

# MASTERTON TRUST LANDS TRUST

Commercial Property for Community Good



# 2024

Annual Report



# 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.

## ACCOUNTABILITY

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

## ADVANCEMENT

Providing extraordinary educational and cultural opportunities for Masterton people.

## EDUCATION

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

## 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.

## STEWARDSHIP

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

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

Cover photos by Beau Elton Photography.



Planting a shelterbelt at Wairapa College Farm.

# YEAR IN REVIEW



Trust-owned property on Lincoln Road tenanted by PGG Wrightson.

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.

	2024	2023	Variance	
Surplus *	<b>\$1.9m</b>	\$16.9m	↓	88.7%
Net operating profit **	<b>\$2.9m</b>	\$3.4m	↓	15.6%
Rental income	<b>\$5.8m</b>	\$5.5m	↑	5.5%
Equity	<b>\$85.9m</b>	\$85.3m	↑	0.8%
Total assets	<b>\$103.5m</b>	\$103.4m	↑	0.1%
Debt to debt + equity	<b>16.5%</b>	17.1%		
Total grants	<b>\$1.3m</b>	\$1.5m	↓	15.5%

\* Before grants, includes property portfolio revaluation

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



# CHAIR'S REPORT



The Trust continued its commitment to education, investing \$600,000 over three years to support literacy for Masterton's young learners.

The Trust is investing in education programmes that deliver measurable outcomes – guided by philanthropic best practice which recommends taking a long-term funding approach to deliver the greatest impact.

To this end, Masterton primary school students in their first three years of school can now access literacy support from the MTLT Supplementary Literacy Support Project. The aim is to deepen support for early literacy intervention so that by the time students begin college, they will be successful readers and writers.

The Project funds a full-time literacy teacher, available to primary schools in the Trust district. This role not only works with students, but also supports professional development for teachers, and strengthens established literacy programmes in our local primary schools.

Trust assistance for further education now includes a new humanities scholarship for school leavers, adding to the science and arts scholarships already provided. Three new education grants of up to \$10,000 each are also available for Rangitāne o Wairarapa, Ngāti Kahungunu ki Wairarapa and Pasifika o Wairarapa.

Financially, the Trust continues to perform well. This year, debt reduced by \$500,000 supporting a marginal improvement in equity to almost \$86 million. Total assets under management remained stable at \$103 million – a good result in the current economic climate. Grants distributed to the community totalled \$1.3 million.

The Trust enjoyed a year of collaboration – partnering with other local organisations to broaden our support for Masterton. We sponsored a not-for-profit Business Wairarapa Award, led a volunteer tree planting day at Wairarapa College Farm, and ran another successful Community Christmas Tree appeal.

As part of our ongoing drive to bring art to the people, we commissioned a new sculpture by local artist Sean Crawford. Distant Chant Waiata Tawhiti features a pair of huia in flight made from laser-cut corten steel. Installed on the corner of Bruce and Queen streets in September, the sculpture makes a striking addition to Masterton's arts precinct, especially at night when lights bring it to life.

In reflecting on the year's work, I acknowledge and thank our wider circle of professionals and contractors who complement and support our small but very efficient management team. I am pleased that the Trust's refreshed website now makes it easier to apply for grants online.

Special thanks to our tenants, without whom we could not fulfil the Trust's purpose. I'm delighted we have welcomed several new commercial tenants this year.

Finally, thanks to my fellow Trustees. I look forward to leading the Board into the year ahead – safe in the knowledge that the Trust's financial resilience will ensure certainty and security of grants funding for our stakeholders – the people of Masterton – today, tomorrow and into the future.

**Christine Brewster**  
Chair

# GRANTS

This year's grants programme supported a range of new learning opportunities in classrooms and the community.

## EDUCATION

Education grants provided close to \$225,000 to support learning in the classroom and beyond. We launched a new three-year investment to support literacy for Masterton's youngest learners, opened a new Iwi/Pasifika grant fund, and introduced a new tertiary education scholarship.



### SCHOLARSHIPS FOR FURTHER EDUCATION

For school leavers, we created a new humanities scholarship of \$3,000 over three years. Available to a top-performing student going on to study a humanities related subject at tertiary level, scholars are nominated by the Wairarapa Secondary Principals' Association.

MTLT Humanities Scholarship recipient Rebecca Hamlyn who is studying history, classics and English at Victoria University.



Camille, in paramedic uniform with her farm pup.

### CAREER CHANGE – FROM FARMER TO PARAMEDIC

MTLT's Career Change Scholarship is for working adults in the Trust district looking to change careers through retraining.

Camille Armstrong had been farming since college. But after 20 years of juggling farm life, alongside home life (raising four children) a change of career was due.

With assistance from the Trust's Career Change Scholarship, Camille started a new three-year learning journey to become a paramedic.

Initially, she combined farming, family and study, but eventually finished farming to prioritise her studies. "This scholarship has enabled me to pay some of my study fees this year and alleviated some of the financial strain. It also meant a lot to me to feel the support of my community behind me in this journey," she explains.



## INVESTING IN EARLY LITERACY

In line with philanthropic best practice that recommends taking a long-term funding approach, the Trust is investing in education programmes that deliver measurable outcomes. This year marked the start of a new investment in education with the commitment of \$600,000 to support literacy for Masterton students in their first three years of school.

The MTLT Supplementary Literacy Support Project funds a full-time literacy teacher, available to students across the primary schools in the Trust district. Literacy support extends Wairarapa-wide to teachers for professional

development and bolsters established literacy programmes in Masterton schools.

## SUPPORTING MĀORI AND PASIFIKA EDUCATION

To boost educational outcomes for Māori and Pasifika, the Trust established a new education grant fund.

The MTLT Iwi/Pasifika Grant of up to \$10,000 each is available to Rangitāne o Wairarapa, Ngāti Kahungunu ki Wairarapa and Pasifika o Wairarapa to assist with addressing their educational priorities.

## COMMUNITY

Community grants delivered close to \$200,000 for grassroots and impact initiatives in Masterton.

### GOLDEN SHEARS

Golden Shears 2024 received \$10,000 to support its three-day international shearing competition. This provided for educational programmes including school visits by around 800 children to learn about shearing and the wool industry.

The Trust's grant helped to fund branded shirts for competitors and volunteers. It also enabled community participation, with free entry for the public on opening night.



A wool presser competes at Golden Shears 2024.

### TOOLSHED FOR COMMUNITY GARDEN

A community grant of \$1,981 for a garden shed provided a secure place for the Oxford Street community gardeners to store tools onsite. The group donated 83 volunteer hours to lay the foundation and build the new shed.

*We love having a spacious, organised, easily accessible space to store all our equipment.*

*The outer walls will make a great space for putting up signage explaining to the public who we are and what we do.*

Anna Baird, Secretary  
Oxford Street Community Garden



Oxford Street Community Garden shed takes shape.

# ARTS

Continuing the work of our arts strategy launched in 2023, a new sculpture was commissioned for Masterton.

Our investment in public art - through murals and sculpture – ensures art is accessible to all. Public art has the power to connect communities, help shape identity and create a sense of place and belonging.

## DISTANT CHANT WAIATA TAWHITI

Wairarapa artist Sean Crawford was engaged to create a unique sculpture that would resonate with Masterton.

Distant Chant Waiata Tawhiti stands almost three metres tall and features two laser-cut corten steel panels with a pair of huia emerging. At night, lights bring the sculpture to life.

*Distant Chant echoes the voices of Whakaoriori Masterton - from its pre-settlement valley filled with the chorus of birdsong, to the gentle waiata joining the sound of flowing water.*

*The ordered, patchwork pattern of the interior wall section is a reference to the development of the 'Small Farms Association', with its cutout huia bird design mirroring the check-board plains that surround Masterton.*

*This pattern is representative of these sounds of change, and the surrounding land giving way to European settlement. Within this work the emerging huia bird (the echo of the lost chant) becomes the emblematic force.*

Sean Crawford



Distant Chant Waiata Tawhiti on the corner of Bruce and Queen streets.

# SCHEDULE OF GRANTS

## EDUCATION

<b>Roll-based Funding</b>		<b>\$</b>
Twenty-seven education providers		48,270
<b>School/Education Events</b>		
Wairarapa Maths Association	Matharapa - Maths competition	1,000
Douglas Park School	Connect, Inspire, Learn - Student-led conference day	1,000
<b>Iwi/Pasifika Education</b>		
Pasifika o Wairarapa	After school study centre	10,000
Ngāti Kahungunu ki Wairarapa	Tertiary education scholarship fund	10,000
<b>Scholarships</b>		
Alan MacDiarmid Scholarship	Three students @ \$1,000	3,000
Golden C'Art Scholarship	One student @ \$1,000	1,000
Career Change Scholarship	Three students @ \$2,000	6,000
	Five students @ \$1,000	5,000
Tenant Development Scholarship	Three students @ \$1,000	3,000
<b>Whakaoriori Wellbeing Project</b>		
Hadlow Preparatory School	Expansion of Resilience Project throughout the school	15,000
Masterton Intermediate / Masterton Primary School	Te Ara Whakamana: Mana Enhancement programme	15,141
Ferndale School	Zones of Regulation	4,500
Mākoura College	M3 Mindfulness: Te Reo Tuakiri	8,000
Masterton Intermediate / Masterton Primary School	Restorative practice facilitator	2,700
Wellbeing project coordinator costs		630
<b>Supplementary Literacy Support Project</b>		
Literacy project research and development costs		9,345
<b>Targeted Education</b>		
Outward Bound	Korowai course for local year 12 students	5,000
House of Science Wairarapa	Four science resource kits	10,000
Aratoi Wairarapa Museum of Art & History	Part-time educator and resources for education programmes	10,000
Wairarapa Community Centre Trust	Compost education and collection pilot programme	7,000
Toimata Foundation	Enviroschools garden specialist integrating the Garden to Table programme	5,000
Riversdale Surf Lifesaving Club	Nipper programme costs	3,570
REAP Wairarapa	Chatterbox oral language programme	10,000
Milky Way Kiwi Limited	Night sky education programme	8,000
English Language Partners NZ Trust	English language literacy and numeracy classes for refugees	5,000
Digital Seniors	Operational costs	10,000
Golden Shears International Shearing Society	Educational programme	2,500
"Scammed" short film	Production costs	5,000
<b>TOTAL EDUCATION</b>		<b>224,656</b>

## ART

Art Initiative	70,217
<b>TOTAL ART</b>	<b>70,217</b>



## COMMUNITY

<b>Grassroots</b>		<b>\$</b>
Kidz Need Dadz Charitable Trust NZ Inc	Costs associated with the Wai Dadz programme	2,000
Motuoru Trust	Costs associated with mentoring workshops	2,000
Wairarapa Walking Festival	Masterton walking programme	2,000
Oxford St Community Garden Trust	Purchase of a garden shed	1,981
Leaving the Ladder Down Charitable Trust	Costs associated with the Big Talk Little Talk event	1,021
Masterton Toy Library	Coordinators costs, toys and storage	2,000
Elaine Hurndell Banners	Materials and artist costs for community banners	2,000
Wairarapa Archival Society	Conservation of historical negatives	1,063
Community Christmas Tree	Gifts and wrapping	864
<b>Impact</b>		
Outward Bound	Korowai course for local year 12 students	5,000
Masterton Library	Purchase of books and resources, literacy programme support	25,000
Wairarapa Woodworkers Guild Inc	Equipment upgrade	10,000
Wairarapa Community Centre Trust	Operating costs	10,000
Wairarapa Search & Rescue Inc	Operating costs	3,000
Whakaoriori Air Scout Group	Scout Jamboree	5,000
Wairarapa Pūkaha to Kawakawa Trust	Costs associated with Predator Free Masterton	10,000
Masterton Foodbank Inc	Wages for manager	10,000
King Street Artworks	Digital art training	7,550
Douglas Villa AFC	Costs associated with junior and youth programme	8,000
Oasis Charitable Trust	Staff training and development costs	4,000
Autism Wairarapa Charitable Trust	Salary costs for support coordinator	15,000
Welcoming Communities	Te Wiki o Manaaki/Welcome Week event	5,000
Central Wairarapa BMX Club	Costs associated with the Blair Street track renovation	4,000
Waiwaste Food Rescue	Wage costs	15,000
Sustainable Wairarapa	Wage costs	10,000
Mahi Tahi Tatou	Operating costs	10,000
Rangitāne o Wairarapa	Kirihimete ki Matua Pa costs	2,250
Elevate Wairarapa	Costs associated with the Summer Hummer concert	8,000
Golden Shears International Shearing Society	Golden Shears 2024	7,500
"Scammed" short film	Production costs	5,000
<b>TOTAL COMMUNITY</b>		<b>194,229</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	14,500
5 Church Street (Radio House)	Masterton Foodbank Inc	18,382
5 Church Street (Radio House)	Ahmadiyya Muslim Community	12,612
5 Church Street (Radio House)	NZ Society of Genealogists Inc (Wairarapa Branch)	10,939
5 Church Street (Radio House)	Access Radio Wairarapa	27,034
22 Dixon Street (Education Centre)	REAP Wairarapa	29,776
146 Dixon Street	Masterton Theatre Company (Harlequin Theatre)	17,710
1 Hillcrest Street	Friends of Millennium Reserve	13,515
1 Hillcrest Street	Wairarapa Woodworkers Guild Inc	7,508
203 Ngaumutawa Road	Masterton Judo & Ju Jitsu Academy	6,785
13 Queen Street	ConArt Container Gallery & Studios	30,958
15 Queen Street	He Kāhui Wairarapa Inc	29,138
98 Queen Street	Masterton Trade Aid Trust	8,600
365 Queen Street (SPOT)	REAP Wairarapa	30,618
392 Queen Street (Enterprise Village)	Autism Wairarapa Charitable Trust	7,000
392 Queen Street (Enterprise Village)	Community Budgeting Trust (Wairarapa)	6,475
<b>TOTAL CONCESSIONAL RENT</b>		<b>786,521</b>

<b>TOTAL GRANTS</b>		<b>1,275,623</b>
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# COMMUNITY GOOD

Growing good communities is a collaborative effort. This year we partnered with other local organisations to broaden our support for Masterton.

## RECOGNITION FOR FOODBANK

Every November, Business Wairarapa celebrates nominated local businesses for their economic and social contribution to the region. This year, the Trust sponsored a new not-for-profit category, with Masterton Foodbank announced as the deserved winner.

Judges recognised the contribution of Masterton Foodbank as a vitally important service – providing the community with over 140,000 free, nutritious meals each year.

Masterton Foodbank is a Trust tenant and operates from rent-free premises in Radio House.



Jenna Matchett and Jane Ammundsen of Masterton Foodbank.  
Photo by Lucia Zanmonti Photography.

## LIFE SAVING SERVICE

MTLT supports Wairarapa Rescue Trust's (WRT) search and rescue philanthropic work via grants, and is a collection point for WRT's personal locator beacons (PLBs).

The WRT purchased PLBs for the public to hire at a subsidised rate to give more people access to the life-saving devices.

PLBs can be booked online at [mtlt.org.nz](http://mtlt.org.nz). Hire costs are \$5 per day or \$30 per week.



Christine Brewster plants for the future at Wairarapa College farm.

## VOLUNTEER PLANTING DAY

In June, Trustees, staff and associates rolled up their sleeves alongside Wairarapa College teachers and students to plant 1,000 trees for the school farm. Masterton's Akura Plant Nursery donated 900 native trees and neighbouring Millennium Reserve gifted propagated natives grown onsite.

The farm is leased, via a concessional rent grant, to Wairarapa College for educational purposes and is a unique partnership, established in the 1950s.

*The Trust is committed to nurturing the farm's development and there's no better way to do that than to start planting for the future, now.*

Christine Brewster  
MTLT Chair



# PROPERTY

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

## COMMUNITY

We support the work of more than a dozen community groups by providing premises at concessional rents. While there's no financial return to MTLT, community property delivers social and cultural dividends to Masterton.

### ARROWFM 92.7

For 24 years, ArrowFM has been sharing community stories – by the people, for the people - broadcasting 24/7. For the past six years, the station has broadcast from Trust-owned Radio House on Church Street.

ArrowFM receives a concessional rent grant from MTLT – in recognition of its social and cultural benefits to the community.

Programmes are made by students, seniors, Māori and Pasifika groups, ethnic and cultural groups, people with disabilities, and creatives – anyone living in Wairarapa with a story to share.

*Thanks to MTLT, we're the only Access radio station nationally to have dedicated studio facilities and TV broadcasts.*

Michael Wilson  
Station Manager

ArrowFM produces 30-40 shows that broadcast fortnightly. Programmes are delivered in a variety of languages, reflecting the diverse voices and cultures living in Wairarapa. Listeners can hear te reo Māori, Samoan, Urdu, Tagalog (from the Philippines), Spanish and Brazilian.

A regular show Live Wires is produced by Masterton primary school students. "Feedback from teachers is very positive," says Michael. "Students who may not be so confident in the classroom are often really engaged in the radio show, learning new skills as they produce a radio show where they get to hear their own voice."

Fiesta Wairarapa on air - a weekly show for the Filipino community.



## TENANTS

We welcomed two new tenants, and several established tenants handed over the reins to new owners.

### PASSING THE BATON

Several long-term tenants of established eateries handed the keys to new owners. Changes on Dixon Street included a new owner for Lone Star. Leah Hepi, who also holds the Taupō Lone Star franchise took over from Michelle and Tom Roseingrave.

Down the road, Entice Café & Catering owners Jennie Smith and Alice Buchanan sold their business of 18 years to well-known local chef and restaurateur Travis Clive-Griffin.

In Kuripuni, Homegrown Butcher, Deli & Pantry founders Ali and Dion Kilmister passed the baton to head butcher Jake Wiffen.



Aimee Ireland of Urban Eats & Treats with her signature hot bowl.

## CHANGES IN TOWN

At 108 Queen Street, we welcomed Sonya and Aimee's new business Urban Eats & Treats, formerly Kitchen & Parlour. The name change brought new menu options – including bubble tea and hot bowls (meat and fresh salads).

The family friendly eatery has made a name for itself in the past year – proving popular for dining in and take out.

## NEW DEVELOPMENTS

### HEARING HEALTH CLINIC

In January, the newly strengthened building at 96 Queen Street was leased by Bay Audiology. Bay Audiology is undertaking a significant fitout of the interior to transform the space into a hearing health clinic.

### BUILDING QUALITY HOMES

At 203 Ngaumutawa Road, existing tenant Quality Builders leased approx. 2000m<sup>2</sup> of Trust land to build a new shed, consolidating its building and office needs. It sits alongside its showhome business Clever Living Company where houses are built onsite.



Jake takes over the reins at Homegrown Butcher, Deli & Pantry.



Quality Builders and Clever Living Company.



# 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

Our management team look after day-to-day business relating to property, finance, grants and administration of the Board.



**MTLT Board of Trustees** Tom Hullena, Monique Kloeg, Christine Brewster (Chair), Bella McClymont, Bex Johnson, Gary Caffell, Sandy Ryan, and 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 2024

	Notes	FULL YEAR 2023/24	FULL YEAR 2022/23
		\$	\$
<b>Revenue</b>			
Administration services	2	1,500	1,500
Interest received	2	253,962	133,615
Miscellaneous revenue	2	0	611,886
Rental revenue	2	5,840,148	5,537,175
Tenant recoveries	2	827,828	737,426
<b>Total revenue</b>		<b>6,923,437</b>	<b>7,021,603</b>
<b>Expenditure</b>			
Administration	3	721,257	750,411
Depreciation		20,314	18,068
Grants	10	1,264,648	1,496,081
Interest expense		1,331,556	1,078,004
Property and tenant outgoings	3	1,856,163	1,782,836
<b>Total expenditure</b>		<b>5,193,937</b>	<b>5,125,399</b>
Surplus/(deficit) from operations		1,729,500	1,896,203
<b>Gain/(loss) in revaluation of investment properties</b>			
Increase/(decrease) in revaluation of investment properties	9	(986,586)	13,502,607
<b>Gain/(loss) on fair value of derivatives</b>			
Gain/(loss) on fair value of derivatives		(91,854)	46,596
<b>Surplus/(deficit)</b>		<b>651,060</b>	<b>15,445,407</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>651,060</b>	<b>15,445,407</b>

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

## Statement of changes in equity for the year ended 31 March 2024

	FULL YEAR 2023/24	FULL YEAR 2022/23
	\$	\$
<b>Equity</b>		
Equity at the start of the period	85,295,868	69,850,461
Total comprehensive revenue and expense	651,060	15,445,407
<b>Equity at the end of the period</b>	<b>85,946,928</b>	<b>85,295,868</b>
<b>Equity comprises:</b>		
<b>Retained earnings</b>		
Opening balance	85,295,868	69,850,461
Net surplus/(deficit)	651,060	15,445,407
<b>Total retained earnings</b>	<b>85,946,928</b>	<b>85,295,868</b>
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>85,946,928</b>	<b>85,295,868</b>

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



## Statement of financial position as at 31 March 2024

	Notes	FULL YEAR 2023/24	FULL YEAR 2022/23
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalent	4	1,486,350	1,453,197
Accounts receivable	7	87,073	26,845
Accrued income		12,473	31,481
Term investments	5	2,573,315	1,750,000
Prepayments		4,445	3,336
Asset construction in progress		30,000	0
<b>Total current assets</b>		<b>4,193,655</b>	<b>3,264,860</b>
<b>Non-current assets</b>			
Investment property	9	99,240,000	99,935,000
Property, plant and equipment	8	111,066	114,587
Derivative financial instruments	13	0	91,854
<b>Total non-current assets</b>		<b>99,351,066</b>	<b>100,141,441</b>
<b>TOTAL ASSETS</b>		<b>103,544,721</b>	<b>103,406,301</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	11	87,930	219,549
Accruals	11	43,548	76,499
Revenue in advance	12	160,227	81,219
Interest accrued		105,968	109,295
Employee entitlements		40,599	29,428
GST payable		44,768	22,193
Borrowings	6	1,000	158
<b>Total current liabilities</b>		<b>484,039</b>	<b>538,342</b>
<b>Non-current liabilities</b>			
Borrowings	6	17,113,754	17,572,091
<b>Total non-current liabilities</b>		<b>17,113,754</b>	<b>17,572,091</b>
<b>TOTAL LIABILITIES</b>		<b>17,597,794</b>	<b>18,110,433</b>
<b>NET ASSETS</b>		<b>85,946,928</b>	<b>85,295,868</b>
<b>EQUITY</b>		<b>85,946,928</b>	<b>85,295,868</b>

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

The Trustees are pleased to present the approved financial report including the historical financial statements of Masterton Trust Lands Trust for the year ended 31 March 2024.



**C Brewster**  
Chair



**J Bunny**  
Deputy Chair

24 June 2024

## Statement of cash flows for the year ended 31 March 2024

	Notes	FULL YEAR 2023/24	FULL YEAR 2022/23
		\$	\$
<b>Operating activities</b>			
<b>Cash inflows from:</b>			
Rental revenue		5,051,257	4,849,088
Rental outgoings recovery		827,171	750,607
Other revenue		105,747	774,318
GST		5,751	11,274
<b>Cash outflows for:</b>			
Payments to suppliers and employees		(2,669,191)	(2,556,671)
Grants		(480,346)	(737,982)
<b>Net cash flows from operating activities</b>		<b>2,840,389</b>	<b>3,090,634</b>
<b>Investing activities</b>			
<b>Cash inflows from:</b>			
Interest		169,662	40,308
<b>Cash outflows for:</b>			
Purchase property, plant and equipment		(46,793)	0
Capital improvements		(314,411)	(448,383)
Purchase of investments		(823,315)	(250,000)
<b>Net cash flows for investing activities</b>		<b>(1,014,857)</b>	<b>(658,075)</b>
<b>Financing activities</b>			
<b>Cash inflows from:</b>			
Proceeds from short-term loans		1,999	0
Proceeds from long-term loans		0	8,250,000
<b>Cash outflows for:</b>			
Interest paid		(1,334,884)	(1,029,699)
Repayment of short-term loans		(1,158)	(9,100,952)
Repayment of long-term loans		(458,337)	(250,002)
<b>Net cash flows for financing activities</b>		<b>(1,792,379)</b>	<b>(2,130,653)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>33,153</b>	<b>301,906</b>
<b>Cash and cash equivalents</b>			
Cash and cash equivalents at beginning of period		1,453,197	1,151,291
Cash and cash equivalents at end of period		1,486,350	1,453,197
<b>Net increase/(decrease) in cash and cash equivalents</b>	4	<b>33,153</b>	<b>301,906</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 \$33 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 2024 and were authorised for issue by the Board on 24 June 2024.

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 includes 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.

### 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 2024 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

	2023/24	2022/23
	\$	\$
<b>Revenue under exchange transactions</b>		
Rent	5,840,148	5,537,175
Tenant recoveries	827,828	737,426
Other revenue	255,462	747,001
<b>Total</b>	<b>6,923,437</b>	<b>7,021,603</b>

## 3 Expenditure includes the following:

<b>Property and tenant outgoings</b>		
Insurance	456,258	400,873
Repairs and maintenance (buildings)	357,020	378,957
Rates	465,108	430,902
Seismic review and remediation design	0	99,796
Other property related expenditure	577,777	472,308
<b>Total</b>	<b>1,856,163</b>	<b>1,782,836</b>
<b>Administration</b>		
Accountancy fees	10,565	9,161
Archiving costs	0	21,783
Audit services	37,049	25,973
Bad debts	2,173	196
Legal expenses	6,258	1,885
Employer contributions to defined contribution schemes	15,465	15,423
Personnel expenses	398,673	390,058
Board members' remuneration	77,659	76,658
Other administrative expenditure	173,415	209,274
<b>Total</b>	<b>721,257</b>	<b>750,411</b>

## 4 Cash and cash equivalents

<b>Current accounts</b>		
ANZ transaction account	798,327	718,193
ANZ maintenance reserve	559,702	674,124
ANZ grant project reserve	128,321	60,881
<b>Total</b>	<b>1,486,350</b>	<b>1,453,197</b>

## 5 Investments

<b>Investments – Short term</b>		
MTLT Maintenance TD 1007	0	750,000
MTLT Maintenance TD 1010	750,000	0
MTLT Maintenance TD 1011	750,000	0
WBS Term Deposit	1,073,315	1,000,000
<b>Total</b>	<b>2,573,315</b>	<b>1,750,000</b>

## 6 Borrowings

<b>The loan instruments are repayable as follows:</b>		
Within 1 year	1,000	158
2 - 5 years	17,113,754	17,572,091
<b>Total</b>	<b>17,114,754</b>	<b>17,572,250</b>

The weighted cost of funding on term borrowings is 7.70% (2023: 6.94%).  
Interest rate swaps matured 1 March 2024 (2023: \$ -91,854).

### Security

The overdraft facility is unsecured. The maximum amount that can be drawn down against the overdraft facility is \$0.5 million (2023: \$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

	2023/24	2022/23
	\$	\$
<b>Accounts receivable</b>		
Accounts receivable from exchange transactions	87,073	26,845
<b>Total</b>	<b>87,073</b>	<b>26,845</b>

## 8 Property, plant and equipment

<b>Fixed assets</b>		
Fixed assets opening cost/valuation	114,587	132,654
Additions	16,793	0
Depreciation	(20,314)	(18,068)
<b>Fixed assets closing value</b>	<b>111,066</b>	<b>114,587</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT EQUITABLE VALUE</b>	<b>111,066</b>	<b>114,587</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	99,935,000	85,974,000
Additions to portfolio	291,586	458,393
Fair value net gain/(loss)	(986,586)	13,502,607
<b>Closing balance</b>	<b>99,240,000</b>	<b>99,935,000</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 2024. 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	194,229	176,425
Education grants	224,656	448,970
Concessional rent grants	786,521	746,413
Civic grants	0	25,000
Arts grants	70,217	121,843
<b>Total grants paid</b>	<b>1,275,623</b>	<b>1,518,650</b>
Less grant recovery	(10,975)	(22,569)
<b>TOTAL GRANTS</b>	<b>1,264,648</b>	<b>1,496,081</b>

## 11 Payables

<b>Payables under exchange transactions</b>		
Accounts payable	87,930	219,549
Accruals	43,548	35,698
<b>Total</b>	<b>131,478</b>	<b>255,247</b>
<b>Payables under non-exchange transactions</b>		
Accrued grants	0	40,801
<b>Total</b>	<b>0</b>	<b>40,801</b>
<b>TOTAL PAYABLES</b>	<b>131,478</b>	<b>296,048</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

	2023/24	2022/23
	\$	\$
<b>Derivative financial instruments</b>		
Non-current interest rate swaps - fair value	0	91,854
<b>Total</b>	<b>0</b>	<b>91,854</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%	16.45%	17.08%
The Trustees will maintain an interest cover of no less than two times	2.90	3.04

## 15 Commitments

The Trust has no capital commitments at 31 March 2024 (2023: nil), and no operating commitments at 31 March 2024 (2023: nil).

## 16 Contingent liabilities

The Trust has no contingent liabilities as at 31 March 2024 (2023: 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: \$30,000 (2023: \$25,000).

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

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

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

Key management personnel compensation		
<b>Board members</b>		
Remuneration	77,659	76,658
Full-time equivalent members	8	8
<b>Management team</b>		
Remuneration (includes employer contribution to KiwiSaver)	387,568	382,289
Full-time equivalent members	3	3
<b>Total key management personnel remuneration</b>	<b>465,227</b>	<b>458,946</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 2024

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 12 to 19, that comprise the statement of financial position as at 31 March 2024, 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 2024; 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 24 June 2024. 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 11, 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





MASTERTON TRUST  
LANDS TRUST

MASTERTON TRUST  
LANDS TRUST





**Masterton Trust Lands Trust**

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