense in the period in which the grant is recognised.

## Employee entitlements

### Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to but not yet taken at balance date.

### Superannuation schemes

#### *Defined contribution schemes*

The Trust's contributions to KiwiSaver are accounted for as defined contributions schemes and are recognised as an expense in the surplus or deficit when incurred.

## Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- General funds
- Property revaluation reserve

### Property revaluation reserve

These reserves relate to the revaluation of property, plant and equipment to fair value.

## 2 Revenues

	2022/23	2021/22
	\$	\$
<b>Revenue under exchange transactions</b>		
Rent	5,537,175	5,208,295
Tenant recoveries	737,426	614,772
Other revenue	747,001	2,966,654
<b>Total</b>	<b>7,021,603</b>	<b>8,789,720</b>

## 3 Expenditure includes the following:

<b>Property and tenant outgoings</b>		
Insurance	400,873	294,018
Repairs and maintenance (buildings)	378,957	319,249
Rates	430,902	418,551
Seismic review and remediation design	99,796	595,129
Other property related expenditure	472,308	360,908
<b>Total</b>	<b>1,782,836</b>	<b>1,987,854</b>
<b>Administration</b>		
Accountancy fees	9,161	9,955
Archiving costs	21,783	14,707
Audit services	25,973	29,623
Bad debts	196	0
Legal expenses	1,885	5,960
Employer contributions to defined contribution schemes	15,423	13,279
Personnel expenses	390,058	337,599
Board members' remuneration	76,658	67,622
Other administrative expenditure	209,274	112,810
<b>Total</b>	<b>750,411</b>	<b>591,554</b>

## 4 Cash and cash equivalents

<b>Current accounts</b>		
ANZ transaction account	718,193	705,723
ANZ maintenance reserve	674,124	385,350
ANZ grant project reserve	60,881	60,218
<b>Total</b>	<b>1,453,197</b>	<b>1,151,291</b>

## 5 Investments

<b>Investments – Short term</b>		
MTLT Maintenance TD 1007	750,000	750,000
MTLT Maintenance TD 1008	0	750,000
WBS Term Deposit	1,000,000	0
<b>Total</b>	<b>1,750,000</b>	<b>1,500,000</b>

## 6 Borrowings

<b>The loan instruments are repayable as follows:</b>		
Within 1 year	158	18,673,203
2 - 5 years	17,572,091	0
<b>Total</b>	<b>17,572,250</b>	<b>18,673,203</b>

The weighted cost of funding on term borrowings is 6.94% (2022: 4.45%).

There are interest rate swaps of \$-91,854 (2022: \$-45,258). This is an asset, as shown in the balance sheet.

### Security

The overdraft facility is unsecured. The maximum amount that can be drawn down against the overdraft facility is \$0.5 million (2022: \$0.5 million). There are no restrictions on the use of this facility.

Term borrowings are bank loans and interest rates for these borrowings are based on a mix of the bank bill rate plus a margin and fixed rates.

The secured loan is secured by a first registered mortgage over the majority of the property portfolio. The facility is subject to various covenants such as limitations on long-term indebtedness, leverage and other ratios.

## 7 Accounts receivable

	2022/23	2021/22
	\$	\$
<b>Accounts receivable</b>		
Accounts receivable from exchange transactions	26,845	124,846
<b>Total</b>	<b>26,845</b>	<b>124,846</b>

## 8 Property, plant and equipment

<b>Fixed assets</b>		
Fixed assets opening cost/valuation	132,654	143,352
Additions	0	6,590
Depreciation	(18,068)	(17,287)
<b>Fixed assets closing value</b>	<b>114,587</b>	<b>132,654</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT EQUITABLE VALUE</b>	<b>114,587</b>	<b>132,654</b>

### Land and Building Valuation (Trust Office):

During the 2021 financial year there was an investigation into the cost of earthquake strengthening the heritage listed Trust Office building situated at 189 Queen Street, Masterton. The building is deemed to be not sellable in its present form therefore attracting a market value of zero.

## 9 Investment property

<b>Investment property</b>		
Opening value of investment land and buildings	85,974,000	81,814,000
Additions to portfolio	458,393	352,406
Fair value net gain/(loss)	13,502,607	3,807,594
<b>Closing balance</b>	<b>99,935,000</b>	<b>85,974,000</b>

### Valuation

The most recent valuations of land, buildings and infrastructure were performed by an independent registered valuer Daniel Lovett of Wairarapa Property Consultants, Registered Valuers. Qualifications: BBS (Valuation and Property Management), Member of the Property Institute of New Zealand and Associate of the New Zealand Institute of Valuers having been valuing since 2007 and a Registered Valuer since 2015.

The Trust's properties are valued at fair value using market-based evidence. Market and potential rents (including CPI adjusted rentals) have been applied. The appropriate market capitalisation rates are then applied to reflect Fair Value. Commercial property capitalisation rates range between 2.2% and 13.8%, however typically between 6.3% and 7.8%. Outliers are properties due for redevelopment or with structural deficiencies. Ground lease capitalisation rates are between 4.0% and 5.7%. Where appropriate further adjustments were made to reflect lease terms and conditions.

The valuation is effective at 31 March 2023. Wairarapa Property Consultants has extensive market knowledge in the type and location of investment properties owned by the Trust.

## 10 Grants

<b>Grants</b>		
Community grants	176,425	10,000
Education grants	448,970	400,678
Concessional rent grants	746,413	677,972
Civic grants	25,000	18,600
Arts grants	121,843	0
<b>Total grants paid</b>	<b>1,518,650</b>	<b>1,107,250</b>
Less grant recovery	(22,569)	0
<b>TOTAL GRANTS</b>	<b>1,496,081</b>	<b>1,107,250</b>

## 11 Payables

<b>Payables under exchange transactions</b>		
Accounts payable	219,549	234,220
Accruals	35,698	35,618
<b>Total</b>	<b>255,247</b>	<b>269,838</b>
<b>Payables under non-exchange transactions</b>		
Accrued grants	40,801	46,031
<b>Total</b>	<b>40,801</b>	<b>46,031</b>
<b>TOTAL PAYABLES</b>	<b>296,048</b>	<b>315,869</b>



## 12 Revenue in advance

Some property related expenditure is recovered from the Trust's tenants. Where the recovered amount relates to a period beyond balance date, the amount is transferred to revenue in advance.

## 13 Derivative financial instruments

	2022/23	2021/22
	\$	\$
<b>Derivative financial instruments</b>		
Non-current interest rate swaps - fair value	91,854	45,258
<b>Total</b>	<b>91,854</b>	<b>45,258</b>

## 14 Policies in accordance with MTL Act 2003, CL17

Policies in accordance with MTL ACT 2003, CL17		
Policy requires the Trustees to maintain a ratio of Debt to Debt plus Equity of no more than 40%	17.08%	21.09%
The Trustees will maintain an interest cover of no less than two times.	3.04	5.29

## 15 Commitments

The Trust has no capital commitments at 31 March 2023 (2022: nil), and no operating commitments at 31 March 2023 (2022: nil).

## 16 Contingent liabilities

The Trust has no contingent liabilities as at 31 March 2023 (2022: nil).

## 17 Related parties

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that are reasonable to expect that the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

During the year the Trust provided funds to the Masterton District Council for community purposes: \$25,000 (2022: \$18,600).

Gary Caffell (Trustee) is a councillor and Mayor of the Masterton District Council.

Bex Johnson (Trustee) is a councillor of the Masterton District Council.

Tom Hullena (Trustee) is a councillor of the Masterton District Council.

Sandy Ryan (Trustee) was a prior councillor of the Masterton District Council.

Frazer Mailman (prior Trustee) was a prior councillor of the Masterton District Council.

The Trust received rent from Masterton Trade Aid Trust in which Leanne Southey (prior Chair) is a Trustee. Rent received makes up 0.23% of rental revenue. They received a 47% discount on assessed market rent for the period up to 30 November 2022. From 1 December 2022 they received a concessional rent grant to the value of \$2,866. The discount was provided to the Trust, as it operates for charitable purposes.

Key management personnel compensation		
<b>Board members</b>		
Remuneration	76,658	67,622
Full-time equivalent members	8	8
<b>Management team</b>		
Remuneration (includes employer contribution to KiwiSaver)	382,289	334,579
Full-time equivalent members	3	3
<b>Total key management personnel remuneration</b>	<b>458,946</b>	<b>402,200</b>
<b>Total full time equivalent personnel</b>	<b>11</b>	<b>11</b>

## 18 Events after balance date

There are no events after balance date.

## INDEPENDENT AUDITOR'S REPORT TO THE READERS OF MASTERTON TRUST LANDS TRUST'S FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

The Auditor-General is the auditor of Masterton Trust Lands Trust (the Trust). The Auditor-General has appointed me, Henry McClintock, using the staff and resources of BDO Wellington Audit Limited, to carry out the audit of the financial statements of the Trust on his behalf.

#### Opinion

We have audited the financial statements of the Trust on pages 16 to 23, that comprise the statement of financial position as at 31 March 2023, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Trust:

- present fairly, in all material respects:
  - its financial position as at 31 March 2023; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 26 June 2023. This is the date at which our opinion is expressed. The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Trustees for the financial statements

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the Trustees intend to wind up the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from schedule 2, clause 12 of the Masterton Trust Lands Act 2003.

#### Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the financial statements, 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.
- We 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 the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We 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 the Trust's 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 financial statements, 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 the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Our responsibilities arise from the Public Audit Act 2001.

#### Other information

The Trustees are responsible for the other information. The other information comprises the information included on pages 1 to 15, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Trust.

**Henry McClintock**  
**BDO WELLINGTON AUDIT LIMITED**

On behalf of the Auditor-General  
Wellington, New Zealand



*Enriching the community  
through educational and cultural  
opportunities since 1872.*



Masterton Trust Lands Trust

189 Queen Street | PO Box 90, Masterton

06 370 0155 | [trust@mtlt.org.nz](mailto:trust@mtlt.org.nz) | [mtlt.org.nz](http://mtlt.org.nz)

@MastertonTrustLandsTrust